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INFORM P. LYKOS S.A. (Symbol ASE: LYK) Financial results for the first half of 2014

The consolidated financial statements of Inform Lykos are published today August 29th 2014, according to the International Financial Reporting Standards (I.F.R.S.) and include the companies: INFORM P. LYKOS S.A., LYKOS PAPERLESS SOLUTIONS S.A., ALBANIAN DIGITAL PRINTING SOLUTIONS Sh.p.k., as well as the consolidated financial statements of TERRANE LTD (INFORM LYKOS SA - Romania) and SAGIME GmbH (AUSTRIA CARD GmbH - Austria).

In the first half of 2014, performance improved in the markets where the Group operates and especially the markets served by Austria, the Sector of production and personalization of "Smart" Cards. However, the operating profitability had not comparable improvement and remained at the same level with the first half of 2013, due to extraordinary expenses for the operation of the new center of card production in Romania and the new centers of card personalization in Turkey and Poland. The benefit from the lower production cost of smart cards in the new production center in Romania, as now the major part of the production has been transferred and served by Romania, is expected to begin to be recorded in 2015.

The sales of the Group in the first half of 2014 reached \leq 58,2 mil., compared to \leq 53,7 mil. in the corresponding first half of 2013, representing an increase of \leq 4,5 mil. or 8,3%.

Especially by excluding the intercompany transactions, the sales of the parent company INFORM P. LYKOS S.A., increased by 2,9% or \leq 0,5 ml. compared to the corresponding period of 2013 and reached \leq 15,8 mil. from \leq 15,3mil.. This increase was primarily due to the new projects in printing, enveloping and mailing services for statements in the Banking Sector, which will be fully operational in the second half of 2014, while the activity in the Public Sector remains depressed.

The sales of the subsidiary INFORM LYKOS SA in Romania increased by € 1,4 mil. or 12,2% compared to the corresponding first half of 2013 and reached € 12,8 mil. from € 11,4 mil, due to









the new projects in statement printing and mailing services in the Telecom Sector, in Romanian market.

Finally, the sales of the subsidiary AUSTRIA CARD GmbH in Austria reached \leq 29,2 mil. compared to \leq 26,7 mil. in the corresponding firsthalf of 2013, increased by \leq 2,5 mil. or 9,3%, both from sales in the Austrian market, as well as mainly from exports, with significant projects in production of identity cards, transport cards, as well as health insurance cards.

Since, extraordinary operating expenses in the Sector of production and personalization of "Smart" Cards, have been affected the operational profitability of the Group, the profitability figures of the Group are presented as following:

- Earnings before income tax, interest, depreciation and amortization (EBITDA) of the Group increased by € 0,1 mil. or 2,6% and reached € 3,5 mil. compared to € 3,4 mil. in the corresponding period of 2013,
- Earnings before income tax, interest (EBIT), increased by € 0,2 mil. or 32,7% and reached € 0,9 mil. compared to € 0,7 mil. in the corresponding period of 2013,
- Earnings before taxes (EBT) of the Group, reached € 96 thous. from € 33 thous. in the corresponding period of 2013, increased by € 63 thous. or 192,9%,
- Earnings after taxes (EAT), reached losses € 114 thous. from losses € 652 thous in the corresponding period of 2013, increased by € 537 thous. or 82,5%.

The operating cash flow of the Group for the first half of 2014 was negative \leqslant 3,1 mil. compared to negative \leqslant 7,5 mil in the corresponding period of 2013, improved by \leqslant 4,4 mil. primarily due to smoothing in the needs of stocks in Austria. The cash & cash equivalents reached \leqslant 1,6 mil. from \leqslant 2,3 mil. in the corresponding half of 2013, decreased by \leqslant 0,7 mil.. The bank debt of the Group amounted to \leqslant 41,3 mil. lower by \leqslant 0,7 mil. since the end of 2013.

About Inform Lykos (www.lykos.gr)

Inform Lykos was founded in 1897, has been listed on the Athens Stock Exchange since 1994 and today is an international Group with a leading presence in the Central and Eastern Europe in the area of Information Management & Digital Security. The Group is active internationally in development, production and personalization of Smart Cards for Banks,









Telecommunications, Public Organizations and Retail chains holding international certificates by Visa, MasterCard & Diners. Inform Lykos is a leader in the area of printing management, production of secured documents, production of prepaid cards and Business Process Outsourcing offering services of printing and posting statements, electronic presentation of statements and printing management for Banks, Telecommunication companies, Public sector and Industrial/Trade companies. The Group currently occupies about 1000 employees.







