ΕΤΑΙΡΕΙΑ ΕΛΛΗΝΙΚΩΝ ΞΕΝΟΔΟΧΕΙΩΝ
ΛΑΜΨΑ Α.Ε.

LAMPSA HELLENIC HOTELS S.A.

Societe Anonyme Reg. Nr.: 6015/06/B/86/135

Vasileos Georgiou A1, 10654, Athens

ANNUAL FINANCIAL REPORT

For the period ended as at December 31, 2013

According to Article 4 of Law 3556/2007

ΕΤΑΙΡΕΙΑ ΕΛΛΗΝΙΚΩΝ ΞΕΝΟΔΟΧΕΙΩΝ
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A. Representations of the Members of the Board of Directors

(under Article 4, par. 2, Law 3556/2007)

We hereby certify that as far as we know:

(a) the annual, separate and consolidated, financial statements of "LAMPSA HELLENIC HOTELS S.A." for the year 1/1/2013-31/12/2013, which were prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company as well as of the consolidated companies as a total.

(b) the annual management report of the Board of Directors presents in a true and fair view the development, the performance and the financial position of the Company, as well as the companies consolidated as a total, including the description of the main risks and uncertainties they face.

Athens, March 28, 2014

The designees

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	MEMBER OF THE BOARD OF DIRECTORS
GEORGE GALANAKIS I.D. No Ξ 282324	ANASTASIOS HOMENIDIS I.D. No AI 506406	FILIPPOS SPYROPOULOS I.D. No Ξ 393263

B. Independent Auditor's Report

To the Shareholders of LAMPSA HELLENIC HOTELS S.A

Report on the Company's and Consolidated Financial Statements

We have audited the accompanying individual financial statements of LAMPSA HELLENIC HOTELS S.A as well as the consolidated Financial Statements of the Company and its subsidiaries, which comprise the individual and consolidated Statement of Financial Position as at December 31, 2013, and the Income Statement and Statement of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union, as well as for internal controls that management determines are necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these individual and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the individual and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the individual and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the individual and consolidated financial statements.

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

Opinion

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2013, and the financial performance and the cash flows of the Company and its subsidiaries for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Emphasis of matter

We draw attention to Note 5.25 of the financial statements which describes statements which describes the existence of pending court cases of subsidiary company of amount EUR 2.3 million, the outcome of which cannot be estimated at present. Group's Management believes that the outcome of these cases will not materially affect the financial results of the Group. In our opinion there is no qualification in relation to this matter.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by Paragraph 3d of Article 43a of Law 2190/1920.

b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned individual and consolidated Financial Statements, in the scope of the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, 31 March 2014

The Certified Public Accountant - Auditor

George Deligiannis

SOEL Reg. No 15791

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

ΕΤΑΙΡΕΙΑ ΕΛΛΗΝΙΚΩΝ ΞΕΝΟΔΟΧΕΙΩΝ
ΛΑΜΨΑ Α.Ε.

C. Annual Report of the Board of Directors of the company «LAMPSA HELLENIC HOTELS S.A. » on the corporate and consolidated Financial Statements for the year January 1st to December 31st, 2013

Dear Shareholders,

The current Annual Report of the Board of Directors pertains to the closing year from 1/1/2013 to 31/12/2013 and has been prepared in accordance with the provisions of Law 2190/1920 Article 43a paragraph 3, Article 107 paragraph 3 and Article 136 paragraph 2, and the provisions of Law 3556/2007, Article 4, paragraphs 2 (c), 6, 7 & 8 and the decisions of the Capital Market Commission 7 / 448/11.10.2007 Article 2 1/434/3.7.2007 and the Company's Articles of Association. The current report includes the audited consolidated and corporate financial statements, the notes to the financial statements and the Independent Auditor's Report. The current report summarized information on the Group and the Company **«LAMPSA HELLENIC HOTELS S.A. »**, financial information aimed at providing general information to the shareholders and the investing public about the financial performance and the results, the overall course of development and the changes made during the closing year (01.01.2013 - 31.12.2013), significant events that took place and their impact on the financial statements of the year. Also, there is provided a description of the main risks and uncertainties that the Group and the Company may face in the future, as well as significant transactions between the Issue) and its related parties.

The current report accompanies the annual financial statements (01/01/2013 - 31/12/2013) and is included together with the full text of the statements of the BoD members in the annual financial report for the year 2013. Given that the Company also prepares consolidated financial statements, this report is unified, with the principal point of reference of the consolidated financial statements and with reference to corporate financial data of **«LAMPSA HELLENIC HOTELS S.A. »**, only where appropriate or necessary for better understanding its contents.

The report presents an in brief but effective way all the necessary significant, based on the above legislative framework and records, in a true and fair manner, all the relevant information, required by legislation, about **«LAMPSA HELLENIC HOTELS S.A. »** (hereinafter **«The Company»)** as well as the Group.

The following companies are incorporated in the current period:

Company	Func. Currency	Domicile	Participating interest %	Consolidation Method	Participation
LAMPSA HELLENIC HOTELS S.A..	€	GREECE	Parent		
LUELLA ENTERPRISES LTD	€	CYPRUS	100,00%	Full	Direct
NORTH HAVEN LTD	$	HONG KONG	100,00%	Full	Indirect
BEOGRADSKO MESOVITO PREDUZECE	€	SERBIA	93,90%	Full	Indirect
HARVARD INVESTMENTS CORPORATION	$	LIBERIA	100,00%	Full	Indirect
EXCELSIOR BELGRADE SOCIATE OWNED & CATERING TOURIST ENTERPRISES	€	SERBIA	80,33%	Full	Direct
TOURISTIKA THERETRA S.A. .	€	GREECE	50,00%	Proportionate	Direct
WORLD SPIRIT S.A.	$	PANAMA	100,00%	Full	Indirect
MARKELIA ENTERPRISES COMPANY LTD	€	CYPRUS	100,00%	Full	Indirect

A. Financial developments and data on the course of the reporting year

Financial Information

Greece is still facing the effects of a deep and prolonged economic crisis. The global economic downturn coupled with chronic fiscal problems of Greek economy resulted in a reduction in the disposable income of consumers, shrinking consumer spending and, in combination with the lack of promotion of the necessary structural reforms, created a vicious downturn cycle that led to shrinking of the national GDP by 23 % over the last three years.

The country's image in the international media, especially that of Athens, in conjunction with governmental instability and the prolonged election period significantly inhibited the Tourist activity for the first half of 2012 resulting in a record low performance of Hotels, mainly in Athens but also in summer destinations.

The downward trend began to reverse in the second half of 2012 mainly due to the emerging post-election political stability and strengthening of the international image of the country, mainly due to the consolidation of its European perspective.

The first stabilization effects appeared in the Tourist Industry and mainly in the incoming tourism of all categories.

"Grande Bretagne" hotel recorded a 30% sales growth (due to the operation of the «King George» hotel, sales growth for the company in relation to 2012 was 46 %) , the Sheraton Rhodes Hotel recorded 31% sales growth , and only «Hyatt Regency Belgrade» hotel recorded an 8% decrease in sales. In terms of EBITDA, sales growth, economies of scale between Grande Bretagne & King George Hotels and the containment of expenses, labor peace and the response of workers in the effort to increase competitiveness started to bear fruit, with an increase of about 4.39 mil. euro to the Group and 3.97 mil. euro to the Company in relation to the corresponding period of 2012.

Room occupancy ratio of the hotel industry in Athens grew by 11.0% compared to 2012, adjusting the ratio to 59.8%, while in the luxury hotels it increased by 11.0%, recording a 56.1% occupancy rate compared to 50.6% in 2012 . Smaller scale adjustments were made to the average room rate of luxury hotels, amounting to 2.2% growth compared to 2012.

The aforementioned reasons have had the same positive effect on the Sheraton Rhodes Hotel. Finally, hotel operations in Serbia showed stagnation due to reduced purchasing power of demand.

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

Results for 31-12-2013				
	Grand Bretagne	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	€ 124,40	€ 65,11	€ 81,87	€ 40,68
Hotel occupancy rate	52,63%	48,90%	75,27%	65,43%
Average hotel room price	€ 236,36	€ 133,27	€ 107,20	€ 62,17
Results for 31-12-2012				
	Grand Bretagne	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	€ 89,69	€ 69,77	€ 61,75	€ 43,16
Hotel occupancy rate	40,39%	52,60%	61,24%	60,00%
Average hotel room price	€ 222,08	€ 132,57	€ 100,83	€ 71,32

Value creation and performance measurement factors

The Group evaluates results and performance on a monthly basis, timely and effective identifying deviations from the goals and taking corrective measures. The Group's performance is measured using the following international financial performance indicators:

- ROCE (Return on Capital Employed) - The index divides the earnings before interest and taxes to total capital of the Group which is the sum of equity, total loans and long-term forecasts.

- ROE (Return on Equity) - The index divides the profit after tax attributable to equity holders of the parent by the equity attributable to shareholders of the parent.

The above indicators for 2013 compared to 2012 were as follows:

	31/12/2013	31/12/2012
ROCE	1,18%	-1,99%
ROE	4,11%	-5,21%

B. Significant Events

SIGNIFICANT EVENTS DURING THE FISCAL YEAR 2013

The Company and Eurobank Ergasias SA bank signed on the 24th of December 2012, the final notarial agreement for the long-term lease of the King George Palace Hotel, property of the Bank. The agreement became effective in March 2013, with the receipt of the hotel , and provides long-term lease of the hotel for 10 years with a possible extension for a further two year period. Management of the hotel was assigned to the Starwood group who also manages the Grande Bretagne Hotel. King George Palace Hotel will maintain it' s hotel identity under the new lessee.

Under this agreement, LAMPSA AE demonstrated their trust in Greek Tourism and Athens as a destination in a crucial period for the country, with the hope that despite the prevailing conditions in the city center and the declining image of Athens in the global media, the situation can only be reversed. The Company proceeded with immediate projects to upgrade the hotel to create yet another international and competitive branded product, as the Grande Bretagne Hotel.

The hotel, after the completion of the project, started operating on the 5th of June 2013.

The Group's hotels in Serbia were adversely affected by the crisis in the former eastern European countries and the increasing competition (especially in average room rate), since there are now two new competitive hotel units in Belgrade.

World Spirit LTD, following the relevant decisions of the General Assembly, made a gradual reduction of the share capital until 30/6/2013 of $ 3.750 thousand, paying the parent company LAMPSA SA. Also, the same company after relevant decisions of the General Assembly made gradual dividend payments until 31/12/2013 of $ 1,230 thousand to its shareholder in Cyprus, Luella Enterprises Company Ltd. For the year 2014 it is estimated that approximately $ 2.200 mm dividends will be paid to the parent company.

During 2013, the parent company received from its vendor company TOURISTIKA THERETRA, compensation of an aggregate gross amount thousand € 1.706 (net thousand € 1.600), according to the relevant term of the sale contract. The relative term forecasted that any amount of the cancelled tax claim will be returned to the buyers (total amount at the market date thousand € 2.849), neither will have or cannot be, by the law, offset until 31/5/2013, with tax obligations of TOURISTIKA THERETRA S.A., that will come along due to earnings, that the company may generate until 31/12/2012. The above tax claim, is concerned to the right of indefinite term tax-free discount of Law 1892/1990. The paid amount, referring as a compensation, was interest-bearing with an annual interest, calculated, in proportion with the long-term bond interest that TOURISTIKA THERETRA S.A. contracted. The interests run at € 230 thousand. After that, LAMPSA and the other shareholder paid the receivable amount (each € 1.600

thousand approximately), to the TOURISTIKA THERETRA as an increase in company equity capital. LAMPSA operated equal deduction of the amount in thousands in its participation, that turn back to the group. The income statements of the group increased by an amount of € 1.706 thousand.

During the current period, the liquidation of the subsidiary company GRANDE BRETAGNE Limited was completed. This liquidation didn't affect neither the items of the parent company or those of the group.

On 16/12/2011, there were imposed fines under the Code of Books and Records on the parent company totaling € 7.584 thousands, on the ground that it did demand and did not receive tax documents in respect of lease from the contracting company regarding fixed assets for the years 2003-2008. The Committee under Article 70A of Income Tax Code Law 2238/94, to which the company applied, following its decisions of 04.11.2013, cancelled the decisions imposing fines under the Code of Books and Records, reformed its content and redefined the fine as an amount € 26.400 (4.400 x 6) plus stamp duties, an amount that the company until the date of approval of the Annual Financial Statements has fully paid to the competent Tax Department.

On 9th January 2013 the procedure of the public offer was completed and the parent company acquire 7.347 shares, of the company EXCELSIOR A.D. BEOGRAD (percentage 9,50%) with offered price per share 1.440,00 RSD, that is approximately 12,86 €. The company «**LAMPSA HELLENIC HOTELS S.A.**», after the completion of the public offer, holds more than 62.104 shares (percentage 80,33%) of the company EXCELSIOR A.D. BEOGRAD. From this increase in the percentage of the participation, a negative surplus value (profit) of € 599 thousand arose, which was recognized directly in consolidated equity.

The group on 31/12/2013 had negative working capital, as the short-term liabilities exceed the quick assets at € 8.633 thousand (parent's € 9.398 thousand). The most significant part of the short-term liabilities (54% group - 55% parent) concerns to short-term loans and instalments of long-term loan, paid to the next FY. During the months April and June of 2013, the parent company paid in bank capital amount of € 1.400 thousands, on August amount of € 600 thousands were paid and also on November of 2013, the last instalment of the bond, amount of € 15.500 had to be paid, but the Administration of the company on 30/12/2013 proceed to the modification of the contract with the lending bank Alpha Bank relatively to the restructuring of the payment covenant and the conditions of the underlying balance of thousands € 15.500 of the bond of the parent company. With this agreement, the period of the loan payment was extended until 21/11/2018 with the option of extension for two more years. It was also agreed the increase of the margin interest for the next two years from 4,5% to 4,75% and also the decrease of the margin interest for the last year from 4,5% to 4,25%.

By the 21/1/2013 changing conditions of the bond loan of TOURISTIKA THERETRA SA agreed to transfer repayment installments two years, 2013 and 2014 to 2015 and the period of the loan was extended until 18/2/2020. Each year two six monthly installments amounting thousand € 1.322 will be paid (towards thousand € 1.120). As reference rate defined as the Euribor and the margin defined by 18/2/2012 and thereafter 1.5% per year.

In addition, the company is in the final stage of agreement with the lending bank Eurobank concerning the modification of the repayment of the loan. It will be transferred the installment due amount of thousand € 900 debenture and the integration of the end of March 2018. This restructuring has been approved by the Credit Committee of the Bank in April 2014 is expected to sign additional amending act of the repayment schedule.

In addition, during the current period the company TOURISTIKA THERETRA S.A. has paid principal amount of thousand € 4.146.

Without taking into account short-term borrowings, working capital of the group becomes positive at € 1.074 thousand and the company's negative at thousand € 1.691.

As mentioned above, the parent company in the current period return of capital received from subsidiaries and dividends amount of thousand € 3.725 and is estimated to provide an additional amount of dividends thousand $ 2.200 in current year.

The estimates of the administration are that the cash flow from operating activities in the next year 2014, together with the dividends earned, will satisfy short-term obligations.

The two main shareholders of the parent company «NAMSOS ENTERPRISES COMPANY LIMITED» and «DRYNA ENTERPRISES COMPANY LIMITED», representing 28.48% share in the share capital of each (total of 56.96%) bound to meet any needs, despite the fact it seems that you will not need, for working capital for at least the next twelve months from the date of approval of the annual financial statements of 31/12/2013.

It is also noted that the financial statements of the companies, which are included in the consolidation, have been drafted according to the going concern principle.

In conclusion, on 9/7/2013 the Annual Regular General Meeting of the company «**LAMPSA HELLENIC HOTELS S.A.**» took place, in which legal shareholders were participated, representing 14.981.538 Common shares of total (21.364.000) Common shares of the company, that is almost 70,13%, and decided unanimously upon the issues of daily agenda, the following:

(1) Approved the annual financial statements of LAMPSA S.A. (Corporate and Consolidated) and also the Annual Financial Report of the Board of Directors for the year 2012 (1.1.2012 - 31/12/2012),
(2) Approved the release of the members of the Board of Directors and Certified Auditors from the responsibility of compensation for the draft and the audit of the annual financial statements, and furthermore the management of corporate affairs and stuff for the year 2012,
(3) Elected, for the audit of the annual and periodical financial statements of the company for the year 2013,an auditing company and defined its fee,
(4) Approved payment of compensations of amount of 90.308 Euro to the members of the Board of Directors for the year 2012 and pre-approved amount of 45.000 Euro for the year 2013.
(5) Decided the approval of sign of the treaty of provision of services with the Chief Executive Mr. Anastasios Homenidis.
(6) Decided the modification of the article 24 of the Memorandum of the company,
(7) Via some statements, the Company informed the shareholders for the process of its operations. In addition, there was communicated the intention of the organization to transfer the stakes of its by 100% subsidiaries companies HARVARD and WORLD SPIRIT to its also by 100% subsidiary company LUELLA ENTERPRISE Co.

The Group hotels in Serbia were negatively affected from the volatility of the political situation of the country and from the increase of competition (especially in the average price of the room), as since 2012 two new hotels were established in Belgrade.

The aforementioned events resulted in the following significant items of the Financial Statements:

- **Turnover** in 2013 at consolidated level stood at € 43.516 thousand compared to € 34.844 thousand in 2012, representing an increase of 24.89%. The turnover of the parent company (Hotel "Grande Bretagne" and King George) amounted to € 27.020 thousand from € 18.506 thousand in 2012, an increase of 46.01% for the same reasons. The involvement of King George stood at € 2,7.mil.

- **Consolidated gross profit** amounted to € 12.265 thousand from € 6.425 thousand in 2012, an increase of 90.88 %, while gross profit margins increased from 18.44 % in 2012 to 28.18 % in 2013. Gross profit of the parent company amounted to € 6.660 thousand compared to € 1.300 thousand in 2012, an increase of 412.23 %. The gross profit margin of the Company stood at 24.65 % in 2013 from 7.03 % in the previous year. The increase was primarily due to the strong growth in turnover and therefore the improvement of profit margins due to relatively stable wage costs, a major component of the cost of sales.

- The Group's **other income** did not present any significant changes.

- **The operating profit (before interest, taxes, depreciation and amortization-EBITDA)** amounted to € 7.356 thousand compared to € 2.968 thousand in 2012, representing an increase of 147.8%. The operating results of the parent company amounted to € 2.028 thousand profit in 2013 compared to € 1.939 thousand loss in 2012.

- **The financial cost of the company** was positively influenced by € 293 thousand mainly due to the reduction of capital.

- The parent company, burdened the result of the previous year (**Results of associates**) with € 3.000 thousand conducting equal provision for impairment of participation in TOURISTIKA THERETRA S.A.The above impairment did not affect the group's results. The group conducted the prior year impairment of goodwill of the company by €331 thousand. In the current year, the additional impairment conducted amounted to approximately € 1.850 thousand. Also during 2013, the parent company received from the selling company TOURISTIKA THERETRA, total gross compensation amount € 1.706 thousand (net € 1.600 thousand), in accordance with a relevant condition of the sale agreement.

- The Group **earnings before tax** amounted to profit of € 1.846 thousand compared to € 5.291 loss in 2012. Loss before tax of the Company amounted to € 1.011 thousand compared to loss of € 8.842 thousand in 2012.

- The Group **net earnings (after tax and before non-controlling interests rights)** amounted to € 3.425 thousand compared to losses of € 4.142 thousand in 2012. Net profit for the year amounted to € 379 thousand compared to losses of € 6.250 thousand in 2012.

- During the year, the Company's and the Group's **net investments in tangible and intangible assets** amounted to € 2.164 thousand and € 3.328 thousand (2012: € 120 thousand and € 1.019 thousand respectively). The investments of the Parent Company focused on the renovation of the King George Hotel.

SIGNIFICANT EVENTS AFTER THE YEAR END

The company is at the final stage of an agreement with the lending bank Eurobank concerning the modification of the repayment scheme of the loan. Specifically, the installment due amount of € 900 thousand € debenture will be transferred and integrated at the end of March 2018. This restructuring has been approved by the Credit Committee of the Bank and in April 2014 an additional amending act of the repayment plan is expected to be signed.

C. Risks & Uncertainties

Financial Risk Factors

The Group is exposed to financial risks such as changes in exchange rates, interest rates, credit risk, liquidity risk and fair value interest rate risk. The overall risk management of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

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

Currency Risk

The Group operates internationally and therefore is exposed to foreign exchange risk arising primarily from U.S. dollar. This type of risk arises mainly from loans and deposits in foreign currency as well as net investments in foreign entities. The Group holds investments in foreign entities, net assets of which are exposed to foreign currency exchange rates (primarily the U.S. dollar USD). The exchange rate risk of this kind arises from the rate of these currencies against the euro, partially offset by corresponding liabilities (e.g. loans) of the same currency.

Financial assets and liabilities in foreign currency, translated into euros at the closing rate, are as follows:

	2013	2012
Nominal amounts	**US$ '000**	**US$ '000**
Financial assets	5	1.730
Financial liabilities	(2.250)	-
Short-term exposure	**2.245**	**1.730**
Financial assets	0	0
Financial liabilities	(10.627)	(11.948)
Long-term exposure	**(10.627)**	**(11.948)**
Total	**(12.872)**	**(10.218)**

The following tables show the sensitivity of the earnings for the year and equity in relation to financial assets and financial liabilities and the exchange rate Euro / Dollar.

We assume a change of 0.70% in the 31 December 2013 exchange rate of EUR / USD (2012: 2.95%). These percentages were based on the average market volatility in exchange rates for a period of 3 months from the end of each year (31/12).

In case where the € appreciates compared to the above currency, with the percentages mentioned above, the results on the earnings for the year and equity will be as follows:

	2013	2012
	US$ '000	**US$ '000**
Income Statement	(75)	(310)
Equity	(75)	(310)

In case where the € depreciates compared to the above currency, with the percentage mentioned above, the earning for the year will be affected as follows:

	2013	2012
	US$ '000	**US$ '000**
Income Statement	74	293
Equity	74	293

The Group's exposure to currency risk varies during the year depending on the volume of transactions in foreign currency. However, the above analysis is considered representative of the Group's exposure to currency risk.

Credit Risk & Liquidity Risk

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

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

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

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

The following table shows the sensitivity of the results for the year and equity to a reasonable possible change of interest rate of 1.0 % or 1.0% (2012: + / -1 %) . These changes are estimated to move on a reasonable basis in relation to market conditions.

	01/01-31/12/2013		01/01-31/12/2012	
Amounts in thousand €	1,0%	-1,0%	1,0%	-1,0%
Income Statement	(649)	649	(690)	690
Equity	(649)	649	(690)	690

D. Prospects & development for the new year

The country's tourism industry shows obvious signs of recovery. Already the first positive signals were seen during 2013, when instability of tourist destinations in the region works beneficial to the destination Greece as a safe country in the Eurozone. The "Grande Bretagne" Hotel showed a 30% increase in sales, the Sheraton Rhodes Hotel showed sales increase of 31%, and only the «Hyatt Regency

Belgrade» Hotel showed sales decrease of 8%. For 2014 the upward trend of sales in the hotels of Greece is expected to be continued, while it is estimated that stagnation will remain at the Hotels of Serbia. For the latter, it seems that due to forthcoming EU membership in conjunction with foreign (especially Arab) investments, demand for tourism professionals will start recovering. Simultaneously, the significant contribution to the Group of the integration of King George Hotel is expected to be significant because of the economy of scale that the synergy of the two hotels will bring both at management level and at the level of personal development, as well as to the turnover of the company.

The Management regularly monitors the progress of the real economy. With springboard the successful course of the Group, both in Greece and abroad, management believes that the current economic crisis continues to affect the hotel market, in which the Group operates. Finally, the Administration applies successful adjustment program of debt obligations in the new banking environment in order to maintain favorable credit conditions.

Consequently, the Management will focus on the following objectives:

1. Maintaining sufficient profit margins by reducing expenditure and effort to reduce wage costs. Towards this purpose it is expected to help the new insurance regulatory framework that will contribute to business sustainability and growth of competitiveness. The main concern of the Administration remains however, remains the maintenance of services and jobs high quality.

