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New business developments in ELGEKA Group

Thessaloniki, April 8th, 2016

Under the provisions of L. 3340/10-05-2005, Board's Decision 3/347/12-07-2005 of Hellenic Capital Market Commission and Regulation of Athens Stock Exchange Market, "ELGEKA S.A." informs the investing public and its shareholders the following:

On April 7th, 2016, after taking the relevant decisions by the Management of both the Parent company "ELGEKA S.A." and its subsidiary "ELGEKA (CYPRUS) LTD" (with a shareholding percentage 100%), and signing the relevant contract, concluded the sale of the participation of "ELGEKA (CYPRUS) LTD" in "DIAKINISIS LOGISTICS SERVICES (CY) LTD", i.e. a percentage of 60,00% for a consideration of 320 thousand euro, which was completely paid the same as above date.

The company "DIAKINISIS LOGISTICS SERVICES (CY) LTD" is headquartered in Larnaca Cyprus with main business activity the distribution, storage and packaging of all kinds, while it is consolidated in the financial statements of the Group under the full method (with a percentage of 60,00%).

Based on the latest available data of the company "DIAKINISIS LOGISTICS SERVICES (CY) LTD" on December 31st, 2015, its fundamentals were as follows: Turnover amount of 3.804 thousand euro, "Profit before tax" amount of 329 thousand euro, "Profit after tax" amount of 329 thousand euro and "Earnings before interest, taxes, depreciation and amortization – EBITDA" amount 436 thousand euro.

The latest developments in early 2016, with the significant decrease of turnover of "DIAKINISIS LOGISTICS SERVICES (CY) LTD" as a consequence of the interruption of a very important cooperation that represented more than 60% of its sales, resulted in a deterioration of its financials, which are estimated to overtake, in a pre-tax loss level for the first quarter of 2016, the amount of 170 thousand euro.

As a result of the above, and following the strategic decision of the Management, as already announced to investing public regarding the review of the Group's strategic planning and redefining its business focus, it was taken the decision of the transfer of the Group's participation in "DIAKINISIS LOGISTICS SERVICES (CY) LTD".

Finally, it is noted that the above transfer of the participation of "ELGEKA (CYPRUS) LTD" in "DIAKINISIS LOGISTICS SERVICES (CY) LTD", is estimated to produce loss of approximately 160 thousand euro in the ELGEKA Group's Consolidated Financial Statements on June 30th, 2016.