2. Focus on smooth and profitable operation of hotels owned by the company in the Belgrade and Rhodes .Specifically, the company will focus on efforts to increase the rate of profitability of the Hyatt Regency Belgrade Hotel, the further development of Excelsior Belgrade Hotel and further revenues increase from the operation of the Sheraton Rhodes Hotel. It is mentioned that there are renovations to modernize 4 floors in progress at the Hyatt Regency Belgrade Hotel (BMP) , while a new floor (penthouse) has been erected at the Excelsior Belgrade Hotel, which will increase capacity in the first class rooms with high average room. by 12 %.

3. Completion of planned investments in above hotels. Alternative methods of recovery under the new legislation for joint tourism uses will also be examined, especially for the Sheraton Hotel Rhodes.

4. After the completion of negotiations with Hyatt International to reduce management fees of Hyatt Regency Belgrade Hotel , this saving is expected to contribute both to the improvement of the economic size of the hotel and to finance from its own resources renovation projects . Significant reduction in management expenditure due to reorganization of administrative services is also expected. Significant effect in sizes will bring drastic salary reduction in Hotel's owner Company BMP Administration salary.

5. After the completion of the agreement with the Bank Eurobank Ergasias for long-term leasing of King George Hotel and integration of direct upgrade works, the historic Hotel started operating under the management of the multinational group Starwood Hotels & Resorts Worldwide Inc. at the category Luxury Collection of luxury hotels. Emphasis will be given to offer excellent service to customers and to maximize profitability, leveraging synergies with the adjacent hotel, Grande Bretagne Hotel.

6. Further development of the Group will be considered in accordance with the impact of the international crisis in Greece and abroad.

To achieve the above mentioned objectives and to meet the highly volatile market conditions and the tight financing policy of banks, while aiming to strengthen the Group's cash and the planned growth financing for 2014 through equity, the administration will constantly monitor the progress of work on a monthly basis and will intervene directly to ensure adequate liquidity.

Finally, the Group's Management under the uncertainty of the global financial crisis, the difficulty in determining the depth and duration of the current economic recession and the inability of forming reliable estimates for the tourists especially the summer semester, announces that it will not publish estimates of the financial performance of the next year 2014.

E. Related parties transactions

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

(a) Transactions between the Company and any related party made during the fiscal year 2013, which have materially affected the financial position or performance of the Company during the mentioned year,

(b) any changes in the transactions between the Company and any related party described in the last annual report that could have a material effect on the financial position or performance of the Company during 2013.

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

(a) the amount of such transactions for the year 2013

(b) the outstanding balance at the end of the year (31/12/2013)

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

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

Specifically, transactions and balances with related legal entities and natural persons, as defined by the International Accounting Standard 24 on 31/12/2013 and 31/12/2012 respectively, are as follows:

Amounts in thousand €	**THE GROUP**		**THE COMPANY**	
Sales of services	**01/01-31/12/2013**	**01/01-31/12/2012**	**01/01-31/12/2013**	**01/01-31/12/2012**
Subsidiaries/jointly controlled entities	-	-	-	-
Total	**-**	**-**	**11**	**-**
Acquisition of services	**01/01-31/12/2013**	**01/01-31/12/2012**	**01/01-31/12/2013**	**01/01-31/12/2012**
Subsidiaries/jointly controlled entities	-	-	4	-
Total	**-**	**-**	**4**	**-**
Balance of Receivables	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Subsidiaries/jointly controlled entities	3	137	16	151
Other associates				
Total	**3**	**137**	**16**	**151**
Balance of Liabilities	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Subsidiaries/jointly controlled entities	-	-	23	-
Other associates				
Total	**-**	**-**	**23**	**-**

Out of the above transactions, any transactions and outstanding balances with subsidiary companies have been excluded from the consolidated financial statements of the Group. In addition, receivables / loan liabilities between subsidiary companies of total amount € 4.865 thousand and accordingly interest income / expenses of € 374 thousand and FX differences income / expenses / Capital Reserve of € 212 thousand are also excluded from the consolidated financial statements.

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

	THE GROUP		**THE COMPANY**	
Amounts in thousand €	**01.01-31/12/2013**	**01.01-31/12/2012**	**01.01-31/12/2013**	**01.01-31/12/2012**
Executives & BoD members				
Salaries – Fees	1.102	1.431	461	562
Social Insurance Cost	184	197	93	68

Bonus	116	(31)	89	(6)
Remuneration	-	-		
Total	**1.403**	**1.598**	**643**	**624**

Finally, it is noted that already booked Staff leaving indemnities for both the Group and the Company include € 53 thousand and € 41 thousand for top-level management and BoD members respectively while indemnities booked in the last Income Statement come up to € 8 thousand and € 6 thousand respectively.

It is, also, noted that no loans have been granted to BoD members and top-level management or their families.

F. Dividend policy

The General Meeting of shareholders has decided to pay no dividends as a result of the recorded losses in FY 2012. In addition, as a result of the accumulated losses brought forward, the company BoD will not propose a distribution of dividends to the Annual Regular General Meeting of Shareholders.

Information under par. 7 and Explanatory Report according to par. 8 of article 4 of Law 3556/2007

The present explanatory report of the company BoD to the Annual Regular General Meeting of the Shareholders includes information on issues addressed in article 4 of Law 3556/2007.

A) Capital Structure of the Company

The Company share capital amounts to twenty three million nine hundred twenty seven thousand six hundred and eighty euro (€ 23.927.680), divided in twenty one million three hundred sixty four thousand (21.364.000) common shares with voting rights of nominal value one euro and twelve cents (€ 1,12) each. Company shares are listed in the Athens Stock Exchange (Low Dispersion Special Segment).

Every common share provides one voting right to the General Meeting of Shareholders.

Shareholder rights are proportional to the value of the shares owned. Each share confers all the rights provided by law and the company memorandum of association, and in particular:

• dividend rights from annual profits or liquidation profits of the Company. Each year, an initial dividend equal to 35% of net profits after the deduction of the regular capital reserve is distributed to shareholders, while the payment of an additional dividend is decided by the General Meeting of Shareholders. All shareholders registered in the company Shareholders Registry are entitled to dividends. Dividends are paid to each shareholder within ten days from the Annual General Meeting of Shareholders which approved the annual financial statements. Payment method and place is announced through press. Dividend rights are cancelled and transferred to the State after the expiration of a 5-year period commencing at the end of the year on which the General Meeting of Shareholders approved the dividend distribution,

• rights arising from the liquidation of the company or capital returns decided by the General Meeting of Shareholders,

• pre-emption right to acquire new shares in cash issued by the Company in an issue right,

• right to receive copies of the financial statements and reports issued by the Auditors and the Company Board of Directors,

• right to participate in the General Meeting of Shareholders which includes the following individual rights of legalization, attendance, participation in discussions, submission of proposals on issues included in the agenda, expressing opinions recorded in the minutes of the Meeting and voting.

• The General Meeting of the shareholders of the Company maintains all of its rights in the event of company liquidation (according to paragraph. 4 of Article 38 of the Statute).

The liability of Shareholders is limited to the nominal value of their shares.

B) Restrictions on the transfer of Company Shares

The transfer of Company shares is conducted according to the provisions of the Law. There are no restrictions imposed by the Company memorandum of association with regards to the transfer of shares given the fact that the Company is listed on the Athens Stock Exchange.

C) Significant direct or indirect participations in the context of articles 9 - 11 of Law 3556/2007

The significant participations of the Company according to articles 9 -11 of Law 3556/2007 are the following:

Shareholders (individuals or legal entities) with a direct or indirect participation greater than 5% of the total number of Company shares, as of 31/12/2013 are presented in the table below:

TITLE	PERCENTAGE
NAMSOS ENTERPRISES COMPANY LIMITED	28,48%
DRYNA ENTERPRISES COMPANY LIMITED	28,48%
HOMERIC DEPARTMENT STORES S.A.	8,25%
TALANTON INVESTMENTS INC	5,16%
Total	70,37%

Shareholders (individuals or legal entities) with a direct or indirect participation greater than 5% of the total number of Company Shares, as of 28/03/2014 are presented in the table below:

TITLE	PERCENTAGE
NAMSOS ENTERPRISES COMPANY LIMITED	28,48%
DRYNA ENTERPRISES COMPANY LIMITED	28,48%
HOMERIC DEPARTMENT STORES S.A.	8,25%
TALANTON INVESTMENTS INC	5,16%
Total	70,37%

D) Shareholders with special controlling rights

There are no Company shares that provide special controlling rights to their holders.

E) Restrictions on voting rights

The Company memorandum of association does not set any restrictions on voting rights provided by its shares.

F) Agreements between shareholders which entail restrictions on the transfer of shares or restrictions on voting rights

Shareholder, NAMSOS ENTERPRISES COMPANY LTD, **as of 28/03/2014**, had 3.896.248 common Company shares pledged in favor of EFG EUROBANK SA. As a result, transfer of the above-mentioned shares falls under restrictions.

NAMSOS ENTERPRISES COMPANY LTD has maintained its voting rights.

Major shareholder, DRYNA ENTERPRISES COMPANY LTD, **as of 28/03/2014**, had 3.896.248 common Company shares pledged in favor of EFG EUROBANK SA. As a result, transfer of the above-mentioned shares falls under restrictions.

DRYNA ENTERPRISES COMPANY LTD has maintained its voting rights.

TVoting right in respect of the aforementioned shareholders is held NAMSOS ENTERPRISES COMPANY LTD.

G) Guideline on the appointment and replacement of BoD members and on memorandum of association amendments

The relative rules and regulations set in the Company memorandum of association on the appointment and replacement of BoD members and on the amendment of articles of the memorandum are in line with the provisions of Law 2190/1920.

H) Authorities of the Company BoD or BoD members on the issuance of new shares or the re-purchase of Company shares

A) According to Article 13 paragraph 1 element b) and c) of Law 2190/1920 and in conjunction with Article 6 of the Company memorandum of association, the BoD has the right, following a decision of the General Meeting of shareholders which is subject to the disclosure requirements of article 7 b of Law 2190/1920, to increase the Company share capital by issuing new shares. A decision must be taken by a majority of at least two thirds (2/3) of BoD members.

In this case, the share capital may be increased by up to the amount of the paid-up capital up on the date the Board of Directors was given this authority by the General Meeting. This BoD right may be renewed by the General Meeting for a period of up to five years.

B) In accordance with the provisions of Article 13 § 13 of Law 2190/1920, following a decision of the General Meeting of shareholders, a stock option plan may be offered to BoD members and staff in the form of stock options, according to the specific terms of this decision. The General Meeting defines mainly, the maximum number of shares that may be issued, which by law, cannot exceed 1/10 of the existing shares if the holders exercise their options, the price and terms of offering of shares to beneficiaries.

The Board, by resolution, regulates any other relevant details that are not regulated by the General Meeting, issues certificates of stock options and every December issues shares to the beneficiaries who exercise their options, increasing respectively the share capital and confirming the increase.

C) As of today, the General Meeting of shareholders of the Company has not decided to implement a share repurchase program in accordance with the provisions of Article 16 of Law 2190/1920.

I) Significant agreements which take effect, are altered or terminated in the event of a change in the control of the Company following a public tender offer

There are no agreements which take effect, are altered or terminated in the event of a change in the control of the company following a public tender offer.

J) Agreements that the Company has made with BoD members or its staff, which involve compensation in case of resignation or termination of employment with no material cause as a result of the public tender offer.

There are no agreements between the Company and BoD members or its personnel, which involve compensation in case of resignation or termination of employment with no material cause as a result of the public tender offer. The accumulated Staff Leaving Indemnities, resulting from the implementation of the provisions of L.3371/2005, as of 31/12/2013, reached € 1.956 thousand for the group, and € 1.872 thousand for the company. There is no provision for compensation for BoD members.

CORPORATE GOVERNANCE CODE OF THE COMPANY «LAMPSA HELLENIC HOTELS S.A»

1. Introduction

This Code of Corporate Governance (the "CCG") includes the corporate governance practices applied by the company so voluntarily and in requirement of existing law (L.2190/1920, L. 3693/2008. L.3884/2010 etc.). It aims not only to comply with the provisions of Law 3873/2010, but also to improve information of private and institutional shareholders.

The adopted principles of corporate governance code affect the operation, the procedures and decision making at all levels of the Company's activities, seeking to ensure the necessary transparency on equal terms to all interested parties.

In this context, the Company took into account the general principles of the Draft Greek Corporate Governance Code of Hellenic Corporate Governance Council (HELEX).

GENERAL PRINCIPLES

1. Role and responsibilities BoD

The BoD should direct the affairs of the company for the benefit of the company and shareholders, ensuring fair and equitable treatment of all shareholders.

In performing its duties, the BoD should take account of the parties, whose interests are connected with those of companies, such as the customers, creditors, employees and the social groups directly affected by the company's operation.

The main issues to be decided collectively decided by the BoD should be included:

-the approval of long-term strategic and operational objectives of the company,

-the approval of the annual budget and the business plan,

- Decisions on significant acquisitions and divestitures,

- The selection of senior executives at the company, combined with the monitoring of administrative hierarchy and succession

- Ensuring the reliability of financial statements and company details, financial information systems and data and information made publicly available, and ensuring the effectiveness of internal audit and risk management,

-The prevention and handling possible cases of conflict of interest between the company and the other by the Management, BoD members or major shareholders (including shareholders with direct or indirect power to shape or influence the composition and behavior of BoD),taking into account transparency and the protection of corporate interests,

- ensuring an effective compliance process company with relevant laws and regulations,

- the responsibility of making decisions and monitoring the effectiveness of the company's management, and

-the formulation, dissemination and application of the basic values and principles of the company, governing its relations with all parties, whose interests are associated with the company.

2. Size and composition of the BoD and senior management

The size and composition of the BoD should allow the effective exercise of their duties, taking into account the size, activity and ownership of the business. The board and senior management should be characterized by a high level of integrity and possess diverse knowledge, skills and experience to meet their corporate objectives. Nominations for the BoD will be made on merit and objective criteria. The board should ensure the smooth succession of members, and senior management, with a view to long-term business success.

3. Duties and conduct of BoD members

Each board member is subject to legal liability of loyalty to the company. It should therefore act with integrity and in the interest of the company to have sufficient information about the transactions with related companies and to preserve the confidentiality of non- public information available. The board directors and persons holding powers conferred by this, should not have a competitive relationship with the company and should avoid any role or activity that creates or appears to create a conflict between their personal interests and those of the company, including having a spot on the Board or management of competing companies without the permission of the General Assembly. Board members should contribute their experience and commit to their duties the necessary time and attention. They should also limit accordingly other professional commitments in particular any Board other companies) . Board members should try to participate in all meetings of the Board and the committees on which they take part. The board should regularly assess its effectiveness in fulfilling its duties, and that of its committees. The independent board members have the right to submit to the General Meeting of Shareholders reports and statements, separately from the other members of the Board, in case they deem it appropriate.

4. Election- Operation of the BoD

Nominations for the BoD will be made on merit and objective criteria, aiming to the achievement of a balance between adequate representation of the majority, but also to ensure the effective participation of the independent non-executive members.

Depending on business needs, the board should meet with the needed frequency to effectively perform their duties. The Chairman should be responsible for setting the agenda, ensuring the proper organization of the Board's work, but also the efficient conduct of its meetings. The information provided by the Management Board should be timely, so as to enable it to cope effectively with the tasks arising from its responsibilities. It should be the responsibility of the President to ensure accurate and timely information to members of the Board, and effective communication with all shareholders, focusing on a fair and equivalent treatment of the interests of all shareholders.

5. System of Internal Audit

The BoD should ensure the accuracy and reliability of the financial statements and the correctness of announcements, which are imposed in order to present to investors a clear picture and valuation of real position and prospects of the company.

The BoD should maintain an effective system of internal audit aiming to safeguard the assets of the company, and the identification and dealing with the most significant risks. It should monitor the implementation of the company's strategy and review it regularly. The main risks to be faced and the effectiveness of internal audit in managing these risks should be reviewed periodically.

The review should cover all essential audits, including financial and operational audits, compliance audit and audit of risk management systems. The Board, through the audit committee should also be in direct and regular contact with the statutory auditors in order to receive regular updates from the past in relation to the proper functioning of the internal audit system.

6. Level and structure of remuneration

The level and structure of remuneration should aim to attract and retain BoD members, managers and employees in the company, adding value to the company with their skills, knowledge and experience. The level of remuneration should be in line with their qualifications and their contribution to the company. The BoD should have a clear picture of how the company pays its executives, especially those who have the appropriate qualifications for the effective management of the company.

7. Communication with shareholders

The BoD should ensure the continuous and constructive dialogue with shareholders of the company, particularly those with significant shareholdings and a long-term perspective.

8. The General Assembly of Shareholders

The BoD should ensure that the preparation and conduct of the General Assembly of Shareholders facilitate the effective exercise of shareholders' options, who should be fully informed on all matters related to their participation in the General Assembly, including of the daily agenda items, and their rights at the General Assembly. The board should facilitate, within the framework of the relevant statutory provisions, the participation of all shareholders in the General Assembly, without discrimination. The BoD should utilize the General Assembly of shareholders to facilitate meaningful and open dialogue with the company.

Part A - The BoD and its members

1. Role and responsibilities of the BoD

The roles of both the BoD and Management are identified and clearly documented in the Memorandum of corporation and the internal procedure. It is the competent corporate body which decides each transaction regarding the administration and management of the Company, subject to the exclusive competence of the General Assembly by the law or by the prescribed topics Memorandum.

The BoD adopts clear policy devolution to the Management, which includes a list of issues that the BoD has the authorization to decide. For the achievement of company's objectives and the efficient and flexible operation of the Company, the BoD may delegate any of its responsibilities, except those that require collective action to one or more members of the BoD or to members outside the BoD.

For the performance of the service may be appointed by the BoD one General Manager either by the members of the BoD, or outside it. The General Manager who is not a director may attend the meetings of the BoD without voting right, after permission by the BoD.

In order for the company to take validly responsibilities, two signatures are always required for which the Chairman of the BoD, Vice president and General Manager are authorized, if not prevented any of these three, other authorized BoD member appointed for that purpose by the BoD. Besides the persons mentioned above, the BoD may grant an authorization of first or second signature to other persons selected among senior executives in accordance with the requirements of the service.

The company, in the name of the BoD, is outwardly and before all administrative or judicial authorities represented by the Chairman of the BoD or the Vice President, if any of them is unavailable, the General Manager or one of the BoD members appointed by the BoD.

In order to ensure the effective functioning of the BoD, an audit committee has been established, responsible for monitoring financial information, the effective operation of internal audit and risk management systems, and supervision and monitoring of statutory audit as well as the issues related to objectivity and independence of statutory auditors.

2. B.o.D. size and composition

Considering that the size and composition of the B.o.D. should allow the effective exercise of its functions and reflect the size, activity and ownership of the business, the Company is managed under the Statute, by a Board of Directors consists of seven to ten (7-10) members, executive and non-executive directors in accordance with Law 3016/2002 as applicable, shareholders or not, elected by the General Meeting of shareholders.

The size and composition of the B.o.D. of the company must ensure balance between executive, non-executive and independent non-executive members. So the B.o.D. is for the third at least of non-executive members (including independent non-executive directors). The executive, non-executive and independent members of the Board appointed by the General Meeting.

The executive members of the B.o.D. dealing with the daily management of the company and maintain some form of employment relationship with it.

The non-executive members participate in decisions and monitor the activities of the Company. It is responsible for the promotion of all corporate issues, participates in any boards and committees and is particularly responsible for upholding the principles of good corporate governance. Among the non-executive members are two (2) independent directors who meet the independence requirements imposed by applicable law.

The non-executive members maintain independence in the investigation of issues to consider, with the goal of providing substantive work and create a climate of trust between the Board of directors and senior executives and managers.

The responsibilities of President and CEO should not be coincided to the same person. Further, if the President of the Board is an executive member will be appointed non-executive Vice Chairman. The B.o.D. of the Company will be assisted by a Secretary, chief executive or lawyer who will attend B.o.D. meetings and keep minutes.

The corporate governance statement should include information on the composition of the B.o.D., and the names of the President of the B.o.D., the Vice-President, CEO , and the Presidents of the Board Committees and their members . Moreover, this statement should be identified and the independent non -executive members the B.o.D. considers that retain their independence. The corporate governance statement should also disclose the term of office of B.o.D. members, including brief CVs.

3. B.o.D. member's duties and conduct

The B.o.D. members should have a thorough knowledge of both the operation and the objects of the company and the broader market sector to contribute effectively and efficiently to the smooth and efficient operation of the Company.

The continuous abstinence of a consultant, without justifiable cause, who resides at the headquarters of the Company, from the B.o.D. meetings for a period in excess of four months, equates to resignation.

A director who is absent or indisposed, has the right with his own responsibility to delegate his representation to the Council to another counselor. The authorization of his representation may be apply to one or more than one meeting of the B.o.D.. In the absence or incapacity of non-executive members of the B.o.D., the authorized representative shall be similarly non-executive member. The same applies to the independent members of the B.o.D..

4. B.o.D. Election and Operation

The B.o.D. is elected by the General Assembly with a maximum term of three (3) years.

The B.o.D. shall submit to the General Meeting of shareholders, who have the decisive power to do so, state candidate B.o.D. members, after adequate and timely information to shareholders regarding the profile of the candidates. The B.o.D. should ensure the smooth succession of members, and senior management, with a view to long-term business success.

The B.o.D. should meet with the necessary frequency to effectively perform their duties. The information provided by the Administration should be timely, in order to have the ability to cope effectively with the tasks.

The discussions and decisions of the B.o.D. and its committees should be recorded to the minutes. The minutes of each meeting should be shared and approved at the next meeting of the B.o.D. or the committee.

The B.o.D. members should ensure their own regular information, regarding business developments and the major risks to which the company is exposed . Also should be informed timely of changes in legislation and the market environment. The B.o.D. members should come in regular contact with the management staff of the company through regular presentations by head and service sectors.

The B.o.D. members should have the right to ask the Administration, through the CEO, any information they consider necessary for the performance of their duties at any time.

5. B.o.D. Assessment

The assessment of the effectiveness of the B.o.D. and its committees should take place at least every two (2) years and be based on a specific procedure . This process should be headed by the President, and its results are discussed by the B.o.D. and following the assessment, the President should take measures to address the identified weaknesses. It is also best practice to meet regularly non-executive directors without the presence of executive members, in order to assess the performance of executive directors and set their fees.

Part B- Internal Audit & Risk Management

1. Audit Committee

The Company applies control procedures to ensure the reliability of the financial statements and the effectiveness of the operations.

In this context, it’s been established the statutory prescribed Audit Committee, which is responsible for monitoring the internal audit department on a periodic basis and whenever requested. The Commission is in constant contact with the Internal Audit and attends to ensure all those requirements and conditions necessary for the non-discontinuing operation of the internal control.

The precise scope of the responsibilities of the two bodies described above in detail of the internal operation of the Company.

The Audit Commission consisting of at least two non-executive Directors an independent non-executive director and, as noted, is objective conduct internal and external audits and effective communication between the auditors and the B.o.D..

Within the responsibilities include ensuring the Company's compliance with the rules of Corporate Governance , as well as ensuring the proper functioning of the Internal Control and supervision of the work of the Internal Audit Department of the Company and evaluating the chief . In addition , the Audit Committee monitors the work of the independent auditors , discusses with them any weaknesses in internal control and has the ability to provide recommendations - advice to the General Meeting of Shareholders regarding the appointment, retention or dismissal of the external auditors of the Company.

To fulfill its tasks, recognizing that the Audit Committee members do not perform the work of auditors and / or accountants. Based on the above, it is not fall the responsibility of those the execution of detailed work book review - support and / or part thereof and / or other similar work.

2. Internal control system

The B.o.D. has recommended statutory internal audit service, which operates in accordance with the internal operation.

The Internal Audit of the Company is an independent organizational unit, which reports to the B.o.D. of the Company. The responsibilities include the evaluation and improvement of risk management and internal control, as well as verification of compliance with established policies and procedures as outlined in the internal operation of the Company, the applicable legislation (mainly stock) and decisions B.o.D..

The members of the B.o.D., the Management and all members must cooperate and provide all necessary information in this section to facilitate in every way its task.

The B.o.D., with the support of the Audit Committee should adopt appropriate policies on internal control to ensure the effectiveness of the system. You must also specify the procedure to be adopted for monitoring the effectiveness of internal control system, which will include the scope and frequency of reports of the internal audit department that receives and deals with the B.o.D. during the year as and the process of annual assessment of internal control.

3. Risk management

The Company shall have developed related policies and procedures which ensure effective risk management activities, maintaining and preserving the overall system of internal control and financial reporting.

The statutory policies should ensure secure protection and preservation of assets of the information system from which derived the historical financial information, proper handling, deal with financials for the preparation of financial and accounting statements of each period.

The main characteristics of the system as applied to the process of preparing financial statements combine:

i) exploiting the existing organizational structure and professional competence of the staff,

ii) appliance the unified and modern IT systems and compliance procedures that restrict access and change the information,

iii) the preparation of annual budget, which is monitored during the year through regular reports, for comparison with the current actual data and identify discrepancies.

iv) the supervision and control of significant transactions through the system to represent the company,

v) The effective Communication between auditor, internal auditor and the Audit Committee.

Part C – Remuneration

The process for determining remunerations must be based on objectivity, transparency and professionalism and be independent of any confilct of interest.

The level and structure of remunerations must aim at attracting and maintaining management and employees that add value to the company with their skills, knowledge and experience. The level of remunerations must be according to the qualifications and contribution of each employee to the company. The BoD must have a clear understanding on the methods used by the company to remunerate/reward its employees, especially those employees who possess the right skills to manage the company efficiently.

As far as BoD members are concerned, their remuneration should take into account their duties and responsibilities, their performance compared to predefined targets, the financial status and the future prospects of the Company as well as market conditions. In this framework, fixed remuneration will be combined with extra material benefits and a bonus, all related to the total performance of BoD members.

As far as non-executive members are concerned, their remuneration is proposed to reflect their time spent on company affairs and their responsibilities. It is recommended that their remuneration is not directly related to their performance so as not to discourage any possible objections against management decisions assuming high business risk.

The remuneration of BoD members is pre-approved by the shareholders' meeting, based on a proposal made by the BoD following the above-mentioned framework. Final approval of the remuneration of BoD members (executive and non-executive) is granted by the General Meeting of the Shareholders according to the provisions of the law.

Part D – Relations with shareholders

1. Communication with shareholders

The BoD must maintain constant and constructive communication with shareholders, especially with those holding a major share with long-term prospects.

The company must maintain a corporate website with public information on corporate governance, management structure, ownership status as well as with other useful information for shareholders and investors.

2. General Meeting of shareholders

The BoD must ensure that the General Meeting of shareholders is prepared and organised in such a way that facilitates shareholders to exercise their rights efficiently. It must also be ensured that shareholders are fully informed on all issues relating to their participation in the General Meeting, including topics for discussion on the agenda and their rights.

In the framework of transparent communication with shareholders, the President of the BoD, the Managing Director, internal and external auditors must be available in order to provide all necessary information to the shareholders. The BoD must follow the principle of equal treatment of all shareholders in relation to the provision of information.

Detailed information on the role of the General Meeting of shareholders, its basic authorities and a description of shareholders' rights and how these are executed is provided in the Corporate Governance Statement, which is included in the annual management report of the company according to the provisions of the law.

The present Corporate Governance statement is an integral part of the annual report of the BoD of the company.

Athens, March 28, 2014

President of the BoD

GEORGE GALANAKIS

I.D. No Ξ 282324

D. Annual Financial Statements

The accompanying financial statements were approved by the Board of directors of **«LAMPSA HELLENIC HOTELS S.A. »** on March 28, 2014, and have been published on the Company's website www.lampsa.gr as well as on the Athens Exchange's website, where they will remain at the investing public's disposal for at least 5 (five) years from the date of publication.

Amounts in thousands €, unless stated otherwise

Statement of financial Position

		CONSOLIDATED		CORPORATE	
Amounts in thousand €	**Note**	**31/12/2013**	**31/12/2012***	**31/12/2013**	**31/12/2012***
ASSETS					
Current Assets					
Property, plant and equipment	5.2	142.216	144.673	73.841	74.315
Intangible Assets	5.3	321	264	68	21
Goodwill	5.4	5.731	5.731		
Investments in Subsidiaries	5.5	(0)	(0)	26.165	28.888
Other Long-term Assets	5.6	254	187	107	75
Deferred Tax Assets	5.15	7.232	5.423	7.232	5.881
Total		**155.754**	**156.278**	**107.413**	**109.179**
Current Assets					
Inventory	5.7	930	831	578	432
Trade and other receivables	5.8	1.765	1.625	1.334	1.136
Other Receivables	5.8	938	2.537	294	331
Other Current Assets	5.8	1.251	810	1.175	542
Cash and cash available	5.9	4.339	2.374	1.204	972
Total		**9.223**	**8.178**	**4.584**	**3.412**
Total Assets		**164.977**	**164.457**	**111.997**	**112.591**
EQUITY AND LIABILITIES					
Equity	**5.10,D**				
Share Capital		23.928	23.928	23.928	23.928
Share Premium		38.641	38.641	38.641	38.641
Statutory Reserves		878	882	878	878
Other Reserves		5.093	4.764	5.049	5.020
Retained Earnings		15.005	11.416	(9.607)	(9.986)
Foreign Exchange Difference Reserves		(300)	(209)		
Equity attributable to owners of the parent	**D**	**83.246**	**79.421**	**58.889**	**58.480**
Non-controlling interest		3.749	4.299		
Total Equity		**86.995**	**83.720**	**58.889**	**58.480**
Long-term liabilities					
Employee termination benefits liabilities	5.18	1.956	1.920	1.872	1.806
Long-term Debt	5.16	52.587	42.113	37.035	26.706
Deferred Tax Obligations	5.15	4.361	4.420	-	-
Other Long-term Liabilities	5.17	984	608	17	23
Other Provisions	5.11	239	150	202	134
Total		**60.126**	**49.211**	**39.126**	**28.668**
Short-term Liabilities					
Suppliers and other liabilities	5.12	2.524	2.044	1.909	1.357
Income tax payable	5.14	315	165	1	-
Short-term debt	5.16	3.704	2.830	1.705	100
Short-term portion of bond and bank loans	5.16	6.003	22.467	6.003	21.042
Total liabilities		5.310	4.019	4.364	2.944
Total		**17.857**	**31.525**	**13.982**	**25.444**
Total liabilities		**77.983**	**80.736**	**53.108**	**54.112**
Total Equity and Liabilities		**164.978**	**164.457**	**111.997**	**112.591**

* Adjusted figures are due to revised IAS 19«Employee Benefits» (Note 5.24)

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Amounts in thousands €, unless stated otherwise

Statement of Comprehensive Income

		CONSOLIDATED		CORPORATE	
Amounts in thousand €	**Note**	**1/1-31/12/2013**	**1/1-31/12/2012***	**1/1-31/12/2013**	**1/1-31/12/2012***
Sales	**5.19**	**43.516**	**34.844**	**27.020**	**18.506**
Cost of Sales		(31.252)	(28.418)	(20.360)	(17.205)
Gross Profit		**12.265**	**6.425**	**6.660**	**1.300**
Distribution Expenses	5.19	(2.936)	(2.622)	(2.125)	(1.773)
Administrative Expenses	5.19	(8.998)	(7.834)	(6.005)	(4.753)
Other Income	5.19	2.047	2.123	1.191	1.152
Other expenses	5.19	(556)	(685)	(269)	(275)
Operating Profit		**1.821**	**(2.593)**	**(547)**	**(4.349)**
Financial expenses	5.20	(2.181)	(2.805)	(1.564)	(1.856)
Financial income	5.20	46	221	4	4
Other financial results	5.20	2.147	217	1.470	359
Portion from (ζloss)/profit of associates 5.20		14	(331)	(374)	(3.000)
Profit / (Loss) before Tax		**1.846**	**(5.291)**	**(1.011)**	**(8.842)**
Income Tax	5.21	1.578	1.149	1.390	2.592
Net Profit / (Loss) for the period		**3.425**	**(4.142)**	**379**	**(6.250)**
Other Comprehensive Income reclassified into Income Statement for Subsequent Periods					
Foreign exchange differences on translation of financial statements of foreign operations		(90)	(253)	-	-
Effect of change in tax rate of subsidiaries on items recognized directly in prior years Equity		-	(390)	-	-
Actuarial results reserves		82	152	69	123
Effect of tax on actuarial results reserves		(45)	(30)	(39)	(25)
Other total comprehensive income for the period after tax		(54)	(522)	29	98
Total Comprehensive Income for the Period		**3.370**	**(4.663)**	**408**	**(6.151)**
Profit for the period allocated to:					
Owners of the parent		3.280	(4.210)	379	(6.250)
Non-controlling interest		144	68		
		3.425	**(4.142)**	**379**	**(6.250)**
Total Comprehensive Income for the Period allocated to:					
Owners of the parent		3.226	(4.590)	408	(6.151)
Non-controlling interest		144	(73)	-	-
		3.370	(4.663)	408	(6.151)
Earnings per share allocated to owners of the parent					
Basic in €	5.22	0,1536	-0,1970	0,0178	-0,2925

		CONSOLIDATED		CORPORATE	
	D	**1/1-31/12/2013**	**1/1-31/12/2012 ***	**1/1-31/12/2013**	**1/1-31/12/2012 ***
EBIT		1.736	(2.641)	(553)	(4.371)
EBITDA		7.356	2.968	2.028	(1.939)

* Adjusted figures are due to revised IAS 19«Employee Benefits» (Note 5.24)

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Amounts in thousands €, unless stated otherwise

Statement of Changes in Equity

The Group

	THE GROUP							
	Equity allocated to owners of LAMPSA							
Amounts in thousand €	**Share Capital**	**Share Premium**	**Forex Differences Reserves**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total**
Balances as at January 1, 2012	**23.928**	**38.641**	**43**	**5.613**	**15.899**	**84.124**	**4.373**	**88.497**
Changes under revised IAS 19				228	(342)	(114)		(114)
Balances as at January 1, 2012 (REPUBLISHED)	**23.928**	**38.641**	**43**	**5.841**	**15.557**	**84.011**	**4.373**	**88.383**
Changes in Equity for the year								
Transactions with owners								
Distribution of earnings for 2011								-
Change in capital from acquisition of subsidiary						-		-
Total Comprehensive Income for 2012			(253)	(195)	(4.142)	(4.590)	(73)	(4.663)
Balances as at January 1, 2013 (REPUBLISHED)	**23.928**	**38.641**	**(210)**	**5.645**	**11.416**	**79.421**	**4.299**	**83.720**
Changes in Equity for the year								
Transactions with owners								
Transfer of reserves				294	(293)	1		1
Change due to subsidiary liquidation				(4)	3	(1)		(1)
Change due to amendment to participating interest in subsidiary					599	599	(694)	(95)
Total Comprehensive Income for 2013			(90)	36	3.280	3.226	144	3.370
Equity balance as at December 31, 2013	**23.929**	**38.642**	**(300)**	**5.972**	**15.005**	**83.246**	**3.749**	**86.995**

* Adjusted figures are due to revised IAS 19«Employee Benefits» (Note 5.24)

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Amounts in thousands €, unless stated otherwise

The Company

THE COMPANY					
Amounts in thousand €	**Share Capital**	**Share Premium**	**Other Reserves**	**Retained Earnings**	**Total**
Balances as at January 1, 2012	**23.928**	**38.641**	**5.609**	**(3.335)**	**64.843**
Changes under revised IAS 19			191	(402)	(211)
Balances as at January 1, 2012 (REPUBLISHED)	**23.928**	**38.641**	**5.800**	**(3.737)**	**64.632**
Changes in Equity for the year					
Transactions with owners					-
Distribution of earnings for 2011			-	-	-
Total Comprehensive Income for 2012			98	(6.250)	(6.151)
Equity balance as at December 31, (REPUBLISHED)	**23.928**	**38.641**	**5.898**	**(9.986)**	**58.480**
Changes in Equity for the year					
Transactions with owners					
Distribution of earnings for 2012					-
Total Comprehensive Income for 2013			29	379	408
Equity balance as at December 31, 2013	**23.928**	**38.641**	**5.927**	**(9.607)**	**58.889**

* Adjusted figures are due to revised IAS 19«Employee Benefits» (Note 5.24)

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Amounts in thousands €, unless stated otherwise

Statement of Cash Flows

	THE GROUP		THE COMPANY	
Amounts in thousand €	**01/01-31/12/2013**	**01/01-31/12/2012***	**01/01-31/12/2013**	**01/01-31/12/2012***
Operating activities				
Profit / (Loss) before tax	1.846	(5.291)	(1.011)	(8.842)
Plus / less adjustments for:				
Depreciation	5.712	5.666	2.587	2.455
Amortization of grants	(109)	(57)	(23)	(23)
Profit / (Loss) of asset sale	7	9	0	0
Provisions/ Revenues from unused provisions of previous years	66	(100)	224	(163)
Impairment	-	331	-	3.000
Revenue from investing activities			(885)	
Foreign exchange differences	123	(446)	132	(400)
Investing Results	(1.719)		144	
Interest income	(46)	(221)	(4)	(4)
Interest expenses	2.181	2.805	1.564	1.856
Plus/ less adjustments for changes in working capital accounts or accounts related to operating activities:				
Decrease / (increase) in inventories	(99)	(7)	(146)	(29)
Decrease / (increase) in receivables	(1.149)	(247)	(1.125)	17
(Decrease) / increase in short term liabilities (except for banks)	1.151	857	1.410	632
Less:				
Interest expense and related expenses paid	(1.876)	(2.421)	(1.251)	(1.455)
Taxes paid	(119)	(138)	1	(5)
Total inflows / (outflows) from operating activities (a)	5.970	741	1.617	(2.961)
Investing activities				
Acquisition of tangible and intangible assets	(3.556)	(1.112)	(2.446)	(268)
Acquisition of associates and Joint Ventures	-	-		
Return of share capital to parent company	1.706	-	5.421	6.335
Disposal of assets	-	1		1
Collection of Grants	648	-	-	-
Loans issued		3.298		-
Increase of share capital and amounts paid for capital increase of consolidated company	(95)		(1.696)	(250)
Interest collectable	46	221	4	4
Collection of Amortization	1.800	-		
Total inflows / (outflows) from investing activities (b)	**549**	**2.408**	**1.284**	**5.821**
Financing activities				
Proceeds from issued/received loans	1.798	100	1.600	100
Payments of loans	(6.342)	(3.109)	(4.269)	(3.084)
Repayment of Finance Lease	(9)	-		
Total inflows / (outflows) from financing activities (c)	**(4.553)**	**(3.009)**	**(2.669)**	**(2.984)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	1.965	140	232	(124)
Cash and cash equivalents at the beginning of year	2.374	2.234	972	1.096
Cash and cash equivalents at the end of year	**4.339**	**2.374**	**1.204**	**972**

* Adjusted figures are due to revised IAS 19«Employee Benefits» (Note 5.24)

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Notes to Financial Statements

1. General information

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

The parent company of the Group is "LAMPSA HELLENIC HOTELS S.A. based in Athens, Vasileos Georgiou A1, and is registered in the Companies Register of the Ministry of Economy, Competitiveness and Shipping, No. REG 6015/06 / V/86/135 and its term of duration is set at one hundred (100) years, which began from its publication in the Government Gazette of the Royal Decree approving its memorandum of association. The company has been operating continuously since its foundation, over ninety-four (94) consecutive years.

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

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

The annual financial statements have been approved for issue by the Board of Directors on 28 March 2014.

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

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

On 24/12/2012, between the parent company and the bank "Eurobank Ergasias S.A." there was signed a definitive notarized leasing contract of the King George Hotel. The leasing agreement became effective following signing Lease Delivery and Reception Protocol as at 03/20/2013.

2. Basis for preparation of annual financial statements

The accompanying separate and consolidated financial statements of LAMPSA S.A. have been prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS). The financial statements have been prepared based on historic cost principal as amended following the adjustment of certain assets and liabilities at fair values and the going concern principle and are in accordance with the IFRSs, as issued by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (AFFRIC) of IASB.

All the revised or newly issued Standards and Interpretation applicable to the Group and effective as from December 31, 2013 were taken into account under the preparation of the financial statements for the current tear to the extent they were applicable.

The preparation of financial statements according to IFRSs requires use of accounting estimates. It also requires management estimations under the application of the Company accounting principles. The cases involving a higher degree of judgment or complexity, or the cases where assumptions and estimates are significant to the consolidated financial statements are included in note 2.2.

In 2003 and 2004, the International Accounting Standards Board (IASB) issued a series of new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS), which are combined with the non-revised International Accounting Standards (IAS) issued by the International Financial Accounting Standards Board, prior to IASB, which is referred to as "the IFRS Stable Platform 2005". The Group applies the IFRS Stable Platform 2005 from January 1, 2005.

2.1. Changes in Accounting Policies

The accounting policies based on which the Financial Statements were drafted are in accordance with those used in the preparation of the Annual Financial Statements for the FY 2012, adjusted to the new Standards and revisions imposed by IFRS effective for fiscal years starting as at January 1st, 2013.

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

The following amendments and interpretations of the IFRS have been issued by IASB and their application is mandatory from or after 01/01/2013. The most significant Standards and Interpretations are as follows:

- **Amendments to IAS 1 “Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income”**

In June 2011, the IASB issued the amendment to IAS 1 “Presentation of Financial Statements”. The amendments pertain to the way of other comprehensive income items presentation. The Group estimates that the above amendment will not have a significant impact on the consolidated Financial Statements.

- **IFRS 13 “Fair Value Measurement”**

In Maye 2011, the IASB issued IFRS 13 “Fair Value Measurement”. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity’s own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. This standard has no impact on the consolidated Financial Statements.

- **Revision of IAS 19 “Employee Benefits”**

In June 2011, the IASB issued the amendment to IAS 19 “Employee Benefits”. The amendments aim to improve the issues related to defined benefit plans. Under the revised standard, there is removed the margin method and therefore the possibility to defer the recognition of actuarial gains or losses while requiring revaluations of net liabilities (assets), including actuarial gains and losses arising during the reporting period which are recognized in the income statement. Under the revised standard, the Group / the Company reclassified the comparative period in accordance with the prescribed transitional provisions of IAS 19 and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The effect of the amended IAS 19 is presented in Note 5.24.

- **IFRIC 20 «Stripping Costs in the Production Phase of a Surface Mine»**

In October 2011, IASB issued IFRIC 20. The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement. The interpretation is not applicable to the Group operations.

- **Amendments to IFRS 7 “Financial Instruments: Disclosures” - Offsetting Financial Assets and Financial Liabilities**

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. The interpretation is not expected to have impact on the consolidated Financial Statements.

- **Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards” - Government loans**

In March 2012, IASB issued amendment to IFRS 1, which gives IFRS first-time adopters the option, on a loan-by-loan basis, of applying the IFRS requirements retrospectively provided that the necessary information to apply the requirements to a particular government loan was obtained at the time of initially accounting for that loan. The interpretation is not expected to have impact on the consolidated Financial Statements.

- **Annual Improvements 2009–2011 Cycle**

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 International Financial Reporting Standards (IFRSs), which constitute part of its annual improvements. The standards under improvement comprise IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. The amendments are not particularly significant and will not materially affect the Group/Company Financial Statements.

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- **IFRS 9 "Financial Instruments" (implementation deferred)**

On 12/11/2009 IASB issued the new Standard, the revised IFRS 9 "Financial Instruments: Recognition and Measurement" which is the first step in IASB project to replace IAS 39. It is to be noted that in October 2010, the IASB issued additional requirements regarding financial liabilities that an entity has decided to measure at fair value. Under IFRS 9, all financial assets are initially recognized at fair value plus certain transaction costs. The subsequent measurement of financial assets is conducted either at amortized cost or at fair value depending on the company's business model on the management of financial assets and the contractual cash flows of that asset. IFRS 9 prohibits reclassifications, except when that the entity's business model changes; in which case, the entity is required to reclassify affected future financial instruments. According to the requirements of IFRS 9 all equity investments must be valued at fair value. However, the Management has the option to present in other comprehensive income unrealized and realized gains and losses on fair value of equity securities not held for trading. In November 2013, the IASB issued significant amendment of IFRS 9. The Board added a new chapter, which significantly reviews hedge accounting and implements a new model, improving the correlation of accounting with risk management, while introducing improvements in disclosures regarding hedge accounting and risk management. The amendment makes directly available the improvements with respect to disclosures relating to changes in the fair value of an entity's, as included in the standard. Finally, the IASB decided to defer the implementation of the standard (annual periods beginning on or after 01.01.2015), as the procedures are yet to be finalized processes and the entities will not have ample time for the preparation. However, the entities can decide on immediate implementation of the standard. The Group's management does not intend to proceed with early application of the requirements of IFRS 9 prior to the relative approval of the European Union. This standard has not been adopted by the European Union.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Consolidated and Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2014)**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The new standards are effective for annual periods beginning on or after 01/01/2014, while earlier application is permitted. The effect of the above will be recorded in the Group Financial Statements for the first quarter of 2014. The aforementioned Standards were adopted by the European Union in December 2012.

- **Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods starting on or after 01/01/2013)**

In June 2012 IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The above amendments are effective for annual periods starting on or after 01/01/2013, but, in essence, will be applied starting from the date of the relative standards implementation, i.e. January 1, 2014. The potential effect of the above will be recorded in the Group Financial Statements for the first quarter of 2014. The aforementioned Standards were adopted by the European Union in December 2012.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods starting on or after 01/01/2014)

In October 2012 IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular category of entities that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments are effective for annual periods starting on or after 01/01/2014 and earlier application is permitted. The Group will examine the effect of the above on its consolidated/corporate Financial Statements. The current amendments were adopted by the European Union in November 2013.

- **Amendments to IAS 32 "Financial Instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual periods starting on or after 01/01/2014)**

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendment is effective for annual periods beginning on or after 01/01/2014 and earlier application is permitted. The Group will examine the effect of this amendment on its Financial Statements. This amendment was adopted by the European Union in December 2012.

- **Amendment to IAS 36 «Impairment of assets» - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods starting on or after 01/01/2014)**

In May 2013, the IASB issued narrow-scope amendment to IAS 36 "Impairment of Assets." This amendment specifies the disclosures that should be made regarding the recoverable amount of an asset that has been impaired, if this amount is based on fair value less costs to sell. Earlier application is permitted provided the company has already implemented IFRS 13 "Fair Value Measurement." The amendment is effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. The Group will examine the effect of this amendment on its Financial Statements. This amendment was adopted by the European Union in December 2013.

- **Amendment to IAS 39 «'Financial Instruments: Recognition and Measurement» - 'Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods starting on or after 01/01/2014)**

In June 2013 the International Accounting Standards Board (IASB) issued narrow-scope amendment to IAS 39 'Financial Instruments: Recognition and Measurement'. The objective of the proposed amendments is the introduction of a limited scope exemption to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. The relative exemption will be also included in IFRS 9 "Financial Instruments". The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. The Group will examine the effect of this amendment on its Financial Statements. This amendment was adopted by the European Union in December 2013.

- **IFRIC 21 «Levies» (effective for annual periods starting on or after 01/01/2014)**

In May 2013, the IASB issued IFRIC 21. IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and those where the timing and amount of the levy is certain. IAS 37 sets out criteria for the recognition of a liability, one of which is the present obligation resulting from a past event, known as an obligating event. This interpretation indicates that an obligating event as an activity that triggers the payment of the levy in accordance with the relevant legislation. This interpretation is effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. The Group will examine the effect of this amendment on its Financial Statements. This interpretation has not been adopted by the European Union.

- **Amendment to IAS 19 «IAS 19 Employee Benefits» - Defined Benefit Plans: Employee Contributions (effective from 01/07/2014)**

In November 2013, the IASB issued narrow-scope amendment to IAS 19 'Employee Benefits'. This amendment applies to employee contributions or third parties contributions with respect to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment is effective from 01 July 2014, with earlier application permitted. The Group will examine the effect of this amendment on its Financial Statements. This amendment has not been adopted by the European Union.

- **Annual Improvements 2010 - 2012 & 2011 - 2013 Cycle (effective from 01/07/2014)**

In December 2013, the International Accounting Standards Board (IASB) issued Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. 2010 - 2012 Cycle includes improvements to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and 2011 - 2013 Cycle includes improvements to IFRS 1, IFRS 3, IFRS 13 and IAS 40. Improvements to Standards are effective from 01 July 2014, with earlier application permitted. The Company will examine the impact of the above its financial statements. These annual improvements have not been adopted by the European Union.

- **IFRS 14 «Regulatory Deferral Accounts» (effective from 01/01/2016)**

In January 2014, IASB issues the «Regulatory Deferral Accounts». The standard specifies the accounting for regulatory deferral account balances that arise from rate regulation, given that the effects of accounting for rate regulated activities can be significant to an entity. The standard shall not be implemented by the entities that already apply IFRSs. The Standard is effective from 01 January 2016, with earlier application permitted. The Group will examine the impact of the above on its financial statements. This standard has not been adopted by the European Union.

2.2. Significant accounting judgments, estimates and assumptions.

The preparation of financial statements according to IFRS requires that management makes judgment, estimations and assumptions which affect the published assets and liabilities at the date of issue of financial statements. They also affect the disclosures of contingent claims and liabilities at the date the financial statements are issued and also the published amounts of income and expenses. Final outcome may differ from the estimations. Estimations and judgments are based on past experience and other factors, including anticipations for future events which are considered reasonable under the circumstances, while re-evaluated constantly by the use of all available information.

Judgments

The basic judgments made by the Management of the Group (apart from those related to the below estimations) and that have major impact on the amounts reflected in financial statements, are mainly related with:

- Investments classification.
- Recoverability of receivables.
- Impairment of inventory.

Assumptions and estimates

Specific amounts included or affecting the financial statements along with relevant acknowledgments are estimated assuming values or conditions which cannot be known with certainty at the time the financial statements are issued. An accounting estimate is considered significant when it is important for the image the financial position of the company and fiscal year results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates regarding the effect of matters that are uncertain. The Group evaluates these estimations in constant basis, based on past years and experience, by meeting experts, trends and other methods considered rational under the specific circumstances along with provisions of future changes. In § 3 “Synopsis of accounting policy” the accounting policies are mentioned which have been chosen from acceptable alternative policies.

- **Impairment estimation**

The Group tests annually the existing goodwill for impairment and examines events or conditions that make impairment possible; such as, for example, a significant negative change in the business climate or a decision for the sale or disposal of a unit or an operating segment. The determination of impairment requires the valuation of the corresponding unit, which is evaluated by using the method of discounted cash flows.

The retrievable amounts of units creating cash flows are determined based on calculations of current use value. These calculations require estimations.

In case this analysis indicates the need for impairment, the calculation of this impairment requires an estimation of fair value for each recognized fixed or other asset. In that case the approach of cash flows is used, as mentioned above, by independent valuators when considered appropriate.

Moreover, other identified intangible assets with defined useful lives are tested annually for impairment and are subject to amortization by comparing the carrying amount to the sum of the undiscounted cash flows expected to be generated by the asset. The Group annually tests the impairment of goodwill according to accounting policy as mentioned below.

- **Income tax**

LAMPSA is subject to income taxation by various tax authorities. For determining the provision for income taxes, significant estimates are required. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognizes liabilities for anticipated tax audit issues based on estimates for the amount of additional taxes that may be due. If the final tax outcome of these cases differs from the amount initially recognized in the financial statements, these differences will affect the income tax and deferred tax provisions in the period in which the amounts are finalized.

- **Provisions**

Doubtful accounts appear with the amounts that are probable to retrieve. Estimates of the amounts expected to be recovered result of analysis as well as from the experience of the Group regarding the possibility of doubtful customer. As soon as it is realized that a specific account is subjected to greater risk than the usual credit risk (e.g. low credibility, argument on demand's existence or amount, etc.), the account is analyzed and recorded as doubtful debt as long as demand remain uncollected.

- **Contingent events**

During usual operational practice, the Group is involved in legal claims and compensations. The Management judges that any arrangement would not affect significantly the financial position of the Group on 31/12/2013. Despite, the determination of contingent liabilities that are connected to legal claims and demands is a complicated procedure that includes judgments on possible consequences and law interpretation according laws and regulations. Any change in judgment or interpretation is possible to lead to an increase or decrease of the contingent liabilities in the future.

- **Business combinations**

Upon initial recognition, the assets as well as liabilities of the acquired business are included in the consolidated financial statements at their fair values. During measurement of fair values, management uses estimations regarding future cash flows but actual results may differ. Any other change in measurement upon initial recognition shall influence the goodwill measurement.

- **Useful life of depreciable assets**

The Management examines the useful lives of depreciable assets at every reporting period. At 31 December 2013, the management of the company estimates that the useful lives of the depreciated assets, represent the expected utility of these assets. Meanwhile actual results may differ due to technical gradual depreciation, mainly as far as the software and electronic data equipment are concerned.

3. Summary of accounting policies

3.1. General

The significant accounting policies that are used for the constitution of integrated financial statements are synopsized as per below.
It is worth noting, as already mentioned above at “2.2 Significant accounting judgments, estimates and assumptions” that accounting estimations and assumptions are used in the preparation of the financial statements. Despite the fact that these estimations are based on Management’s better knowledge on current facts and activities, actual results may differ from the ones estimated.
Amounts in financial statements appear in thousand euros. Any difference is due to approximation.

3.2. Consolidation and investments in associates

- **Subsidiaries**

Subsidiaries are all entities managed and controlled by the Group in regard to their finance and business politics. LAMPSA considers that owns and controls a subsidiary when participates with a percentage greater than the half of voting rights.

The existence of potential voting rights of LAMPSA, that are currently exercisable on another entity, the existence and effect of any potential voting rights are examined that are currently exercisable or convertible.

LAMPSA intergraded financial statements include the financial statements of the parent company along to rest entities controlled by the Group fully consolidated.

Subsidiaries are consolidated with the method of full consolidation by the date on which control over them is acquired and they are deconsolidated by the date on which control ceases.

In addition, the subsidiaries acquired are subject to the application of the market methods. This includes adjusting the fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, irrespective of whether they have been included in the financial statements of the subsidiary prior to acquisition. Upon initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at revalued amounts, which are also used as a basis for subsequent measurement in accordance with the accounting policies of the group. Goodwill represents the excess of cost over the fair value of the Group's share in the identifiable assets of the acquired subsidiary of the group during acquisition. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the result.

Any non- controlling participations are recognizes as part of profit or loss and net assets that do not belong to the Group. If the loss of a subsidiary concerning non-controlling participation that exceeds the non-controlling participations in subsidiary’s liabilities, then it is allocated to the shareholders of the parent company except for the amount that the minority is obliged and capable to bear the losses.

The accounting policies of subsidiaries are modified where necessary, in order to be consistent to the policies applied to the Group.
Inter-company account receivables and payables, transactions and balances including income and expenses along with not realized profit or loss between group companies are eliminated.
In the individual balance sheet, the participation in subsidiaries is evaluated in acquisition cost, unless there are indications of impairment. In this case depreciation appears in income statement as “Income from related companies.

3.3. Foreign currency translation

The consolidated financial statements of LAMPSA S.A. are presented in EURO (€), which is, also, the functional currency of the Holding Company.

Each financial entity of the group defines the functional currency and the elements included in the financial statements, of each entity. In the individual financial statements of the consolidated entities, the transaction in foreign currency is converted to the functional currency of each entity, using the exchange rates, prevailing on the date of the transaction. Transactions in foreign currency are converted into euros using the exchange rates prevailing on the transaction dates.

Exchange gains and losses arising from such transactions and from the conversion of accounts with balances at year end exchange rates are recognized in the "Financial Income / (expenses)", respectively except from the gain or damage incurred by the hedging instrument and directly recognized at the equity account, through the statement of changes in equity.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are distinguished from changes in foreign exchange differences arising from changes in amortized cost of the security and other changes in the carrying value of the securities. Differences from conversion-related changes in the amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Differences arising from converting non- monetary financial assets and liabilities are reported as part of profit or loss in fair value. Differences arising from converting non- monetary assets and liabilities as assets at fair value through profit or loss are recognized in profit or loss as part of the profits or losses from fair value. Differences arising from converting non- monetary financial assets such assets classified as available for sale are included in equity on available-for- sale financial assets.

In the consolidated financial statements, all individual financial statements of subsidiaries and jointly controlled entities, which originally presented in a currency other than the functional currency of the Group (none of which has the currency of a hyperinflationary economy), have been converted into Euro.

Assets and liabilities have been converted into euros at the closing rate at the balance sheet date.
Revenue and expenses have been converted into the Group's presentation currency at the average exchange rates during the reporting period; unless there are significant fluctuations in which case income and expenses are translated at the exchange rate at the transaction dates.

Any differences arising from this procedure have been transferred to the translation reserve in the balance sheet equity.

Goodwill and fair value adjustments arising from an acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into euros at the closing rate.

On consolidation, exchange rate differences arising from the conversion of the net investment in foreign operations, and of borrowings and other currency instruments that are designated hedges of a net investment in a foreign operation directly in equity through the statement of equity changes.
When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognized in profit or loss in the period of disposal or sale as part of the gain or loss on sale.

3.4. Segment reporting

The Group firstly adopted IFRS 8 "Operating segments" in year 2009.

The adoption of the new standard has not affected the way in which the Group identifies its operating segments for the purpose of providing information and the Group now presents the results of each segment based on the data that is used by the Management and the internal reporting.

A business segment is a group of assets and operations engaged in providing products and services which are subject to risks and returns different from those of other business segments. A geographical segment is a geographical region in which products are sold and services provided are subject to risks and returns different from other areas. Geographically, the Group operates mainly in Greece, Cyprus and Serbia, while having interests in other countries (see § 4 «Group Structure").

The going concern Business segments shown are renting rooms, food and beverage sales and other activities (Income SPA-Health Club, Telephone Revenue, etc.).

If total external revenue, which are presented by operating segments constitutes less than 75% of the group's earnings, then other sectors identified as reportable segments until at least 75% of the group's earnings is included in the reportable operating sectors.

Operating segments that do not meet any of the quantitative thresholds set by IFRS 8 are not considered reportable segments and are not separately disclosed if the management believes that information about the separate area is not useful to users of financial statements.

The accounting principles used by the Group for the purposes of Reporting by segment under IFRS 8 are the same as those used in the preparation of the financial statements.

There have been no changes compared to the previous year valuation methods used to determine gain or damage of the sector. There have been no asymmetrical allocations to the reportable segments. Asymmetric division is for example if a company allocates the depreciation expense to a geographical sector without sharing the depreciable assets.

3.5. Recognition of income and expenditure

Revenues are recognized when it is probable that future economic benefits will flow into the entity and these benefits can be measured reliably.

The revenue is measured at the fair value of the consideration received and it is net of value added tax, returns, rebates and any kind of reduction after limiting the sales within the Group.

The amount of revenue is considered that can be reliably measured when all contingencies relating to the sale have been resolved.

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of those goods.

Provision of services

Revenue from fixed price contracts is recognized based on the stage of completion of the transaction at the balance sheet date. Under the percentage of completion method, revenue is generally recognized based on service activity and performance to date as a percentage of total services to be performed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent that the following costs are recoverable.

The amount of the selling price associated with an agreement for services to be provided subsequently recorded into deferred amount and is recognized as income over the period in which services are provided. This income (deferred income) is included in the item "other liabilities".

In cases that original revenue estimates are changed, costs or the completion stage is revised. These revisions may result in increases or decreases in estimated revenue or costs and are shown as income in the period in which the circumstances which make it necessary the revision notified by the administration.

Income from interests

Income from interest is recognized using the effective interest method that is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or liability.

When a receivable is impaired, the Group reduces the carrying value of the amount expected to be recovered, which the amount is resulting from the estimated future cash flows discounted at the effective interest rate of the instrument and continues the periodic unwinding of the discount as interest income. Incomes from interest on loans that have been impaired are recognized using the original effective interest rate.

Income from royalties

Incomes from royalties are recognized according to the accrual inputs / outputs, depending on the substance of the relevant agreement.

Income from dividends

Revenues from dividends are recognized when finalized the Group's right to receive payment from the shareholders.

Operating expenses are recognized in the income statement over the use of the service or the date of creation. Expenditure for warranties is recognized and charged against the related provision when the corresponding revenue is recognized.

IFRIC 13: Customer Loyalty Programmes

Customer loyalty programs give customers incentives to purchase products or services from a company. If a customer buys goods or services, then the company grants award credits « points" which the customer can redeem in the future for free or discounted products / services. These programs may be run by the company itself or by a third party. IFRC 13 can be applied to all the award credits loyalty programs a company can provide to its customers as part of a transaction. IFRC 13 applies to annual periods beginning on or after 1 July 2008. The retrospective application is required while earlier application is encouraged as long as it is disclosed in the notes to the financial statements. The implementation of the above program does not significantly affect the group's results.

3.6. Borrowing cost

Borrowings are recognized initially at fair value, which included bank charges and commissions.

The Company's management believes that the interest paid in connection with loans is equivalent to the current market interest rates and, therefore, there is no reason for any adjustments to the value at which these liabilities are presented.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the term of the loan.

Borrowings are classified as current except that the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date . Borrowing costs are recognized as expenses in the period in which they are incurred.

Borrowings are classified as current except when the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. Borrowing costs are recognized as expenses in the period in which they are incurred.

The Group capitalizes all borrowing costs that can be directly attributable to acquisition, construction or production of an asset that meets that qualifying conditions.

3.7. Goodwill

Goodwill acquired in a business combination will be initially valued at historical cost, as the extra cost of the business combination exceeding the buyers participation in the net fair market value of identifiable assets, to the obligations and potential obligations. After the initial recognition, goodwill will be valued at historical cost less any accumulated impairment losses. The acquirer will test goodwill for impairment on an annual basis or more often if events or changing conditions indicate the possibility of impairment.

The impairment test procedure is described in § 3.10.3 “Impairment test of tangible and intangible assets”.

3.8. Other intangible assets and research and development activities

An intangible asset is initially valued at historical cost. The cost of an intangible asset acquired in a business combination is part of the fair value of the asset on the acquisition date.

After the initial recognition, intangible assets are valued at historical cost less accumulated depreciation and any impairment loss.

Acquired licenses regarding software are capitalized based on the purchasing and installation expense.
Expenses related to the maintenance of the software are recorded in the expenses of the period they occurred.

The useful lives of intangible assets are either definite or indefinite depending on their nature.

Intangible assets with definite useful lives are amortized over their useful lives and depreciation commences when the asset is available for use and is recognized in the category of operating expenses.

The period and depreciation method are reviewed at least in each fiscal year. If the expected useful life or the expected consumption rate of the future economic benefits embodied in the asset are changed, the amortization period or method are changed respectively. Such changes are accounted for as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized but are tested at least annually for impairment and to determine whether management's assessment of the indefinite useful lives of these intangible assets is supported. If not supported , the change in the useful life assessment from indefinite to limited is treated as a change in an accounting estimate in accordance with IAS 8. Gains or losses arising from the sale of an intangible asset are determined as the difference between the sale amount and the carrying amount of the asset and is recognized in the income statement in the item " Other income " or "Other expenses".

3.8.1. Acquired software

Intangible assets include acquired software used in the production or management.

The costs capitalized are amortized on a straight-line basis over the estimated useful lives (three to five years). Additionally the acquired oftware is also tested for impairment.

3.8.2. Research and development expenditures

Expenses related to research activities are recorded as an expense during the period.

Costs incurred during the development phase of the new, customized to client needs, systems and telecommunications software are recorded as intangible assets if they meet the following conditions:

- can demonstrate the technical feasibility of the developing product for internal use or sale
- the intangible asset will generate probable future economic benefits from the internal use or sale
- availability of sufficient technical, financial and other resources to complete the development, and
- the value of the intangible asset can be measured reliably.

The directly attributable to development costs include the cost of benefits for employees to develop the software along with an amount of directly attributable costs. The cost of internally generated software development is recognized as an intangible asset. Until the completion of the development project , the assets are subject to impairment review . Depreciation begins with the completion of the asset during the period of expected future sales from the related project, on a straight line method . All other development expenditure is recognized as an expense during the period.

3.9. Property, plant and equipment

Buildings, technical equipment , furniture are shown at historical cost or at historical cost less any accumulated depreciation and any accumulated impairment losses. The cost also includes the cost of spare parts of some tangible assets that require replacement at regular intervals, if the criteria for acknowledgment are fulfilled. The artwork owned by the Group is not depreciated.

The costs of daily maintenance of property, plant and equipment are recognized in profit or loss when incurred.

If the carrying value of tangible assets has suffered depreciation or an impairment loss, it shall be recorded as described below.

The gain or loss on sale of the land will be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recorded in profit or loss statement.

Depreciation is calculated using the straight line method over the entire useful life of the assets. For works of art held by the company, no depreciation is calculated.

The buildings that have been acquired through financial leases are depreciated throughout their estimated useful lives (determined in relation to comparable owned assets), if shorter.

The useful lives of tangible assets are summarized below:

Buildings & building facilities	2% - 5%
Machinery & Equipment	15%
Vehicles	15%
Furniture	15%
Office equipment /telephone devises	20%
Printing / Hardware	24%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate at each year end.

3.10. Leases

The assessment of whether an arrangement contains a lease, takes place at the beginning of the agreement, taking into account all available information and specific circumstances. After the beginning of the agreement, a reassessment takes place, as to whether it contains a Lease when any of the following occurs:

a. There is a change in the terms of the contract, unless the change only renews or extends the agreement

b. Renewal option is exercised or an extension is agreed unless term of the renewal or extension was initially included in the lease term

c. There is a change in whether the settlement depends on a defined asset

d. There is a significant change in the asset

If an agreement is reassessed the accounting treatment for leases applies from the date the change in conditions involving reassessment for (a), (c) or (d), and from the date of renewal or extension period for case (b).

3.10.1. The Group as a lessee

Leases where the Group does not transfer substantially all the risks and rewards of the asset are classified as operating leases. Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized over the lease term as the lease income. A corresponding amount is recognized as a liability of the lease regardless of whether some of the lease payments were paid in advance at the beginning of the lease.

The subsequent accounting treatment for assets acquired through financial leasing contracts, e.g. the depreciation method used and the determination of useful life, is the same as that applied to comparable acquired, except leases, assets. The accounting treatment of the respective obligation relates to the gradual reduction of the basis of the minimum lease payments minus finance charges, which are recognized as an expense in finance costs. Financial charges are allocated over the lease period and represent a constant periodic rate of interest on the remaining balance of the liability.

All other leases are treated as operating leases. Payments on operating leases are recognized as an expense on a straight (use link revenue and expense). The related costs, such as maintenance and insurance, are recognized as an expense when incurred.

3.10.2. The Group as a lessor

Leases where the Group does not transfer substantially all the risks and rewards of the asset are classified as operating leases. Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized over the lease term as the lease income.

3.10.3. Impairment test of tangible and intangible assets

The Group's goodwill, intangible and tangible assets are subject to impairment tests. For the purposes of assessing impairment, certain assets are grouped in the smallest identifiable group of assets that generates cash inflows from its use (CGUs). As a result, some assets are tested individually for impairment and some are tested as CGUs.

The arising goodwill is allocated to each cash generating unit (CGU) expected to benefit from the synergies of the business combination. The CGUs represent the lowest level within the Group at which the goodwill is monitored for management purposes.

Any losses in value of a CGU to which goodwill has been allocated, first reduce the carrying value of goodwill. Any remaining impairment loss is shared proportionally to the other assets of the CGU.

When the Group sells an activity included in a CGU to which goodwill has been allocated , the goodwill shall be taken into account when determining the gain or loss on sale and apportioned to the sold activity . In this light , the goodwill allocated is measured by the relative values of the activity sold and withheld part of CGU. Alternatively, when the Group can reliably assess and demonstrate that some other method better reflects the goodwill associated with the sold operation , then this method is followed.

The assets or CGU including part of goodwill, other intangible assets with indefinite useful lives and assets not yet available for use are tested for impairment at least on an annual basis. The remaining assets and CGU tested for impairment whenever there are indications that the carrying value may not be recoverable. The impairment loss is the amount by which the carrying value of assets or CGU exceeds its recoverable value. Recoverable amount of an asset or CGU is the higher of fair value and value in use (implied by evaluating discounted future cash flows of the asset of CGU).

With the exception of goodwill, all assets are subsequently reassessed for cases where the impairment loss initially recognized may not exist.

3.11. Financial Assets

The financial assets of the Group include loans and receivables.

The impairment testing takes place at least at every reporting date of the financial statements or when there is material evidence that a financial asset or group of financial assets have suffered impairment or not.

3.11.1. Loans and Receivables

Loans and receivables are non -derivative financial assets with fixed determinants and payments that are not quoted in an active market. They arise when the Group provides money , goods or services directly to a debtor with no commercial intent. Loans and receivables are measured at amortized cost using the effective interest method, less any provision for impairment . Any change in the value of loans and receivables is recognized in profit or loss when the loans and receivables are written off or reduce their value or during the period of depreciation.

Certain receivables are tested for impairment per individual requirement (for example for each customer) where the collection of the receivable is classified overdue at the date of the financial statements or in cases where objective evidence indicates the need for impairment . Other receivables are grouped and tested for impairment in their entirety. These groups have in common the characteristic geographical distribution, activity sector of contractors and, if applicable, other similar credit risk characteristics that characterize them.

Loans and receivables and the loans are included in current assets, except those maturing after 12 months from the balance sheet date. These are characterized as non-current assets. At the balance sheet, they are classified as trade and other receivables and comprise the biggest part of the financial assets of the Group.

3.12. Inventories

Inventories include raw materials, materials and goods purchased.

Cost includes all costs incurred in bringing the inventories to their present location and condition, which are directly attributable to the production process, as well as a part of general expenses associated with the production , which is absorbed in the normal capacity of the production facilities.

The financial cost is not taken into account.

At the balance sheet date, inventories are valued at the lowest level between cost of acquisition and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business activities, minus estimated cost which is necessary to make the sale.

Cost is determined using the method of weighted average cost.

3.13. Accounting for Income Tax

3.13.1. Current Income Tax

The current tax asset / liability includes obligations or receivables by the tax authorities relating to the current or previous reporting periods have not been paid until the balance sheet date.

Calculated according to the tax rates and tax laws applicable to the fiscal period to which they relate, based on the taxable profit for the year. All changes to the current tax assets or liabilities are recognized as tax expense in the income statements.

3.13.2. Deferred Income Tax

Deferred income tax is calculated on the liability method focuses on temporary differences. This involves comparing the accounting value of assets and liabilities of the consolidated financial statements with their respective tax bases.

Deferred tax assets are recognized to the extent that it is likely to be offset against future income taxes. Deferred tax liabilities are recognized for all taxable temporary differences. In addition and in accordance with IAS 12, deferred tax is not recognized in relation to goodwill.

No deferred tax is recognized on temporary differences associated with investments in subsidiaries if reversal of these temporary differences can be controlled by the company while it is expected that the temporary difference will not reverse in the future. In addition, tax losses can be carried to subsequent periods and tax credits to the Group are recognized as deferred tax assets.

No deferred tax is recognized under initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which they will settle the asset or liability, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as tax expense in the results. Only changes in deferred tax assets or liabilities related to changes in the value of the asset or liability that is charged directly to equity are charged or credited directly to equity.

The Group recognizes a previously unrecognized deferred tax asset to the extent that it is probable that future taxable profit will allow the recovery of the deferred tax asset.

Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset.

3.14. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash available and short term highly liquid investments such as money market securities and bank deposits with original maturities of three months or less. The market values of financial assets are stated at fair value through profit or loss.

For the purpose of the Consolidated Cash Flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding the outstanding balances of overdrafts (bank overdrafts).

3.15. Equity

Share capital is determined using the nominal value of the shares issued. Ordinary shares are classified as equity.

The share capital increase through cash payment includes any share premium account in the original version of the share capital. Any transaction costs associated with the issuance of the shares and any related income tax benefit resulting deducted from the share capital increase.

If the economic entity acquired their own equity instruments, those instruments (the "shares") are deducted from equity. If such shares are subsequently reissued, the consideration received (net of related transaction costs and the related income tax benefit) included in equity attributable to shareholders. According to the purchase, sale, issue or cancellation of own equity instruments of the entity do not recognize any profit or loss.

The revaluation reserve comprises gains and losses due to the revaluation of certain financial assets and tangible assets. Exchange differences on translation are included in the translation reserve. Retained earnings include current results and those of previous periods as disclosed in the results.

3.16. Retirement benefits and short-term employee benefits

3.16.1. Retirement benefits

A defined benefit plan is a pension plan that does not fall under a defined contribution plan. Typically, defined contribution plans define an amount of benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date of analogue unrecognized gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the *Projected Credit Unit Method*. The present value of the defined benefit obligation is determined by discounting the expected future cash outflows using interest rates of high-yield corporate bonds, which are shown in the currency in which the benefits will be paid and have terms to maturity depending on the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in proportionate matters at the end of the previous reporting period exceeded the greater of 10% of the fair value of plan assets or 10% of the defined benefit obligation are charged or credited to results based on the expected average remaining working lives of the employees participating in this program.

Past service costs are recognized immediately in income, unless the changes to the pension plans are voluntary for the employees remaining in service for a specified period (vesting date). In this case, the past service costs are amortized on a consistent basis over the vesting period.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent administrative institution in mandatory, contractual or voluntary basis. The company will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits, for services rendered current or prior years. Prepaid contributions are recognized as an asset to the extent possible a refund or a reduction in future payments.

3.16.2. Termination benefits

Termination benefits are payable when service employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. When the benefits of retirement are due for more than 12 months, after the balance sheet date they are discounted to present value.

3.17. Financial Liabilities

The Group's financial liabilities include bank loans and overdraft accounts (overdraft), trade and other liabilities and finance leases. The Group's financial liabilities (excluding loans) are shown in the balance sheet in the item "Non-current financial liabilities" and in the "Other trading liabilities".

Financial liabilities are recognized when the Group has entered into a contractual agreement of instrument and derecognized when the Group is exempted from or is canceled or expires.

The interests are recognized as an expense in "finance costs" in the income statement.

Liabilities from finance leases are measured at initial value less the amount of financial capital repayments.

Trade payables are recognized initially at their nominal value and subsequently measured at amortized cost less settlement payments.

Dividends to shareholders are included in "Other current financial liabilities' when the dividends are approved by the General Meeting of Shareholders

Gains and losses are recognized in the income statement when the liabilities are written off, as well as through the amortization.

When an existing financial liability is exchanged with another liability of different form with the same lender but with substantially different terms, or the terms of an existing liability are substantially modified, for example an exchange or modification, it is treated as a write off of the original liability and the recognition of a new liability. Any difference in the respective numerical amounts is recognized in the income statement.

3.17.1. Loans

Bank loans provide long-term and / or short-term financing of the Group operations. All loans are initially recognized at cost, being the fair value of the consideration received excluding the cost of issuing the loan.

After initial recognition, borrowings are measured at amortized cost and any difference between the revenue and the payoff is recognized in the income statement over the period of lending using the effective interest rate method.

The amortized cost is calculated taking into account any issue costs and any discount or premium on settlement amount.

The bond represents the Group's liability for future coupon payments and repayment of principal payment. If the bond loan is convertible then the equity component of the loan represents the value of the right of the bondholders to convert into shares of common stock and is presented in equity (net of applicable tax).

3.18. Other Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when a present obligation is likely to lead to an outflow of economic resources for the Group, in the case that this outflow can be reliably estimated. The timing or amount of the outflow may be uncertain.

A present obligation arises from the presence of a legal or constructive obligation resulting from past events, for example, product warranties, legal disputes or onerous contracts.

Amounts in thousands €, unless stated otherwise

Restructuring provisions are recognized only if a detailed formal plan has been developed and implemented, or management has at least announced the features of the program to those who are affected by it. Provisions are not recognized for future operating losses.

When some or all of the expenditure required to settle a provision, is expected to be reimbursed by another party, the reimbursement will be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation and the obligation is treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision.

The expense relating to a provision is presented in results, net of the amount recognized for the reimbursement.

A provision is used only for expenditures for which it originally formed a prediction. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are measured at the expected cost required to determine the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation.

When the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation.

The pre-tax discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The rate does not reflect risks for which future cash flow estimates have been adjusted.

When the method of discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost in the results. When a number of similar obligations exist, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow to an element included in the class of obligations may be small.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

In such cases where the possible outflow of economic resources as a result of present obligations is considered improbable, or the amount of the provision cannot be estimated reliably, no liability is recognized in the consolidated balance sheet, unless considered in the context of the business combination.

These contingent liabilities are recognized as part of allocating the cost of acquiring the assets and liabilities in the business combination. Subsequently they are measured at the highest amount of a comparable provision as described above and at the amount initially recognized, less any depreciation.

Possible inflows of economic benefits for the Group that do not yet meet the criteria of an asset are considered contingent assets.

4. Group structure

The group structure of LAMPSA S.A. on December 31, 2013 is presented below as follows:

Company	Func. Currency	Domicile	Participating interest %	Consolidation Method	Participation
LAMPSA HELLENIC HOTELS S.A..	€	GREECE	Parent		
LUELLA ENTERPRISES LTD	€	CYPRUS	100,00%	Full	Direct
NORTH HAVEN LTD	$	HONG KONG	100,00%	Full	Indirect
BEOGRADSKO MESOVITO PREDUZECE	€	SERBIA	93,90%	Full	Indirect
HARVARD INVESTMENTS CORPORATION	$	LIBERIA	100,00%	Full	Indirect
EXCELSIOR BELGRADE SOCIATE OWNED & CATERING TOURIST ENTERPRISES	€	SERBIA	80,33%	Full	Direct
TOURISTIKA THERETRA S.A.	€	GREECE	50,00%	Proportionate	Direct
WORLD SPIRIT S.A.	$	PANAMA	100,00%	Full	Indirect
MARKELIA ENTERPRISES COMPANY LTD	€	CYPRUS	100,00%	Full	Indirect

Amounts in thousands €, unless stated otherwise

5. Notes to financial statements

5.1. Segment reporting

In accordance with the provisions of IFRS 8, the identification of operating segments based on the "management approach". According to this approach, the information reported for the operating segments should be the one based on internal organizational and management structure of the Group and the main figures of internal financial reporting to the chief operating decision maker. Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment thereof. Note that the Group applies the same accounting principles for the measurement of operating segment's results with those of the Financial Statements. The financing of the Group comprising the "Financial Expenses" and "Financial income" and income taxes on a group level without being allocated to areas that generate results.

Transactions between operating segments are conducted accordingly to the normal business operations of the Group. Inter-segment sales are eliminated on consolidation.

The business segments that are presented are letting rooms, food and beverage sales and other activities (Income SPA-Health Club, Phone Booth Revenue, etc.). The results of the Group, its assets and liabilities by sector, are analyzed and presented as follows:

Segment results as at 31/12/2013	**RENTING ROOMS**	**SALE OF FOOD AND BEVERAGE**	**OTHER ACTIVITIES**	**NON-ALLOCATED**	**TOTAL**
Sales					
- to external clients	27.413	13.644	2.460		43.516
- to other segments				-	-
Net sales pf the segment	**27.413**	**13.644**	**2.460**	**-**	**43.516**
Financial Income	28	15	3		46
Financial Expenses	(1.330)	(720)	(131)		(2.181)
Depreciation	4.181	1.287	244		5.712
Earnings before tax	**1.126**	**609**	**111**		**1.846**
Income tax	963	521	95		1.578
Earnings after tax	**2.089**	**1.130**	**205**		**3.425**
31/12/2013					
Non-current assets	90.598	49.012	8.911		148.522
Other Non-current Assets (Deferred Tax Assets)				7.232	7.232
Other assets	**5.626**	**3.044**	**553**		**9.223**
Total Assets	96.225	52.056	9.465	7.232	164.977
Total Liabilities	**47.569**	**25.734**	**4.679**		**77.983**

Segment results as at 31/12/2012	RENTING ROOMS	SALE OF FOOD AND BEVERAGE	OTHER ACTIVITIES	NON-ALLOCATED	TOTAL
Sales					
- to external clients	21.351	11.454	2.039		34.844
- to other segments				11	11
Net sales pf the segment	**21.351**	**11.454**	**2.039**	**11**	**34.855**
Financial Income	135	73	13		221
Financial Expenses	(1.711)	(926)	(168)		(2.805)
Depreciation	(4.130)	(1.271)	(241)		(5.642)
Earnings before tax	**(3.250)**	**(1.727)**	**(314)**		**(5.291)**
Income tax	705	376	68		1.149
Earnings after tax	**(2.544)**	**(1.352)**	**(246)**		**(4.142)**
31/12/2012					
Non-current assets	92.022	49.782	9.051		150.856
Other Non-current Assets (Deferred Tax Assets)				5.423	5.423
Other assets	4.988	2.699	491		8.178
Total Assets	**97.010**	**52.481**	**9.542**	**5.423**	**164.457**
Total Liabilities	**49.268**	**26.627**	**4.841**		**80.736**

Geographical segments

The headquarters of the Group are in Greece. Geographically, the Group operates mainly in Greece, Cyprus, Serbia, and has investments in other countries (see § 4 «Group Structure").

	1/1-31/12/2013	31/12/2013	1/1-31/12/2012	31/12/2012
Amounts in thousands €	**SALES**	**NON-CURRENT ASSETS**	**SALES**	**NON-CURRENT ASSETS**
GREECE	31.474	96.971	21.901	98.342
CYPRUS	-	-	-	-
SERBIA	12.043	51.551	12.943	52.514
Total	**43.516**	**148.522**	**34.844**	**150.856**

5.2. Analysis of tangible fixed assets

Land, buildings and equipment valued at the date of transition to IFRS (1/1/2004) at purchasing cost less any accumulated amortization and any impairment losses.

The parent company property items are burdened with liens amounting to € 59,350 as well as 43,551 USD for outstanding loans amounting to € 43.038. The Group's property is burdened with liens amounting to € 79,150 as well as 43.551 USD for outstanding loans amounting to € 58.599. Also there is a lien on 100% of the issued share capital of TOURISTIKA THERETRA S.A. for securing its bond loan.

The Group

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Fixed assets under construction	Total
Net Book Value as at 31/12/2011	**141.457**	**1.583**	**6.229**	**49**	**149.319**
Additions	93	33	244	634	1.003
Disposal of assets	-	(8)	(33)	(9)	(50)
Reclassifications	422	30	48	(550)	(51)
Depreciation costs	(4.020)	(382)	(1.154)	-	(5.557)
Depreciation of disposed assets	-	8	1	-	9
Net Book Value as at 31/12/2012	**137.953**	**1.263**	**5.334**	**124**	**144.674**
Additions	1.445	80	868	796	3.189
Disposal of assets	(2)	-	(26)	(9)	(37)
Reclassifications	131	3	58	(197)	(4)
Depreciation costs	(4.061)	(336)	(1.229)	-	(5.625)
Depreciation of disposed assets	-	-	20	-	20
Net Book Value as at 31/12/2013	**135.466**	**1.010**	**5.026**	**713**	**142.216**

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Fixed assets under construction	Total
Gross Book Value	185.095	10.578	24.339	1.095	221.106
Accumulated depreciation and impairment	(47.142)	(9.315)	(19.005)	(971)	(76.432)
Net Book Value as at 31/12/2012	**137.953**	**1.263**	**5.334**	**124**	**144.674**
Gross Book Value	186.669	10.661	25.240	1.685	224.254
Accumulated depreciation and impairment	(51.203)	(9.651)	(20.214)	(971)	(82.038)
Net Book Value as at 31/12/2013	**135.466**	**1.010**	**5.026**	**714**	**142.216**

The Company

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Total
Net Book Value as at 01/01/2012	**74.359**	**252**	**2.040**	**76.651**
Additions	28	19	66	113
Disposal of assets	-		(2)	(2)
Depreciation costs	(2.001)	(101)	(345)	(2.447)
Depreciation of disposed assets	-	-	1	1
Net Book Value as at 31/12/2012	**72.385**	**171**	**1.759**	**74.315**
Additions	1.282	33	783	2.098
Disposal of assets	(2)		(1)	(3)
Depreciation costs	(2.050)	(82)	(439)	(2.571)
Depreciation of disposed assets		-	2	2
Net Book Value as at 31/12/2013	**71.616**	**122**	**2.103**	**73.841**

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Total
Gross Book Value	**97.114**	**5.047**	**10.098**	**112.257**
Accumulated depreciation and impairment	-24.728	-4.876	-8.338	-37.943
Net Book Value as at 31/12/2012	**72.385**	**171**	**1.759**	**74.315**
Gross Book Value	98.394	5.080	10.879	114.353
Accumulated depreciation and impairment	-26.778	-4.958	-8.775	-40.512
Net Book Value as at 31/12/2013	**71.616**	**122**	**2.104**	**73.842**

During the fiscal year for the Company and the Group, net investments into tangible and intangible assets amounted to thousand € 2.164 and thousand €3.328 (2012: € 120 thousand and €1.069 thousand respectively.)

During the fiscal year 2013, there were sold or written off tangible fixed assets which have net book value Euro 18 thousand for the Group and Euro 1 thousand for the Parent Company, respectively, realizing a net loss of Euro 7 thousand for the Group (2012: loss of nine thousand euros) without effect on the Parent Company (2012: no result.)

As at 31 December 2013 and 31 December 2012 the Group and the Company had no commitments for capital expenditures.

5.3. Analysis of intangible assets

The intangible assets of the Group are as follows:

Amounts in thousands €	Software licenses	Other intangible assets	Total
Net Book Value as at 31/12/2011	**192**	**90**	**282**
Additions	16	51	66
Amortization	(51)	(34)	(85)
Net Book Value as at 31/12/2012	**157**	**107**	**264**
Προσθήκες	99	44	144
Ποσό απόσβεσης	(49)	(37)	(86)
Net Book Value as at 31/12/2013	**207**	**114**	**321**

The intangible assets of the Company are as follows:

Amounts in thousands €	Software licenses	Total
Net Book Value as at 1/1/2012	**21**	**21**
Additions	8	8
Amortization	(7)	(7)
Net Book Value as at 31/12/2012	**21**	**21**
Additions	63	63
Amortization	(16)	(16)
Net Book Value as at 31/12/2013	**68**	**68**

Changes in intangible assets of the Company are analytically presented below as follows:

Amounts in thousands €	Software licenses	Total
Gross Book Value	361	361
Accumulated amortization and impairment	(340)	(340)
Net Book Value as at 31/12/2012	**21**	**21**
Gross Book Value	427	427
Accumulated amortization and impairment	(359)	(359)
Net Book Value as at 31/12/2013	**68**	**68**

Intangible assets are free of liens.

5.4. Goodwill

The book value of goodwill is as follows:

Amounts in thousands €	BEOGRADSKO MESOVITO PREDUZECE	EXCELSIOR BELGRADE SOCIATE OWNED	TOURISTIKA THERETRA S.A.	Total Goodwill
Gross amount from transfer as at 1/1/2012	**3.483**	**2.247**	**332**	**6.062**
Accumulated impairment loss				-
Net Book Value as at 1/1/2012	**3.483**	**2.247**	**332**	**6.062**
Additional goodwill recognized within the period /1-31/12/2012				-
Goodwill derecognized within the period 1/1-31/12/2012			(332)	(332)
Gross amount from transfer as at 31/12/2012	**3.483**	**2.247**	**332**	**6.062**
Accumulated impairment loss	-	-	(332)	(332)
Net Book Value as at 31/12/2012	**3.483**	**2.247**	**-**	**5.730**
Additional goodwill recognized within the period 1/1-31/12/2013				-
Goodwill derecognized within the period 1/1-31/12/2013				-
Gross amount from transfer as at 31/12/2013	**3.483**	**2.247**	**332**	**6.062**
Accumulated impairment loss	-	-	(332)	(332)
Net Book Value as at 31/12/2013	**3.483**	**2.247**	**-**	**5.730**

Amounts in thousands €, unless stated otherwise

Goodwill impairment test

During the year 2013 (reporting date 31/12/2013) an impairment test of recognized goodwill was conducted.

For purposes of impairment test, goodwill is allocated to cash flows generating units of the Group (CGU) identified according to the operation of the country and business segment. The total goodwill has been allocated to hotel operations in Serbia (subsidiary BEOGRADSKO MESOVITO PREDUZECE and EXCELSIOR BELGRADE SOCIATE OWNED). The goodwill in the jointly controlled company TOURISTIKA THERETRA S.A. was fully impaired in the previous fiscal year.

The recoverable amount of subsidiaries was determined based on their book value. The book value was determined by discounting the future free cash flows of the company after tax by the weighted average cost of capital after taxes . The result would be the same if we discount cash flows before tax with pre-tax discount rate. In determining book value, management uses assumptions that it deems reasonable and based on the best information that is available and valid at the reporting date of the financial statements.

Since the impairment test at 31/12/2013, there was no need for derecognition of goodwill of any of the two companies.

Assumptions used to determine the book value:

- **Business Plans assumptions 2014 - 2018:** The calculations for determining the recoverable amount of the CFGU was based on 5-year business plans approved by management, which believes that reflect past experience and other available information from external sources. Apart from the above considerations concerning the determination of the book value of the CFGU, management is aware of any other changes in circumstances that may affect the other assumptions.
- **Perpetuity growth:** The growth rate of cash flows beyond the forecast period (growth) was calculated taking into account both macroeconomic factors and characteristics of each CFGU.
- **Discount rate:** The discount rate used for the valuation of companies was based on the Weighted Average Cost of Capital (Weighted Average Cost of Capital). The Weighted Average Cost of Capital is the discount rate that converts the expected future return in present value. Considered the most appropriate discount factor, since it takes into account qualitative factors such as: the systematic risk of the company, the risk premium on performance and the company's tax liabilities.

In summary, the main assumptions adopted by the management for the estimation of future cash flows in order to determine the book value (book value) on 31/12/2013 and 31/12/2012 and carried out the impairment test, are as follows:

	Assumptions as at 31/12/2013		
Cash Generating Units	**WACC**	**WACC before tax**	**Perpetuity growth**
BEOGRADSKO MESOVITO PREDUZECE (BMP)	12,51%	16,91%	3,70%
EXCELSIOR BELGRADE SOCIATE OWNED	12,40%	16,76%	5,00%

	Assumptions as at 31/12/2012		
Cash Generating Units	**WACC**	**WACC before tax**	**Perpetuity growth**
BEOGRADSKO MESOVITO PREDUZECE (BMP)	13,76%	15,80%	2,00%
EXCELSIOR BELGRADE SOCIATE OWNED	12,89%	14,19%	5,00%
TTOURISTIKA THERETRA S.A.	11,24%	13,17%	2,00%

5.5. Analysis of investments in subsidiaries and associates

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

Amounts in thousands €	ACQUISITION VALUE as at 31/12/2013	ACQUISITION VALUE as at 31/12/2012	DOMICILE – COUNTRY	Func. Currency	DIRECT PARTICIPATING INTEREST %	INDIRECT PARTICIPATING INTEREST %	RELATIONSHIP	CONSOLIDATION METHOD	OPERATING SEGMENT
LAMPSA HELLENIC HOTELS S.A..	-	-	Greece	€	PARENT		PARENT	FULL CONSOLIDATION	Hotel services
GRAND BRETAGNE LTD	-	100	Greece	€	99,94%		SUBSIDIARY	FULL CONSOLIDATION	Retail
LUELLA ENTERPRISES LTD	18.730	18.109	Cyprus	€	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Holding
HARVARD INVESTMENTS CORPORATION	-	359	Liberia	$	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Holding
WORLD SPIRIT S.A.	-	3.080	Panama	$	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Holding
TOURISTIKA THERETRA S.A.	9.260	7.409	Greece	€	50,00%		JOINTLY CONTROLLED	PROPORTIONATE CONSOLIDATION	Hotel services
EKSCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	7.435	7.340	Serbia	€	80,33%		SUBSIDIARY	FULL CONSOLIDATION	Hotel services
BEOGRADSKO MESOVITO PREDUZECEE A.D.	-	-	Serbia	€	-	93,90%	SUBSIDIARY	FULL CONSOLIDATION	Hotel services
NORTH HAVEN LTD	-	-	Hong Kong	$	-	100,00%	SUBSIDIARY	FULL CONSOLIDATION	Holding
MARKELIA ENTERPRISES COMPANY LTD	-	-	Cyprus	€	-	100,00%	SUBSIDIARY	FULL CONSOLIDATION	Services
TOTAL	**35.425**	**36.397**							
PROVISION FOR IMPAIRMENT	(9.260)	(7.509)							
NET VALUE	**26.165**	**28.888**							

During the current financial year:

- The parent company received from the vendor company TOURISTIKA THERETRA, an amount of total gross compensation thousand € 1.706 (net thousand € 1.600), in accordance with relevant term in the contract of sale. The related term provided that will be returned to buyers any amount of deferred tax assets (a total amount at the date of purchase thousand € 2.849), which will not have or cannot legally set off until 5/31/2013 with the tax obligations of TOURISTIKA THERETRA S.A., will arise due to the profits that might have made the company until 31/12/2012. That tax asset relates to the right indefinitely tax-free deduction of Law 1892/1990. The paid amount, in the form of compensation was interest bearing at an annual rate calculated according to the interest rate of long-term bond loan granted to the TOURISTIKA THERETRA S.A. The interest rate amounted to € 230 thousand. Then LAMPSA and the other shareholder paid the collected amount (each approximately thousand € 1.600), to TOURISTIKA THERETRA S.A. as an increase in the share capital. Simultaneously LAMPSA conducted impairment in its participation, amounting to € 1.850 thousand, which was reversed in the group. So the results of the parent company was charged by 145 thousand €, while the group was benefited by thousand € 1.706.
- The General Assembly of jointly controlled company, Touristika Theretra S.A. unanimously decided to increase the share capital by 3,700,002 euros (3,700,002.00) by issuing one million two hundred thirty-three thousand three hundred thirty-four (1,233,334) shares with a nominal value of three (3) euros each one in cash. After this increase, the share capital will amount to nineteen million four eighty-eight thousand eight hundred eighty-eight (19,488,888), divided into 6,496,296 (6,496,296) shares with a nominal value of three (3) each one. The increase has not yet been completed.
- At the Annual General Meeting of the Parent Company on 9 July 2013, there was announced the Company's intention to transfer its holdings of 100 % subsidiaries HARVARD WORLD SPIRIT in it's also 100 % subsidiary LUELLA ENTERPRISE Co. The above transfer was completed during the third quarter of 2013 and had no impact on the financials of the company and the group. The company World Spirit LTD by decision , made reduction in share capital gradually until 31/12/2013 by the amount of $ 3.750 thousand, paying in the parent company. Moreover, LUELLA ENTERPRISE Co, paid to its parent company LAMPSA dividends amounting to € 885 thousand.
- On 9 January 2013, there was completed the public offer process and the parent Company acquired an additional 7,347 shares of the company EXCELSIOR AD BEOGRAD with a total cost of thousand € 95 approximately, now holding 62,104 shares (80.33%) of the company EXCELSIOR AD BEOGRAD. Since this increase in participation, a negative goodwill aroused (gain) of € 599 thousand which was recognized directly in consolidated equity.
- In the current fiscal year the liquidation of the subsidiary company "Grande Bretagne LTD" was completed, which had no substantial effect on the Group.
- There are no discontinued operations of a segment or another company in accordance with IFRS in fiscal year 2013.

The change in investments of the parent company is as follows:

Amounts in thousands €	31/12/2013	31/12/2012
Opening balance	**28.888**	**38.059**
Acquisitions	95	
Share Capital Increase	1.850	
Disposals		
Share Capital Decrease	(2.818)	(6.171)
Impairment loss recognized in the income statement	(1.850)	(3.000)
Closing balance	**26.165**	**28.888**

Financial data regarding the jointly controlled company «Touristika Theretra S.A.» is presented below as follows:

	31/12/2013	31/12/2012
Items of Statement of Financial Position		
Non-current Assets	34.448	36.400
Current Assets	1.768	1.268
Total Assets	**36.216**	**37.667**

Total Equity	992	(1.678)
Long-term Liabilities	29.720	28.942
Short-term Liabilities	5.504	10.404
Total Liabilities	**36.216**	**37.667**
Items of Statement of Comprehensive Income	**01/01-31/12/2013**	**01/01-31/12/2012**
Profit/Loss after tax	(1.043)	(4.172)
Other comprehensive income / (loss)	14	46
Total comprehensive income / (loss)	(1.028)	(4.126)
Depreciation	2.173	2.227
Financial income	4	2
Financial expenses	911	1.557
Income tax	74	545

5.6. Analysis of other long term receivables

Other long term receivables of the Group and the Company are analyzed below as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Guarantees	122	91	107	75
Other receivables	132	96	-	-
Total	**254**	**187**	**107**	**75**

5.7. Inventory Analysis

The Group and the Company inventory is analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Goods	501	407	433	338
Raw materials	324	294	144	94
Spare parts	105	131	-	-
Total	**930**	**831**	**578**	**432**

The Group has no pledged inventory.

5.8. Trade and other Receivables and other Assets

The Group and the Company receivables are analyzed as follows:

-	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Trade receivables from third parties	1.699	1.526	1.169	983
Cheques receivables	280	351	164	221
Less: provision for doubtful receivables	(213)	(252)	-	(69)
Trade receivables - net	**1.765**	**1.625**	**1.334**	**1.136**
Advance payment	109	105	81	47
Miscellaneous debtors	506	181	213	34
VAT	163	160	-	-
Doubtful receivables from Greek State	160	112	-	-
Doubtful debtors	9	9	-	-
Less: provision for doubtful debtors	(9)	(9)	-	-
Long-term receivables carried forward	-	1.979	-	250
Receivables from associates	0	-	-	-
Other receivables	938	2.537	294	331
Prepaid expenses	530	570	445	366
Accrued income	721	241	730	176
Other current assets	1.251	810	1.175	542
Total Receivables	**2.189**	**3.347**	**1.469**	**873**
Total trade and other receivables	**3.954**	**4.973**	**2.802**	**2.009**

All the above receivables are short-term. The fair value of these short-term financial assets is determined independently because the carrying value is considered to approximate their fair value.

The Group's management periodically reassesses the adequacy of the allowance for doubtful receivables in connection with the credit policy and taking into account information of legal counsel, which arise from processing of historical data and recent developments of the cases they handle.

The provision for doubtful debts has been formed for specific customer balances that have exceeded the credit policy of the Group, for most of which the Group has made legal claims.

There are no liens on the group and the Company receivables.

The receivables of the parent that are not impaired and are post due amount to Euro 479 thousand and those of the Group – to € 497 thousand.

5.9. Analysis of cash available

The Group and the Company cash available is analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Cash	84	115	33	84
Sight deposits	4.255	2.259	1.170	888
Total	**4.339**	**2.374**	**1.204**	**972**

From the above statements, there arose financial income for the Group and the Company amounting to € 14 thousand and 6 thousand respectively (2012: Group € 6 thousand, Company: € 4 thousand).

Sight deposits per currency are analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Sight deposits in €	4.252	2.258	1.167	887
Sight deposits in $	2	0	2	0
Sight deposits in RSD	1	1	1	1
Total	**4.255**	**2.259**	**1.170**	**888**

5.10. Equity analysis

The Group and the Company Equity is analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Capital and reserves attributable to parent owners				
Share capital	23.928	23.928	23.928	23.928
Share premium	38.641	38.641	38.641	38.641
Foreign currency translation differences	(300)	(209)		
Other reserves	5.972	5.322	5.927	5.609
Retained earnings	15.005	11.777	(9.607)	(9.569)
Total	**83.246**	**79.459**	**58.889**	**58.609**
Non-controlling interest	3.749	4.299	-	-
Total Equity	**86.995**	**83.758**	**58.889**	**58.609**

* Restated due to application of IAS 19.

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

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

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

“Other Reserves" of the Group and the Company are as follows:

THE GROUP

Amounts in thousands €	Statutory reserves	Extraordinary reserves	Tax exempted reserves under special regulations	Actuarial results reserves	Other reserves	Total
Balance as at 31/12/2011	**882**	**404**	**4.199**		**127**	**5.612**
Readjustment under revised IAS 19				228	(26)	202
Readjusted balance	**882**	**404**	**4.199**	**228**	**101**	**5.814**
Changes within the FY	-	-	(290)	121		(169)
Readjusted balance as at 31/12/2012	**882**	**404**	**3.909**	**349**	**101**	**5.645**
Changes within the FY	(3)	-	293	36		326
Balance as at 31/12/2013	**879**	**404**	**4.203**	**385**	**101**	**5.972**

		THE COMPANY				
Amounts in thousands €	Statutory reserves	Extraordinary reserves	Tax exempted reserves under special regulations	Actuarial results reserves	Other reserves	**Total**
Balance as at 31/12/2011	**878**	**404**	**4.200**		**127**	**5.609**
Readjustment under revised IAS 19				191		191
Readjusted balance	**878**	**404**	**4.200**	**191**	**127**	**5.799**
Changes within the FY	-			98		98
Readjusted balance as at 31/12/2012	**878**	**404**	**4.200**	**289**	**127**	**5.898**
Changes within the FY	-		-	29		29
Balance as at 31/12/2013	**878**	**404**	**4.200**	**318**	**127**	**5.927**

Detailed description of the change in the Equity of the Group and the Company is presented in the "Statement of Changes in Equity" of this report..

5.10.1. Share capital

As at 31 December 2013, the Company's share capital amounts to € 23.927.680, divided into 21,364,000 common registered shares of nominal value € 1,12 each. The Company's shares are listed on the Athens Stock Exchange, in the category of low dispersion and specific characteristics, are traded on the stock exchange in Athens 'main market' and participate in the Travel & Leisure Sector, Branch Hotels.

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

Due to accumulated losses, the Management will not propose distribution of dividends to the Annual General Meeting of shareholders.

The profits of LAMPSA S.A. for 2013, amounting to € 379 thousand, are proposed to be distributed as follows:

Amounts in thousands €	
Profit for the year	**379**
Retained earnings	379
Dividend per share (in €)	0,0000

It should be noted that the proposed dividend is subject to approval of the annual ordinary general meeting of shareholders.

5.11. Analysis of provisions

Provisions, made by the Group and the company, are analyzed as follows:

	THE GROUP	

	Loss from shares	Other provisions	Other provisions (legal claims)	Total	Customers provisions
31.12.2011	**9**	**0**	**251**	**260**	**251**
Acquisition of subsidiary	-		-	-	
Adjustments to discount rate	-		-	-	
Additional provisions	-	-	32	32	5
Used provisions	-	-	-	-	(5)
Unused amounts reversed	-	-	(142)	(142)	
31/12/2012	**9**	**0**	**141**	**150**	**252**
Acquisition of subsidiary	-		-	-	
Transfers	-		20	20	
Additional provisions	-	6	64	70	(38)
Used provisions	-	-	(2)	(2)	-
Unused amounts reversed	-	-	-	-	(69)
31/12/2013	**9**	**6**	**223**	**239**	**213**

	THE COMPANY				
	Loss from shares	Other provisions	Other provisions (legal claims)	Total	Customers provisions
31.12.2011	**9**	**-**	**230**	**239**	**74**
Additional provisions	-		32	32	(5)
Used provisions					
Unused amounts reversed	-		(137)	(137)	
Reclassification					
31/12/2012	**9**	**-**	**124**	**134**	**69**
Acquisition of subsidiary	-	-	-	-	
Adjustments to discount rate	-	-	-	-	
Additional provisions	-	6	64	70	
Used provisions	-	-	(2)	(2)	
Unused amounts reversed	-			-	(69)
31/12/2013	**9**	**6**	**187**	**202**	**-**

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

On 16/12/2011, there were imposed fines under the Code of Books and Records on the parent company totaling € 7.584 thousands, on the ground that it did demand and did not receive tax documents in respect of lease from the contracting company regarding fixed assets for the years 2003-2008. The Committee under Article 70A of Income Tax Code Law 2238/94, to which the company applied, following its decisions of 04.11.2013, cancelled the decisions imposing fines under the Code of Books and Records, reformed its content and redefined the fine as an amount € 26.400 (4.400 x 6) plus stamp duties, an amount that the company until the date of approval of the Annual Financial Statements has fully paid to the competent Tax Department.

5.12. Analysis of suppliers

Analysis of suppliers and other short-term payables of the Group and the Company is presented below as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Suppliers	2.409	1.957	1.909	1.357
Cheques payable	115	87	-	-
Total Suppliers and Other Liabilities	**2.524**	**2.044**	**1.909**	**1.357**

5.13. Analysis of other liabilities and advance payments

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Suppliers advance payments	765	482	688	348
Social insurance	739	547	656	491
Accrued expenses	970	728	753	402
Income carried forward	141	154	13	23
Dividends	8	23	8	23
Liabilities from associates	(0)	0	23	-
Other short-term liabilities	2.687	2.085	2.223	1.657
Total	**5.310**	**4.019**	**4.364**	**2.944**

The fair values of trade and other liabilities are not shown separately since, because of their short duration, management considers that the carrying amounts recognized in the balance sheet are a reasonable approximation of fair values.

The account "Other short-term liabilities" includes liabilities to third parties due on 31/12/2013. The increase over the prior year is primarily due to subsidized insurance contribution obligations and other liabilities incurred in the following year.

5.14. Current Tax Liabilities

Current tax and other liabilities of the Group and the Company are presented as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Income tax	315	165	1	-
Total tax liabilities	315	165	1	-

5.15. Deferred Tax Assets and Liabilities

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

The tax rates for the year 2013 regarding the companies operating abroad are as follows:

Country	Tax rate
SERBIA	15%*
CYPRUS	12,5%
HONG KONG	16,50%
PANAMA	0%
LIBERIA	0%

Deferred income tax is provided on temporary differences using the tax rates expected to apply to the countries where the Group companies are active. The amounts shown in the balance sheet are expected to be recovered or settled after December 31, 2013.

Deferred taxation on 31/12/2013 for Group companies operating in Greece has been calculated at the applicable tax rate of 26% established by L.4110/2013. The effect on deferred tax of 31/12/2012 from the change in tax rate (from 20% to 26%) was calculated as tax income € 1.743 thousand for the Group and € 1.755 thousand for the company.

Tax losses are recognized as deferred tax assets to the extent that the recovery of the tax benefit through future taxable profits is probable.

As at 31 December 2013, the Group and the Company had accumulated tax losses carried forward (Group € 3.827, Company € 2.727), part of which was recognized as deferred tax asset (Group: € 995 thousand company: € 709 thousand), since the Management estimates that their offsetting with future taxable profits is reasonably possible. This Management's assessment is based on the relevant approved business plan of the respective companies.

Changes in deferred tax assets and liabilities of the group are as follows:

-	THE GROUP				
	31/12/2013			31/12/2012	
Amounts in thousands €	Deferred tax asset	Deferred tax liability		Deferred tax asset	Deferred tax liability
Property, plant and equipment	7.673	(6.176)		6.048	(5.907)
Intangible assets	3	-		4	(1)
Trade receivables	-	(0)		-	(52)
Actuarial results reserves	-	(126)			(81)
Employees termination benefit obligations	635	-		465	-
Government grants	-	(95)		-	(27)
Tax loss to be offset	4	-		-	-
Provisions – obligations	121	-		36	-
Deferred Tax Liability from credit foreign currency translation differences (valuation)	-	(163)		-	(4)
Recognition of tax loss	995	-		523	-
Total	**9.432**	**(6.560)**		**7.075**	**(6.072)**
Offsetting	(2.199)	2.199		(1.652)	1.652
Net deferred tax asset / (liability)	**7.232**	**(4.361)**		**5.423**	**(4.420)**

THE GROUP				
Deferred tax assets (liabilities)	**1.1.2013**	**Recognized in Other Comprehensive Income**	**Recognized in Income Statement**	**31/12/2013**
Property, plant and equipment	141		1.357	1.497
Intangible assets	3		(0)	3
Trade receivables	(52)		52	(0)
Actuarial results reserves	(81)	(45)		(126)
Employees termination benefit obligations	465		170	635
Government grants	(27)		(68)	(95)
Tax loss to be offset	-		4	4
Provisions – obligations	36		85	121
Deferred Tax Liability from credit foreign currency translation differences (valuation)	(4)		(159)	(163)
Recognition of tax loss	523		473	995
Total	1.003	(45)	1.914	2.871
Recognized as:				
Deferred tax asset	**5.423**			**7.232**
Deferred tax liability	**(4.420)**			**(4.361)**

Deferred tax assets (liabilities)	1.1.2012	Recognized in Other Comprehensive Income	Recognized in Income Statement	31/12/2012
Property, plant and equipment	(1.066)	(390)	1.596	141
Intangible assets	2		1	3
Investments	(6)		6	-
Other non-current assets	0		(0)	-
Trade receivables	2		(54)	(52)
Actuarial results reserves	(30)	(50)		(81)
Employees termination benefit obligations	453		11	465
Government grants	(21)		(7)	(27)
Tax loss to be offset	(3)		3	-
Provisions – obligations	17		19	36
Deferred Tax Liability from credit foreign currency translation differences (valuation)	8		(12)	(4)
Recognition of tax loss	780		(258)	523
Total	138	(440)	1.305	1.003
Recognized as:				
Deferred tax asset	**2.652**			**5.423**
Deferred tax liability	**(2.514)**			**(4.420)**

Changes in deferred tax assets and liabilities of the company are as follows:

	THE COMPANY			
	31/12/2013		31/12/2012	
Amounts in thousands €	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Property, plant and equipment	6.897	(806)	5.264	(550)
Intangible assets		-		(1)
Investments	-		436	
Trade receivables		(0)		(52)
Actuarial results reserves		(112)		(72)
Employees termination benefit obligations	598		433	
Government grants	4			
Trade receivables	104		27	
Provisions		(163)		(4)
Recognition of tax loss	709		400	
Total	**8.314**	**(1.081)**	**6.560**	**(679)**
Offsetting	(1.081)		(679)	
Net deferred tax asset / (liability)	**7.232**	**-**	**5.881**	**-**

Amounts in thousands €, unless stated otherwise

THE COMPANY				
Deferred tax assets (liabilities)	**1.1.2013**	**Recognized in Other Comprehensive Income**	**Recognized in Income Statement**	**31/12/2013**
Property, plant and equipment	4.714		1.377	6.091
Intangible assets	(1)		1	-
Financial assets available for sale	436		(436)	-
Trade receivables	(52)		52	(0)
Actuarial results reserves	(72)	(39)		(112)
Employees termination benefit obligations	433		165	598
Government grants	-		4	4
Trade receivables	27		77	104
Provisions	(4)		(159)	(163)
Recognition of tax loss	400		309	709
	5.881	**(39)**	**1.390**	**7.232**
Recognized as:				
Deferred tax asset	5.881			7.232
Deferred tax liability	-			-

THE COMPANY

Deferred tax assets (liabilities)	**1.1.2012**	**Recognized in Other Comprehensive Income**	**Recognized in Income Statement**	**31/12/2012**
Property, plant and equipment	1.621		3.093	4.714
Intangible assets	(2)		1	(1)
Financial assets available for sale	896		(460)	436
Trade receivables	2		(54)	(52)
Actuarial results reserves	(48)	(25)		(72)
Employees termination benefit obligations	429		4	433
Government grants	(3)		3	-
Trade receivables	13		14	27
Provisions	8		(12)	(4)
Recognition of tax loss	400		-	400
	3.317	**(25)**	**2.589**	**5.881**
Recognized as:				
Deferred tax asset	**3.261**			**5.881**
Deferred tax liability	-			-

5.16. Analysis of loans

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

Amounts in thousands €	THE GROUP		THE COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Long-term debt				
Bond loans	50.795	40.466	37.035	26.706
Long-term bank loans	1.792	1.647		
Total long-term debt	**52.587**	**42.113**	**37.035**	**26.706**
Short-term debt				
Short-term bank loans	3.704	2.830	1.705	100
Short-term portion of bond and bank loans	6.003	22.467	6.003	21.042
Total short-term debt	**9.707**	**25.297**	**7.708**	**21.142**
Total	**62.294**	**67.410**	**44.743**	**47.848**

The information regarding the Parent company loans as at December 31, 2013, is as follows:

Credit Institution	Type of loan	Initial loan capital	Loan interest rate
Eurobank	Bond loan	$ 33.500.064,00	Libor 1 month + 1,5% spread
Eurobank	Bond loan	€ 30.000.000,00	Euribor 6 month + 1,5% spread
Alphabank	Bond loan	€ 18.500.000,00	Euribor 6 month + 4,75% spread
Eurobank	Working capital	€ 1.000.000,00	Euribor 3 month + 5,00% spread
Alphabank	Working capital	€ 700.000,00	Euribor 1 month + 2,00% spread

The information regarding the Parent company loans as at December 31, 2013, is as follows:

Credit Institution	Type of loan	Initial loan capital	Loan interest rate
Alphabank	Bond loan	€ 31.960.000,00	Euribor + 1,5% spread
Alphabank	Bond loan	€ 40.000,00	Euribor + 1,5% spread
Alphabank	Working capital	€ 1.345.000,00	Euribor 6 month + 4,5% spread
Alphabank	Working capital	€ 1.500.000,00	8,4%+Contribution under Law 128/75 (0,60%)
Εμπορική	Working capital	€ 2.000.000,00	BEX (basic interest rate) + spread (3,75%)+ Contribution under Law 128/75 (0,60%)

The group has used all authorized long-term credit lines available.

In the previous fiscal year, the company TOURISTIKA THERETRA S.A. secured a common bond loan for repayment of the principal of the old shareholders. For securing the loan as collateral, a mortgage on the property of the company, as there is also a lien on 100% of the issued share capital of TOURISTIKA THERETRA S.A. and pledge / assignment of receivables of the Company arising from insurance contracts has or will conclude Insurance Property. Moreover, with the changing conditions of 01/21/2013 on bond loan, bond loan guarantors agreed (shareholders) to grant jointly favor of the Lenders guarantees amounting to € 1,200 thousands with the following specific conditions: (i) each of the guarantors shall be liable divided by 50% , i.e. each up to an amount of Euro six hundred thousand euro (€ 600,000) and (ii) the guarantees offered shall be progressively reduced by the amount of interest paid by the relevant Issuer for any kind of capital outstanding interest bonds until 08.18.2014 and finally eliminated when the Issuer will be paid in accordance with the repayment schedule.

On the property of the parent there are liens amounting to € 59,350 thousands and $ 43,551 thousands for outstanding loans amounting to € 43.038 thousand. At the Group's property, there are liens amounting to € 79,150 thousand and $ 43,551 thousand for outstanding loans amounting to € 58,599 thousand. Also there is a lien on 100% of the issued share capital of TOURISTIKA THERETRA S.A. securing a bond loan.

During the period, the company and the Group received new loans amounting to € 1,600 thousand and € 1,798 thousand, while they repaid € 4,269 thousand and € 6,432 thousand respectively.

The effective weighted average interest rates of the Group, on the balance sheet date are::

	31/12/2013	31/12/2012
Bank debt	3,36%	4,06%

Working Capital

The Group on 31/12/2013 had negative working capital as current liabilities exceed current assets by € 8,633 thousand (parent company € 9,398 thousand). The most important part of current liabilities (54% group - 55% parent) is a short-term borrowings and long-term debt installments payable in the following year. In April and June 2013, there was paid by the parent company to a bank the amount of capital € 1,400 thousand, in August - the amount of € 600,000 was repaid and in November 2013, the last installment of the bond loan of € 15,500 thousand should be repaid, but the Administration Group on 30/12/2013 proceeded to amend the contract with the lending bank Alpha Bank regarding the restructuring of repayment terms and conditions of the outstanding amount of € 15,500 thousand of the Bond Loan of the parent company. In addition, the company is in the final stage of agreement with the lending bank Eurobank concerning the modification of the repayment of the loan. Specifically, the debenture installment due amounting at € 900 thousand in € will be integrated in the end of it in March 2018. This restructuring has been approved by the Credit Committee of the Bank and in April 2014 it is expected that the additional amending act of the repayment schedule will be signed.

According to the changing conditions of the bond loan on 21/1/2013 of TOURIST RESORTS SA, it is agreed to transfer repayment installments for two years, 2013 and 2014 to 2015 and the period of the loan repayment was extended until 02/18/2020. Each year two semi-annually installments will be paid amounting € 1,322 thousand (versus € 1.120). The Euribor is defined as reference rate and the margin defined by 18/2/2012 and thereafter 1.5% per annum.

As also mentioned in § 5.5, the parent company received in the current period, return of capital from subsidiaries amounting at $ 3,750 and dividends of € 885 thousands. Για τη χρήση 2014 εκτιμάται πως θα δοθούν μερίσματα στη μητρική εταιρεία ποσού χιλ $2,2 περίπου. For the year 2014 is estimated that the parent company will be provided dividends amounting $ 2,2 thousand approx.

Finally, the two major shareholders of the parent company «NAMSOS ENTERPRISES COMPANY LIMITED» and «DRYNA ENTERPRISES COMPANY LIMITED», representing 28.48% share in the share capital of each (total of 56.96%), are bound to meet any needs, despite that seems not to be necessary, for working capital for at least the next twelve months from the date of approval of the annual financial statements of 31/12/2013.

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

5.17. Other long term liabilities

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Grants	944	559	17	23
Other long-term liabilities	39	49	-	-
Total long-term liabilities	**984**	**608**	**17**	**23**

5.18. Analysis of employee retirement benefits

Employee remuneration due to retirement: According to the Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on salary , years of service and the manner of termination (dismissal or retirement) with the employee. Employees who resign or are dismissed on valid grounds, are not entitled to compensation. The compensation payable in case of retirement equals 40% of the compensation which would be payable in case of unjustified dismissal. In Greece, according to local practice, these programs are not funded.

The Group charges for benefits earned in each period with a corresponding increase in the pension liability. Any payments made to retirees each year are charged against this liability.

The revised IAS 19 “Employees Benefits” is retrospectively implemented since January 1st 2012. According to this, the option of recognition of actuarial gains and losses under “corridor” method is removed. Therefore, the actuarial gains and losses arising during the reporting period will be immediately recognized at the Comprehensive Income Statement of the reporting period and there will not be the possibility to defer their recognition. Moreover the service cost arising after 2013 will be recognized in the Comprehensive Income Statement of the period when the change occurred.

At the beginning of 2012's financial year, the unrecognized service costs were included in the Comprehensive Income Statement of the previous year. Therefore, on the January 1st 2013 the liability in the Statement of Financial Position is equal to the actuarial liability.

EFFECT ON THE INCOME STATEMENT AS OF 1/1-31/12/2012			
	THE GROUP		**THE COMPANY**
Cost of sales	(57)		(19)
Profit / (Loss) from operating activities	(57)		(19)
Profit / (Loss) before tax	(57)		(19)
Income tax	11		4
Profit / (Loss) after tax	(45)		(15)
Distributed to:			
Owners of the parent	(45)		(15)
Non-controlling interest	-		-
Profit / (Loss) after tax per share – Basic and Diluted (in euro)	(0,0022)		(0,0007)
EBITDA	(57)		(19)
EFFECT ON THE STATEMENT OF COMPREHENSIVE INCOME AS OF 1/1-31/12/2012			
	THE GROUP		THE COMPANY
Actuarial profit / (loss)	152		(14)
Attributable income tax	(30)		3
Total comprehensive income / (loss) after tax	121		(11)
EFFECT ON THE STATEMENT OF FINANCIAL POSITION AS OF 31/12/2012			
	THE GROUP		THE COMPANY
Deferred tax asset	9		32
Total Assets	**9**		**32**
Actuarial balances reserves	323		289
Retained earnings	(361)		(417)
Equity attributable to owners of the parent	(38)		(128)
Non-controlling interest	-		-
Total Equity	**(38)**		**(128)**
Employees termination benefit obligations	47		161
Total Liabilities	**47**		**161**
Total Equity and Liabilities	**9**		**-**

The revision of the standard has no effect on the Statement of Financial Income of the Group and the Company. The amendments mentioned above are implemented on Interim Financial Statements of 2013, which are 31.3.2013, 30.06.2013, and 30.09.2013.

The change of net liability in the Statement of Financial Position is as follows:

	THE GROUP		**THE COMPANY**	
-	**Amounts in thousands €**	-	**Amounts in thousands €**	-
	31/12/2013	**31/12/2012 (Adjusted)**	**31/12/2013**	**31/12/2012 (Adjusted)**
	Defined benefit plans (Non-financed)	**Defined benefit plans (Non-financed))**	**Defined benefit plans (Non-financed))**	**Defined benefit plans (Non-financed)**
Defined benefits obligation	1.955.752	1.920.290	1.872.253	1.805.533
Fair value of the plan assets	-	-	-	-
	1.955.752	**1.920.290**	**1.872.253**	**1.805.533**
Classified as:				
Long-tern liability	1.955.752	1.920.290	1.872.253	1.805.533
Short-tern liability	0	0	0	0

The change of liability's present value on defined benefits plans is as follows:

Amounts in thousands €, unless stated otherwise

	31/12/2013	31/12/2012 (Αναμορφωμένη)	31/12/2013	31/12/2012 (Αναμορφωμένη)
	Defined benefit plans (Non-financed)	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**
Defined benefits obligation as at January 1	1.920.290	2.014.393	1.805.533	1.909.265
Current employment cost	165.076	161.007	154.073	148.349
Interest expenses	66.312	94.023	62.281	88.914
Revaluation – actuarial loss /(profit) from changes in demographic assumptions	-	(175.651)	-	(169.320)
Revaluation – actuarial loss /(profit) from changes in financial assumptions	(81.501)	24.050	(68.505)	46.400
Benefits payable	(116.137)	(304.136)	(82.872)	(303.068)
Cost of previous service	7.396	106.604	1.743	84.993
Current cost of employment from discontinued operations	(5.684)	-	-	-
Defined benefits obligation as at December 31st	**1.955.752**	**1.920.290**	**1.872.253**	**1.805.533**

The amounts recognized in the Income Statement are as follows:

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	Defined benefit plans (Non-financed)	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**
Current employment cost	165.076	161.007	154.073	148.349
Cost of previous service	7.396	106.604	1.743	84.993
Net interest on benefit obligation	66.312	94.023	62.281	88.914
Total expenses recognized in the Income Statement	**238.784**	**361.634**	**218.097**	**322.256**

The amounts recognized in other comprehensive income of the Statement of Other Comprehensive Income are as follows:

	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	Defined benefit plans (Non-financed)	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**
Actuarial profit /(loss) from changes in demographic assumptions	-	175.651	-	169.320
Actuarial profit /(loss) from changes in financial assumptions	81.501	(24.050)	68.505	(46.400)
Return on the plan assets (less the amounts included in net interest)	-	-	-	-
Total income /(expenses) recognized in total comprehensive income	81.501	151.601	68.505	122.920

The effect of change in significant actuarial assumptions is as follows:

	Discount rate	
	1%	**-1%**
Increase / (decrease) in defined benefit obligation	89,68	-52,24
	Future salary increases	
	1%	-1%
Increase / (decrease) in defined benefit obligation	56,17	-18,72
	Inflation	
	1%	-1%

Amounts in thousands €, unless stated otherwise

Increase / (decrease) in defined benefit obligation	56,17	-18,72

The company has commissioned independent actuaries to create an estimation of Company obligation to pay retirement indemnities. The principal actuarial assumptions on 31 December 2013 are as follows:

	31/12/2013	31/12/2012
Discount rate as at December 31st	3,79%	3,58%
Future salary increases	2,00%	2,00%
Inflation	2,00%	2,00%
Estimated expected life	16,84	17,35
- Male, aged 45 as at reporting date	22,0	22,0
- Female aged 45 as at reporting date	22,0	22,0
- Male, aged 65 as at reporting date	2,0	2,0
- Female, aged 65 as at reporting date	2,0	2,0

The above results are dependent on the financial and demographic assumptions of submission of actual study. Therefore, in case that a 0,5% discount rate had been used, then the comprehensive liability would be about 8,3% lower. If an assumption of 5% increase of earnings had been used then the comprehensive liability would be about 9,4% higher. If voluntary withdrawal rates decreased be 50% had been used, then the comprehensive liability would be higher by about 15,3%.

5.19. Analysis of Income Statement

Greece is still facing the effects of a deep and prolonged economic crisis. The global economic downturn coupled with chronic fiscal problems of Greek economy and launching of public debt have led to horizontal fiscal adjustment resulted in a reduction in the disposable income of consumers , shrinking consumer spending and in combination with the lack of promote the necessary structural reforms fueled a vicious cycle downturn that led to the shrinking of the national GDP by 23 % over the last three years.

The country's image in the international media, especially that of Athens, in conjunction with governmental instability and the prolonged election period significantly inhibited the Tourist activity for the first half of 2012 resulting in a record low performance of Hotels, mainly in Athens but also in summer destinations.

The downward trend began to reverse in the second half of 2012 mainly due to the emerging post-election political stability and strengthening of the international image of the country, mainly due to the consolidation of its European perspective.

The first stabilization effects appeared in the Tourist Industry and mainly in the incoming tourism of all categories.

"Grande Bretagne" hotel recorded a 30% sales growth (due to the operation of the «King George» hotel, sales growth for the company in relation to 2012 was 46 %) , the Sheraton Rhodes Hotel recorded 31% sales growth , and only «Hyatt Regency Belgrade» hotel recorded an 8% decrease in sales. In terms of EBITDA, sales growth, economies of scale between Grande Bretagne & King George Hotels and the containment of expenses, labor peace and the response of workers in the effort to increase competitiveness started to bear fruit, with an increase of about 4.39 mil. euro to the Group and 3.97 mil. euro to the Company in relation to the corresponding period of 2012.

Room occupancy ratio of the hotel industry in Athens grew by 11.0% compared to 2012, adjusting the ratio to 59.8%, while in the luxury hotels it increased by 11.0%, recording a 56.1% occupancy rate compared to 50.6% in 2012 . Smaller scale adjustments were made to the average room rate of luxury hotels, amounting to 2.2% growth compared to 2012.

The aforementioned reasons have had the same positive effect on the Sheraton Rhodes Hotel. Finally, hotel operations in Serbia showed stagnation due to reduced purchasing power of demand.

As a result of the above, the significant items of the Financial Statements are as follows:

- **Turnover** in 2013 at consolidated level stood at € 43.516 thousand compared to € 34.844 thousand in 2012, representing an increase of 24.89%. The turnover of the parent company (Hotel "Grande Bretagne" and King George) amounted to € 27.020 thousand from € 18.506 thousand in 2012, an increase of 46.01% for the same reasons. The involvement of King George stood at € 2,7.mil.

- **Consolidated gross profit** amounted to € 12.265 thousand from € 6.425 thousand in 2012, an increase of 90.88 %, while gross profit margins increased from 18.44 % in 2012 to 28.18 % in 2013. Gross profit of the parent company amounted to € 6.660 thousand compared to € 1.300 thousand in 2012, an increase of 412.23 %. The gross profit margin of the Company stood at 24.65 % in 2013 from 7.03 % in the previous year. The increase was primarily due to the strong growth in turnover and therefore the improvement of profit margins due to relatively stable wage costs, a major component of the cost of sales.

- The Group's **other income** did not present any significant changes.

- **The operating profit (before interest, taxes, depreciation and amortization-EBITDA)** amounted to € 7.356 thousand compared to € 2.968 thousand in 2012, representing an increase of 147.8%. The operating results of the parent company amounted to € 2.028 thousand profit in 2013 compared to € 1.939 thousand loss in 2012.

- **The financial cost of the company** was positively influenced by € 293 thousand mainly due to the reduction of capital.

- The parent company, burdened the result of the previous year (**Results of associates**) with € 3.000 thousand conducting equal provision for impairment of participation in TOURISTIKA THERETRA S.A.The above impairment did not affect the group's results. The group conducted the prior year impairment of goodwill of the company by €331 thousand. In the current year, the additional impairment conducted amounted to approximately € 1.850 thousand. Also during 2013, the parent company received from the selling company TOURISTIKA THERETRA, total gross compensation amount € 1.706 thousand (net € 1.600 thousand), in accordance with a relevant condition of the sale agreement.

- The Group **earnings before tax** amounted to profit of € 1.846 thousand compared to € 5.291 loss in 2012. Loss before tax of the Company amounted to € 1.011 thousand compared to loss of € 8.842 thousand in 2012.

- The Group **net earnings (after tax and before non-controlling interests rights)** amounted to € 3.425 thousand compared to losses of € 4.142 thousand in 2012. Net profit for the year amounted to € 379 thousand compared to losses of € 6.250 thousand in 2012.

- During the year, the Company's and the Group's **net investments in tangible and intangible assets** amounted to € 2.164 thousand and € 3.328 thousand (2012: € 120 thousand and € 1.019 thousand respectively). The investments of the Parent Company focused on the renovation of the King George Hotel.

- ***Turnover***

The following table presents an analysis of the Group's revenues and the Company per major category:

	THE GROUP		THE COMPANY	
	01/01-31/12/2013	**01/01-31/12/2012**	**01/01-31/12/2013**	**01/01-31/12/2012**
Rooms rental income	27.413	21.351	16.475	10.505
Sales of Food and Beverage	13.644	11.454	9.165	6.939
SPA-Health Club Income	414	400	-	-
Telephone Income	35	39	-	-
Other Income	2.011	1.601	1.380	1.062
TOTAL	**43.516**	**34.844**	**27.020**	**18.506**

Gross profit for the Group was as follows:

	CONSOLIDATED		CORPORATE	
Amounts in thousands €	**1/1-31/12/2013**	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Gross Profit	12.265	6.425	6.660	1.300

The gross profit percentage is as follows:

	CONSOLIDATED		CORPORATE	
	1/1-31/12/2013	**1/1-31/12/2012**	**1/1-31/12/2013**	**1/1-31/12/2012**
Gross profit percentage	28,18%	18,44%	24,65%	7,03%

Amounts in thousands €, unless stated otherwise

- ***Expenses by category***

The Group and the Company expenses by category are as follows:

	THE GROUP			THE COMPANY		
1.1 - 31/12/2013	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Cost of sales**	**Administrative expenses**	**Distribution expenses**
Inventory consumption	5.975	29	15	3.610	-	-
Employee fees and expenses	13.290	2.882	773	9.327	2.049	667
Third parties fees and expenses	1.038	3.591	1.210	825	1.742	964
Utilities	2.949	1.197	35	2.294	1.158	26
Taxes – duties	78	685	49	21	618	5
Miscellaneous expenses	2.774	543	831	2.102	436	463
Depreciation	5.624	68	19	2.587	-	-
Operating provisions	-	3	3	-	-	-
Own use of inventory	(477)	-	-	(406)	-	-
Total	**31.252**	**8.998**	**2.936**	**20.360**	**6.005**	**2.125**

	THE GROUP			THE COMPANY		
1.1 - 31/12/2012	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Cost of sales**	**Administrative expenses**	**Distribution expenses**
Inventory consumption	5.110	30	6	2.728	-	-
Employee fees and expenses	12.648	3.050	757	8.364	2.171	638
Third parties fees and expenses	620	3.156	920	431	1.446	670
Utilities	3.049	415	31	2.405	357	23
Taxes – duties	139	648	53	83	478	9
Miscellaneous expenses	1.719	461	836	1.089	300	433
Depreciation	5.551	70	20	2.455	-	-
Operating provisions	-	3	0	-	-	-
Own use of inventory	(416)	-	-	(350)	-	-
Σύνολα	**28.418**	**7.834**	**2.622**	**17.205**	**4.753**	**1.773**

Other Income and Expenses of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
Other Income	**1.1 - 31/12/2013**	**1.1 - 31/12/2012**	**1.1 - 31/12/2013**	**1.1 - 31/12/2012**
Income from Grants	126	217	33	183
Other similar activities income	23	30	23	30
Income from rentals	740	867	309	357
Commissions – Brokerage	34	19	31	19
Income from previous years unused provisions	248	356	139	324
Income from previous years used provisions	106	14	106	14
Invoiced expenses	160	192	141	192
Other income	511	200	410	28
Other previous years income	99	228	-	5
Tota Income	**2.047**	**2.123**	**1.191**	**1.152**

	THE GROUP		THE COMPANY	
	1.1 - 31/12/2013	**1.1 - 31/12/2012**	**1.1 - 31/12/2013**	**1.1 - 31/12/2012**
Other Expenses				
Loss from write off of non-legal collections	-	31	-	31
Provisions for doubtful receivables & litigations	118	33	103	32
Loss from destruction – disposal of assets	6	0	0	-
Fines and surcharges	58	11	56	9
Previous years taxes & Unified Property Tax	4	3	4	3
Other taxes	152	149	-	-
Other previous years expenses	27	85	26	14
Previous years foreign currency translation differences	1	11	-	-
Large Property Tax	54	165	54	165
Miscellaneous expenses	136	199	26	21
Total Other Expenses	**556**	**685**	**269**	**275**

Amounts in thousands €, unless stated otherwise

5.20. Financial income / expense & Other Financial Results

The analysis of the financial results of the Group and of the Company was as follows:

-	THE GROUP		THE COMPANY	
Interest income from:	**1/1 - 31/12/2013**	**1/1 - 31/12/2012**	**1/1 - 31/12/2013**	**1/1 - 31/12/2012**
- Bank deposits	14	6	4	4
- Customers interest	11	14		
- Loans to third parties	21	201	-	-
Financial Income	**46**	**221**	**4**	**4**

	THE GROUP		THE COMPANY	
Interest expenses from:	**1/1 - 31/12/2013**	**1/1 - 31/12/2012**	**1/1 - 31/12/2013**	**1/1 - 31/12/2012**
Employees compensation obligation	62	94	62	89
- Bank loans	2.032	2.620	1.469	1.742
- Finance lease obligations	1	2	-	-
- Other bank expenses & commissions	30	-	30	-
- Letters of Guarantee commissions	2	-	2	-
- Other financial expense	53	89	-	25
Financial Cost	**2.181**	**2.805**	**1.564**	**1.856**

	THE GROUP		THE COMPANY	
	31/12/2013	**31/12/2012**	**31/12/2013**	**31/12/2012**
Profit/ (loss) from collecting compensation from previous shareholders of jointly controlled company/Impairment of investment	1.476	-	-	-
Income from dividends	-	-	885	-
Profit from foreign currency translation differences	477	233	605	416
Loss from foreign currency translation differences	194	(16)	(20)	(57)
Total	**2.147**	**217**	**1.470**	**359**

The **"Share of (losses) / profits of associates"** in the consolidated results of the previous year is explained by the impairment of goodwill of the company Touristika Theretra SA by 331 thousand euros (note 5.4) .

The results of the Company during the current year are explained by the amount of impairment of Touristika Theretra minus the amount of compensation from the former shareholders (more in § 5.5) while the impairment of the company in the prior year amounted to € 3.000 thousand. This participation on 31.12 of both years was zero. This impairment had no impact on consolidated results.

Amounts in thousands €, unless stated otherwise

5.21. Reconciliation of income tax

The amount of tax on profit before tax of the Group and the Company, differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of consolidated companies. The relationship between the expected tax expense, based on an effective tax rate of the Group, and the tax expense that was really recognized in the income statement, is as follows:

	THE GROUP		THE COMPANY	
	01/01-31/12/2013	01/01-31/12/2012	01/01-31/12/2013	01/01-31/12/2012
Current tax expenses	(336)	(165)	-	-
Deferred income tax	1.914	1.314	1.390	2.592
Total	**1.578**	**1.149**	**1.390**	**2.592**

THE GROUP	01/01-31/12/2013	01/01-31/12/2012
Earnings before Tax	**1.846**	**(5.291)**
Tax rate	26%	20%
Expected tax expense / (income) under the statutory tax rate	480	(1.058)
Adjustment for differences in tax rates		
Effect of different tax rates in other countries	(562)	(319)
Adjustment for non-removable costs		
- Other non-removable costs	182	166
Adjustment for tax exempt income		
- other tax exempt income	4	2
Derecognition of previous years deferred tax asset		171
Other taxes	15	288
Non-recognized loss for the year for future offsetting	128	1.498
Effect of readjustment under Law 2065/1992 (20%)	-	(3.070)
Tax reduction due to offsetting previous years loss	(139)	(129)
Change in tax rate (2013 : Greece: from 20% to 26% 2012 :Serbia from 10% to 15%)	(1.686)	1.302
Realized tax expense, net	**(1.578)**	**(1.149)**
Weighted tax rate	-85,48%	21,72%

THE COMPANY	01/01-31/12/2013	01/01-31/12/2012
Κέρδη Προ Φόρων	**(1.011)**	**(8.842)**
Tax rate	26%	20%
Expected tax expense / (income) under the statutory tax rate	(263)	(1.768)
Adjustment for differences in tax rates		
Effect of different tax rates in other countries		
Adjustment for non-removable costs		
- finance lease amortization		
- Other non-removable costs	330	337
Derecognition of previous years deferred tax asset	436	800
Tax reduction due to offsetting previous years loss		
Other taxes	-	-
Non-recognized loss for the year for future offsetting		1.110
Recognized previous years loss	(189)	
Effect of readjustment under Law 2065/1992 (20%)		(3.070)
Withholding tax on dividends		
Tax termination	-	-
Effect of change in tax rate	(1.704)	-
Realized tax expense, net	**(1.390)**	**(2.592)**
Weighted tax rate	**137,53%**	**29,32%**

5.22. Profit / (Loss) per share

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

The following is an analysis of profits/(losses) per share:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**01/01-31/12/2013**	**01/01-31/12/2012***	**01/01-31/12/2013**	**01/01-31/12/2012***
Profit attributable to the owners of the parent	3.280	(4.210)	379	(6.250)
Weighted average number of shares	21.364	21.364	21.364	21.364
Bask earnings / loss per share (in €)	**0,1536 €**	**-0,1970€**	**0,0178 €**	**-0,2925 €**

* Adjusted under IAS 19

5.23. Transactions with related parties

None of the transactions incorporate special terms and conditions and no guarantee was given or received.

Amounts in thousands €	THE GROUP		THE COMPANY	
Sale of services	**01/01-31/12/2013**	**01/01-31/12/2012**	**01/01-31/12/2013**	**01/01-31/12/2012**
Subsidiaries/jointly controlled	-	-	-	-
Total	**-**	**-**	**11**	**-**
Acquisition of services	**01/01-31/12/2013**	**01/01-31/12/2012**	**01/01-31/12/2013**	**01/01-31/12/2012**
Subsidiaries/jointly controlled	-	-	4	-
Total	**-**	**-**	**4**	**-**
Balance of receivables	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Subsidiaries/jointly controlled	3	137	16	151
Other associates				
Total	**3**	**137**	**16**	**151**
Balance of liabilities	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Subsidiaries/jointly controlled	-	-	23	-
Other associates				
Total	**-**	**-**	**23**	**-**

The outstanding balances at year's end are unsecured and settlement occurs in cash. No guarantees were provided or received for the above requirements.

Also noted that between the Parent Company and its subsidiaries there are no special agreements and any transactions carried out between them are within the usual terms and particularities of each market.

For the fiscal year that ended in 31 December 2013, the Company hasn't made a provision for doubtful debt relating to amounts owed by affiliated companies.

From the above transactions, transactions and balances with subsidiaries companies have been eliminated from consolidated financial statements of the Group. Among the subsidiaries of the Group exist requirements / liabilities from the total value of loans € 4.865 thousands and corresponding income / expense interest of € 374 thousands, as well as exchange differences income / expense / Reserve Equity of € 212 thousands, which are eliminated on consolidation.

The salaries of directors and members of management were as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**01.01-31/12/2013**	**01.01-31/12/2012**	**01.01-31/12/2013**	**01.01-31/12/2012**

Key executives and BoD member s				
Salaries – Fees	1.102	1.431	461	562
Social insurance cost	184	197	93	68
Bonus	116	(31)	89	(6)
Total	**1.403**	**1.598**	**643**	**624**

Finally in the provision made for compensation of the Group's and Company's staff, an amount of € 53 thousand and € 41 thousand respectively is included for the executives and members of the board while in the statement of results are recorded € 8 thousand and € 6 thousand respectively.

It is to be noted that there were no loans to members of the Board or management personnel and their families.

5.24. Employee Benefits

The Employee Benefits of the Company and the Group are as follows:

Amounts in thousands €	THE GROUP		THE COMPANY	
	01.01-31/12/2013	**01.01-31/12/2012**	**01.01-31/12/2013**	**01.01-31/12/2012**
Employee Salaries - Bonus	12.685	12.170	8.764	8.065
Social insurance cost	2.977	2.966	2.389	2.275
Other employee benefits	1.041	940	709	572
Projected and paid employee compensation	241	379	181	260
Total	**16.944**	**16.455**	**12.043**	**11.173**

The number of employees employed on daily wages and salaried employees are as follows:

	THE GROUP		THE COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Salary employees	553	584	319	334
Daily wages employees	108	43	108	37
Total	**661**	**627**	**427**	**371**

5.25. Contingent assets-liabilities

- **Operating leases - Income**

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

	CORPORATE	
Amounts in thousands €	**31/12/2013**	**31/12/2012**
Operating leases collectable in 1 year	291	330
Subtotal1: Short-tern operating leases	**291**	**330**
Operating leases collectable in 2 to 5years	767	576
Subtotal 2	**767**	**576**
Operating leases collectable after 5 years	619	-
Subtotal 3	**619**	**-**
Subtotal 4 (=2+3): Long-term operating leases	**1.386**	**576**
TOTAL (=1+4)	**1.677**	**906**

Operating leases - Expenses

On 24/12/2012, a final notarized contract was established between the parent company and the "Eurobank Ergasias SA Bank", for long-term leasing of the King George Hotel, with a lease term of ten (10) years with the Lessee having the right to extend it initially for five (5) years and then for a further five (5) years. Leasing was initiated with the signature of the Protocol of Delivery and Receipt of the Lease on 20/3/2013. The annual rent is comprised of a Minimum annual lease amount of € 700 thousand and a percentage of annual rent in proportion to Gross Profit, calculated on the Gross Profit of the Lease and alternatively on the sum of the Gross Profits of KING GEORGE & Grande Bretagne hotels. Especially for the first year, the lease payment that the company has to pay will be at €350 thousand less any differences which occur from the delivery of securities (estimated €200 thousand). An analysis of the minimum conventional rents which will be paid in the following years is as follows:

	CORPORATE	
Amounts in thousands €	**31/12/2013**	**31/12/2012**
Operating leases collectable in 1 year	624	150
Subtotal1: Short-tern operating leases	624	150
Operating leases collectable in 2 to 5years	2.802	2.750
Subtotal 2	**2.802**	**2.750**
Operating leases collectable after 5 years	2.952	3.600
Subtotal 3	**2.952**	**3.600**
Subtotal 4 (=2+3): Long-term operating leases	5.753	6.350
TOTAL (=1+4)	**6.377**	**6.500**

Litigation cases

a) Administrative procedures for the compensation to former owners of the land on which the Hyatt Hotel (subsidiary company BEOGRADSKO MESOVITO PREDUZECE) and other third party structures have been constructed. The case is under inspection by the Commission for decision on the return of land in the Municipality of New Belgrade (from now on: Commission). Despite the fact that the Supreme Court of Serbia annulled twice the second resolution, the Commission still supports the position that the Company is responsible and could seek compensation for the damage suffered by the legal predecessor of which the Company had acquired the land from. The company appealed to the Administrative Court and the outcome of the appeal cannot currently be determined. Given the uncertainty associated with this case, and the two decisions of the Supreme Court of Serbia to the company, the Group's management believes that the subsidiary would not have negative implications from this process, and, therefore, did not make any provision in the financial statements of December 31, 2013.

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

There are no other litigation or arbitration disputes of courts or arbitration bodies that may have a significant influence on the financial statements or the functionality of the Group or the Company, beyond the provisions that have already been made (§ 5.11).

Unaudited tax years

The unaudited tax years of the Group are as follows:

Company	Unaudited tax years
LAMPSA HELLENIC HOTELS S.A.	2010
GRAND BRETAGNE LTD	2010 - 2013
LUELLA ENTERPRISES LTD	2007 - 2013
HARVARD INVESTMENTS CORPORATION	2007 - 2013
WORLD SPIRIT S.A.	2007 - 2013
TOURISTIKA THERETRA S.A.	2010
EKSCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	2007 - 2013
BEOGRADSKO MESOVITO PREDUZECE	2012 - 2013
NORTH HAVEN LTD	2000 - 2013
MARKELIA LTD	2010 - 2013

For the unaudited tax years of the Group companies there is a probability for additional taxes and penalties to be imposed, during the period that they will be examined and finalized by the relevant tax authorities.

* For the FY 2011 & 2012, the parent company and TOURISTIKA THERETRA S.A. were subject to tax audit of the Certified Public Accountants as provided by Article 82 para 5 N 2238/1994. The parent company received Unqualified Conclusion Tax Compliance Report, that is, without material differences, whereas TOURIST RESORTS S.A. received a Qualified Conclusion Tax Compliance Report given that the company did not submit the Adjustment Goodwill Tax Statement under L.2065/1992 and it could not be confirmed from the evidence that there was no goodwill, given that the property is not subject to Objective Value Tables and the calculation should be based on comparative market data. To consider the Fiscal Years as terminated. the subjects of terms specified on paragraph 1 of Article 6 of the 1159/2011 should be satisfied.

Regarding the fiscal year 2013, the tax audit is in progress and the relevant tax certificate will be granted after the publication of the Financial Statements of 2013. If by the time the tax audit will be completed additional tax liabilities occur, it is estimated that they will not have a material impact on the financial statements of the Group and the Company.

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

According to Law 4172/23-7-2013, Article 72, there should be taxation for the formed tax-free reserves shown on the tax books of societes anonymes. The Company has the option, under the above law, either to offset these reserves with future tax losses or to be taxed with a rate of 15% or 19%, depending on the time of taxation. At this stage, management believes that the untaxed reserves available are not falling under these categories of taxation.

5.26. Guarantees

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

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**
Liens on land plots and building for provision of loan in €	79.150	78.550	59.350	59.350
Liens on land plots and building for provision of loan in $	43.551	43.551	43.551	43.551
Other guarantees to ensure liabilities in €	827	740	87	75

Amounts in thousands €, unless stated otherwise

6. Risk management policies objectives

The Group is exposed to financial risks such as market risk (fluctuations in exchange rates, interest rates, market prices, etc.), credit risk and liquidity risk.

The Group's financial instruments are composed of bank deposits, overdraft rights, trade receivables and payables, loans to subsidiaries, associated companies, dividends payable and lease obligations.

Since 2008, the Group applies a risk management program for such risks. The risk management program aims to limit the negative impact on the financial results of the group caused by the unpredictability of financial markets and the variation in the variables of cost and revenue. The group intends to use, in the near future, derivative financial instruments to hedge its exposure to specific risk categories.

The risk management process applied by the Group, is as follows:

- Evaluation of risks associated with the activities and operations of the group,
- design of methodology and selection of appropriate financial products to reduce risks and
- application / implementation, in accordance with the procedure approved by the management, of the risk management procedures.

6.1. Currency risk

The Group operates internationally and therefore is exposed to foreign exchange risk arising primarily from U.S. dollar. This type of risk arises mainly from loans and deposits in foreign currency as well as net investments in foreign entities. The Group holds investments in foreign entities, net assets of which are exposed to foreign currency exchange rates (primarily the U.S. dollar USD). The exchange rate risk of this kind arises from the rate of these currencies against the euro, partially offset by corresponding liabilities (e.g. loans) of the same currency.

Financial assets and liabilities in foreign currency, translated into euros at the closing rate, are as follows:

	2013	2012
Nominal amounts	**US$ '000**	**US$ '000**
Financial assets	5	1.730
Financial liabilities	(2.250)	-
Short-term exposure	**(2.245)**	**1.730**
Financial assets	0	0
Financial liabilities	(10.627)	(11.948)
Long-term exposure	**(10.627)**	**(11.948)**
Total	**(12.872)**	**(10.218)**

The following tables show the sensitivity of the earnings for the year and equity in relation to financial assets and financial liabilities and the exchange rate Euro / Dollar.

We assume a change of 0.70% in the 31 December 2013 exchange rate of EUR / USD (2012: 2.95%). These percentages were based on the average market volatility in exchange rates for a period of 3 months from the end of each year (31/12).

In case where the € appreciates compared to the above currency, with the percentages mentioned above, the results on the earnings for the year and equity will be as follows:

	2013	2012
	US$ '000	**US$ '000**
AIncome statement	(75)	(310)
Equity	(75)	(310)

In case where the € depreciates compared to the above currency, with the percentage mentioned above, the earning for the year will be affected as follows:

	2013	2012
	US$ '000	**US$ '000**
AIncome statement	74	293
Equity	74	293

The Group's exposure to currency risk varies during the year depending on the volume of transactions in foreign currency. However, the above analysis is considered representative of the Group's exposure to currency risk.

6.2. Sensitivity analysis of interest rate risk

Long-term fundings are related to leasing contracts with variable interest rates (mainly Euribor and Libor).

The Group's policy is to minimize its exposure to cash flow interest rate risk on long-term financing. On 31 December 2013, the Company is exposed to changes in market interest rates, with regard to its bank loans, which are subject to variable interest rate.

The following table shows the sensitivity of the earnings for the year and equity, to a reasonable possible change in interest rate of 1.0% or 1.0% (2012: + / -1%). The changes in interest rates are estimated to be reasonable compared to market conditions.

	01/01-31/12/2013		**01/01-31/12/2012**	
Amounts in thousands €	1,0%	-1,0%	1,0%	-1,0%
AIncome statement	(649)	649	(690)	690
Equity	(649)	649	(690)	690

6.3. Credit Risk Analysis

The Group's exposure to credit risk is limited to financial assets (means) which, at the reporting date, are as follows:

Amounts in thousands €	**THE GROUP**		**THE COMPANY**	
Financial assets categories	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Cash and cash equivalents	4.339	2.374	1.204	972
Trade receivables	2.703	4.162	1.627	1.466
Total	**7.042**	**6.536**	**2.831**	**2.438**

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

For trade and other receivables, the Group is not exposed to significant credit risk. The credit risk on liquidation requirements and other short term financial assets is considered limited.

The Group's management considers that all the above financial assets that are not impaired in previous reporting dates are of high credit quality, including those owed.

None of the financial assets of the Group has been mortgaged or committed to any other form of credit insurance.

6.4. Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring the long-term financial liabilities as well as the daily payments. Liquidity needs are monitored in various time periods, on a daily and weekly basis and on a rolling 30-day period. The liquidity needs for the next 12 months are determined monthly.

The Group maintains cash to meet its liquidity needs for a period up to 30 days.

The maturity of the Group and the Company liabilities which will be settled on a cash basis are as follows:

THE GROUP	**31/12/2013**			
Amounts in thousands €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**1 to 5 years**	**over 5 years**
Bank Debt	-	3.704	-	-
Bond Loan	2.531	3.472	33.334	19.253
Trade liabilities	2.524	-	-	-

Other short-term liabilities	1.917	-	-	-
Total	**6.972**	**7.176**	**33.334**	**19.253**

THE GROUP	**31/12/2012**			
Amounts in thousands €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**within 6 months**	**6 to 12 months**
Bank Debt	357	2.473	1.772	-
Bond Loan	5.320	17.147	13.734	26.607
Trade liabilities	1.384	660	-	-
Other short-term liabilities	3.855	319	-	-
Total	**10.916**	**20.599**	**15.506**	**26.607**

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the reporting date.

The Group at 31/12/2013 had negative working capital as its' current liabilities exceed current assets by € 8.633 thousand (parent thousand € 9.398). The most important part of current liabilities (54% group - 55% parent) relates to short-term borrowings and long-term debt installments payable in the next reporting period. In April and June 2013, an amount equal to €1.400 thousand was paid by the parent company, in August € 600 thousand and in November of 2013, should be paid the last installment of the bond loan of € 15.500 thousand but the management of the Group on 30/12/2013 proceeded to amend the contract with the lending bank "Alpha Bank", regarding the restructuring of repayment terms and conditions of the outstanding amount of € 15.500 thousand Bond Loan of the parent Company. In addition, the company is in the final stage of agreement with the lending bank "Eurobank" concerning the modification of the repayment of the loan. Specifically, the installment due of € 900 thousand bond loan in € will be transferred at the end of its deadline, which is in March of 2018. This restructuring has been approved by the Credit Committee of the Bank and during the April of 2014 is expected to sign additional amending act of the repayment schedule.

According to the 21/01/2013 change in conditions of the bond loan of TOURISTIKA THERETRA SA, it is agreed to transfer the repayment installments of two years, 2013 and 2014, to 2015 and the period of the loan was extended until 02.18.2020. Each year, two six-month installments will be paid amounting € 1.322 thousand (instead of € 1.120 thousand). Euribor is defined as an interest base rate and the margin defined from 18/2/2012 and thereafter as 1.5% annually.

As also mentioned in § 5.5, the parent company received return of capital of its subsidiaries, the amount of thousand $ 4.255 in the current period and dividends thousand € 885. For the year 2014 is estimated to provide dividends to the parent company amounting to approximately $ 2.2 thousand.

Finally , the two major shareholders of the parent company «NAMSOS ENTERPRISES COMPANY LIMITED» and «DRYNA ENTERPRISES COMPANY LIMITED», representing percentage of 28.48 % in the share capital of each (total of 56.96 %) bound to meet any needs , despite that seems not to be necessary, for working capital for at least the next twelve months from the date of approval of the annual financial statements of 31/12/2013.

7. Capital management policies and procedures

The objectives of the group in order to manage the capital are:

- to ensure the ability of the group to continue its activity (going-concern) and
- to provide an adequate return to shareholders by pricing products according to the risk level.

The Group monitors capital on the basis of the amount of equity, abstracts cash and cash equivalents as reflected in the balance sheet. The capital for the years 2013 and 2012 is analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**2013**	**2012**	**2013**	**2012**
Total Equity	**86.995**	**83.720**	**58.889**	**58.480**
Plus: Subordinated loans				
Less: Cash and cash equivalents	(4.339)	(2.374)	(1.204)	(972)
Capital	**82.656**	**81.346**	**57.685**	**57.508**
Total Equity	86.995	83.720	58.889	58.480
Plus: Loans	62.294	67.410	44.743	47.848
Total Capital	149.289	151.130	103.631	106.329
Capital to Total capital	**6/10**	**5/10**	**6/10**	**5/10**

A medium term objective of the Group regarding capital management, and to reverse the negative climate is to maintain the index at the same level.

The Group sets the amount of capital in relation to its overall capital structure, for example equity and financial liabilities. The Group manages its capital structure and makes adjustments at the time when the economic situation and the risk characteristics of existing assets change. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends, return capital to shareholders, issue equity or sell assets to reduce debt.

8. Post Balance Sheet Date events

Apart from the aforementioned, there are no other significant events as from 2013 closing till currently

Athens, March 28, 2014

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

Amounts in thousands €, unless stated otherwise

E. Financial Date and Information

"LAMPSA GROUP S.A."

Number in the Register of Societes Anonymes 6015/06/B/86/135, G.E.MI Number 223101000
A1, Vasileos Georgiou Str, 105 64, Athens
Summary Financial Data and Information for the period from January 1, 2013 until December 31, 2013
Published based on Law 2190/1920, article 135 for enterprises issuing full year financial statements, consolidated or not, according to the IFRS

The following data and information, resulting form the Financial Statements, aim at providing general information on the financial standing and the financial results of "LAMPSA GROUP S.A." We, therefore recommend the reader, before proceeding to any kind of investment or other transaction with the company, to consult the company's website where all periodical financial statements under IFRS as well as the auditors' report are presented.

COMPANY INFORMATION

Competent authority	**Ministry of Economy , Competitiveness and Shipping**
Company's website	**http://www.lampsa.gr**
BoD composition	George Galanakis-President, Apostolos Doxiadis- Vice President, Anastastios Homenidis -Chief Executive Officer, Nikolaos D.Dandolos -Executive Member. ,Thomas Miller -Executive Member ,Athanasios Papadopoulos -Executive Member ,Philippos Spyropoulos - Executive ,Chloe Laskaridi -Executive Member,Maurice Modiano - Executive Member
Date of approval of the financial statements	**March 28, 2014**
Certified Auditors	**George Deligiannis (R.N. SOEL 15791)**
Audit Firm	**Grant Thornton (R.N. SOEL 127)**
Type of auditor's audit report	**Unqualified Opinion - Matter of emphasis**

BALANCE SHEET (Consolidated and Company)

(Amounts in € '000)	THE GROUP		THE COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
ASSETS				
Own used fixed assets	142.216	144.673	73.841	74.315
Intangible assets	6.052	5.995	68	21
Other fixed assets	7.486	5.609	33.504	34.843
Inventory	930	831	578	432
Trade receivables	1.765	1.625	1.334	1.136
Other current assets	6.528	5.721	2.673	1.845
TOTAL ASSETS	**164.978**	**164.456**	**111.997**	**112.592**
CAPITAL & LIABILITIES				
Share capital	23.928	23.928	23.928	23.928
Other shareholders' equity	59.318	55.493	34.961	34.553
Total shareholders' equity (a)	**83.246**	**79.421**	**58.889**	**58.480**
Minority rights (b)	3.749	4.299	-	-
Total Equity (c)=(a)+(b)	**86.995**	**83.720**	**58.889**	**58.480**
Long term debt	52.587	42.113	37.035	26.706
Provisions / Other long term liabilities	7.539	7.098	2.091	1.962
Short term debt	9.707	25.297	7.708	21.142
Other short term liabilities	8.150	6.228	6.275	4.302
Total Liabilities (d)	**77.983**	**80.736**	**53.108**	**54.112**
TOTAL CAPITAL & LIABILITIES (c) + (d)	**164.978**	**164.456**	**111.997**	**112.592**

INCOME STATEMENT (Consolidated and Company)

(Amounts in € '000)	THE GROUP		THE COMPANY	
	01/01-31/12/2013	01/01-31/12/2012	01/01-31/12/2013	01/01-31/12/2012
Total sales	**43.516**	**34.844**	**27.020**	**18.506**
Gross Profit / Loss	12.265	6.425	6.660	1.300
EBIT	1.736	(2.641)	(553)	(4.371)
Total Profit / (loss) before tax	1.846	(5.291)	(1.011)	(8.842)
Total profit / (loss) after tax (A)	**3.425**	**(4.142)**	**379**	**(6.250)**
Shareholders of parent company	3.280	(4.210)	379	(6.250)
Minority interests	144	68	-	-
Other comprehensive income after tax (B)	(54)	(522)	29	98
Total comprehensive income after tax (A) + (B)	**3.370**	**(4.663)**	**408**	**(6.151)**
Shareholders of parent company	3.226	(4.590)	408	(6.151)
Minority interests	144	(73)	-	-
Earnings after tax per share - basic (in €)	**0,1536**	**(0,1970)**	**0,0178**	**(0,2925)**
Suggested dividend per share (in €)	**-**	**-**	**0,000**	**0,000**
EBITDA	**7.356**	**2.968**	**2.028**	**(1.939)**

STATEMENT OF CHANGES IN EQUITY (Consolidated and Company)

(Amounts in € '000)	THE GROUP		THE COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Equity at the beginning of the year (01/01/2013 & 01/01/2012 respectively)	**83.880**	**88.383**	**58.692**	**64.632**
Aggregate total income after tax	3.370	(4.663)	408	(6.151)
Distributed dividends	-	-	-	-
Equity at the end of the year (31/12/2013 & 31/12/2012 respectively)	**87.250**	**83.720**	**59.100**	**58.480**

Athens, March 28, 2014

Chief Executive Officer

ANASTASIOS HOMENIDIS
ID No AI 506406

President of the BoD

GEORGE GALANAKIS
'ID No Ξ 282324

Chief Financial Officer

CONSTANTINOS KYRIAKOS
ID No AZ 512473 - First Class Licence No 0010932

CASH FLOW STATEMENT - Indirect Method (Consolidated & Company)

(Amounts in € '000)	THE GROUP		THE COMPANY	
	01/01-31/12/2013	01/01-31/12/2012	01/01-31/12/2013	01/01-31/12/2012
Operating activities				
Profit before tax	**1.846**	**(5.291)**	**(1.011)**	**(8.842)**
Plus/less adjustments for:				
Depreciation	5.712	5.666	2.587	2.455
Amortization of grants	(109)	(57)	(23)	(23)
Profit / (Loss) of asset sale	7	9	0	0
Provisions/ Revenues from unused provisions of previous years	66	(100)	224	(163)
Impairments	-	331	-	3.000
Foreign exchange differences	123	(446)	132	(400)
Interest income	(46)	(221)	(4)	(4)
Interest expense	2.181	2.805	1.564	1.856
Investing Results	(1.719)	-	144	-
Revenues from investing Activities	-	-	(885)	-
Plus/ less adjustments for changes in working capital accounts or accounts related with operating activities:				
Decrease / (increase) in inventories	(99)	(7)	(146)	(29)
Decrease / (increase) in receivables	(1.149)	(247)	(1.125)	17
(Decrease) / increase in short term liabiliites (except for banks)	1.151	857	1.410	632
Minus:				
Interest expense and related expenses paid	(1.876)	(2.421)	(1.251)	(1.455)
Paid taxes	(119)	(138)	1	(5)
Total inflows / (outflows) from operating activities (a)	**5.970**	**741**	**1.617**	**(2.961)**
Investing activities				
Purchase of tangible and intangible assets	(3.556)	(1.112)	(2.446)	(268)
Return of share capital to parent company	1.706	-	5.421	6.335
Proceeds from sales of tangible and intangible	-	1	-	1
Financing of other firms	-	3.298	-	-
Collection of Amortization	1.800	-	-	
Increase of share capital and amounts paid for	(95)	-	(1.696)	(250)
capital increase of consolidated company	46	221	4	4
Interest income from investments	648	-	-	-
Collection of Grants	**549**	**2.408**	**1.284**	**5.821**
Total inflows / (outflows) from investing activities (b)				
Financing activities	1.798	100	1.600	100
Proceeds from issued loans	(6.342)	(3.109)	(4.269)	(3.084)
Payments of loans				
Dividends paid	(9)		-	
Repayment of Finance Lease				
Total inflows / (outflows) from financing activities (c)	**(4.553)**	**(3.009)**	**(2.669)**	**(2.984)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**1.965**	**140**	**232**	**(124)**
Cash and cash equivalents at the beginning of year	**2.374**	**2.234**	**972**	**1.096**
Cash and cash equivalents at the end of year	**4.339**	**2.374**	**1.204**	**972**

ADDITIONAL DATA AND INFORMATION

1) The matter of emphasis mentioned in the audit report of the statutory auditor refers to the following :
In Note 5.25 of the annual financial statements which describes the existence of pending court cases of subsidiary company of amount EUR 2.3 million, the outcome of which cannot be estimated at present. Group's Management believes that the outcome of these cases will not materially affect the financial results of the Group.
2) The Group companies, the participating interest held by the Group in their share capital and their consolidation method are analytically presented in Note 4 of the Annual Financial Statements. At the Annual General Meeting of the Parent Company on July 9, 2013 the Company announced the intention to transfer its holdings of the 100% subsidiaries HARVARD and WORLD SPIRIT to its also 100% subsidiary LUELLA ENTERPRISE Co. The above mentioned transfer was completed during the third quarter of 2013 and had no impact on the financials statements of the company and the group. During the current period the liquidation of the subsidiary company "Grande Bretagne LTD" has been completed, from which there were no substantial effects on the Group. There has been no event that could be considered as an operating sector action discontinuance or other company discontinuance in accordance with I.F.R.S.
3) Parent before taxes results were affected by the impairement of the participation of the jointly controlled company TOURISTIKA THERETRA S.A. by € 1.850 th. During the third quarter of 2013 the parent company received from the selling company of the subsidiary TOURISTIKA THERETRA S.A. total gross compensation amount th € 1.706 (th. net € 1.600), in accordance with relevant clause of the contract of sale.
4) Note 5.25 of the Annual Financial Statements presents the unaudited fiscal years of both the Company and the Group.
5) The subsidiary "World Spirit LTD", after relevant decisions realised during 2013 a gradual reduction of her share capital amounting to $ 4.255 th., by returning it to the parent ("LAMPSA S.A." $ 3.750 th. during the first half of 2013 and "LUELLA ENTERPRISE Co" $ 505 th. during the third semester of 2013). Furthermore, LUELLA ENTERPRISE Co returned to its parent "LAMPSA S.A." the amount of € 885 th.
6) The Parent Property items are burdened with pledges amounting to € 59.350 thousand and $ 43.551 thousand in respect of the loan balance standing at € 43.038 th. The Group Property items are burdened with pledges amounting to € 79.150 th. and $ 43.551 th. in respect of the loan balance standing at € 58.599 th. Furthermore, there is a lien on 100% of the paid up share capital of TOURISTIKA THERETRA S.A. in respect of its bond loan repayment.
7) For litigation or disputes in arbitration courts or arbitration bodies that may have impact on the financial position of the Company and the Group, a provision of € 202 thousand and € 239 th. respectively has been made. In addition the company has made a cumulative provision of € 1.872 th. pertaining to employee remuneration provision The aforementioned amounts for the Group amounted to € 1.956 th. and € 213 th. respectively.
8) The number of staff as at the current period end is 427 persons in respect of the Company and 661 persons in respect of the Group, while as at the comparative date, the numbers stood at 371 persons and 627 persons respectively.
9) As at the current period end, there are no parent company shares held by itself or by its associates or subsidiaries.
10) Investments in tangible and intangible assets during the current period amounted on a consolidated basis to € 3.328 th. and on the parent company basis to € 2.164 th.
11) Other Comprehensive Income for the Group, amounting to € (90) th. pertain to exchange differences on translation for subsidiaries.
12) Financial statements for the current period have complied with the accounting principles used for the preparation of the financial statements for the year 2013 , adjusted with the revisions that IFRS require. There are no changes in accounting policies and estimates with respect to the previous year . Due to the revision of IAS 19 adjustments to earnings and other comprehensive income of previous years have been made (detailed description is presented in Note 5.18 of the annual financial statements) . Besides the above, there has been no error correction and / or rearrangement of funds.
13) Profit / (loss) per share was calculated based on the profit after tax while minority interests based on the weighted average parent number of shares.
14) Potential differences in totals are due to rounding. The amounts are presented in thousand Euro as they are presented also in the annual financial statements.
15) The following transactions regard transaction with related parties during the current period, as well as the receivables and liabilities balances, on 31/12/2013, within the meaning of IAS 24:

(Amounts in € '000)	**THE GROUP**	**THE COMPANY**
Sales of services	-	-
Acquisition of services	-	-
Receivables	3	13
Liabilities	-	23
Guarantees	-	-
Transactions and fees of executives and	1.403	643

From the transactions above, the transactions and the balances with subsidiary companies have been eliminated from the Group consolidated financial items. Among the subsidiary companies of the Group, there are receivables / liabilities arising from borrowing, totally amounting to € 4.865 th., respective interest income/expenses, amounting to € 374 th. and exchange differences income/expenses/equity reserves, amounting to € 212 th., which have been eliminated under consolidation.

Amounts in thousands €, unless stated otherwise

F. Information under Article 10, Law 3401/2005, announced by the company during FY 2014

The following Announcement/Disclosures have been dispatched to Daily Press Release and are loaded on ASE website as well as on the Company website www.lampsa.gr.

Prot. Number	Date-Tome	Corporate Announcement Subject
2013/ASE/A/493	11/1/2013	ANNOUNCEMENT ON PUBLIC OFFER - HOTEL EXCELSIOR BELGRADE
2013/ASE/4752	27/3/2013	REPLIES TO LETTERS – QUESTIONS OF ASE/CMC – CYPRUS EXPOSURE
2013/ASE/A/4754	27/3/2013	FINANCIAL CALENDAR ANNOUNCEMENT
2013/ASE/A/11630	17/6/2013	ANNOUNCEMENT OF GENERAL MEETING
2013/ASE/A/11632	17/6/2013	ANNOUNCEMENT OF GENERAL MEETING
2013/ASE/A/13178	8/7/2013	DISCLOSURE OF CHANGE IN THE BOARD OF DIRECTORS COMPOSITION
2013/ASE/A/13246	9/7/2013	ANNOUNCEMENT OF THE GENERAL MEETING DECISIONS

G. Annual Financial Statements publication website

The Company annual financial statements, the Independent Auditor's Report and the Report of the Board of Directors for FY ended as at December 31st, have been posted on the Company website www.lampsa.gr.

The aforementioned Financial Statements will remain at the disposal of the investors for at least five (5) years as starting from the date of their publication.