



**LOULIS MILLS S.A.**

10344/06/B/86/131

Loulis Port, Sourpi Magnisias

**Financial Statements for the Period 1 January 2011 - 30 June 2011**

The following data and information aim at providing a general overview of the financial status and results of LOULIS MILLS S.A. and LOULIS MILLS GROUP OF COMPANIES.

Readers, who wish for a complete picture of the Group's financial status and results, must access the annual financial statements according to the International

Accounting Standards, as well as the audit report by the certified auditor-accountant.

Inicatively such readers may refer to the Company's website, where such information is posted.

| 1. STATEMENT OF FINANCIAL POSITION    |                    |                    |                    |                    |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| (Amounts in €)                        | Group              |                    | Company            |                    |
|                                       | 30/6/2011          | 31/12/2010         | 30/6/2011          | 31/12/2010         |
| <b>ASSETS</b>                         |                    |                    |                    |                    |
| <b>NON CURRENT ASSETS</b>             |                    |                    |                    |                    |
| Tangible Fixed Assets                 | 94.360.691         | 93.878.646         | 94.360.691         | 93.878.646         |
| Investment Properties                 | 12.026.510         | 12.026.510         | 12.026.510         | 12.026.510         |
| Other Intangible Assets               | 240.653            | 236.920            | 240.653            | 236.920            |
| Investment in Subsidiaries            | 0                  | 0                  | 236.431            | 236.431            |
| Other Non Current Assets              | 136.054            | 133.202            | 136.054            | 133.202            |
| Deferred Tax Assets                   | 0                  | 0                  | 0                  | 0                  |
|                                       | <b>106.763.908</b> | <b>106.275.278</b> | <b>107.000.339</b> | <b>106.511.709</b> |
| <b>Current Asset</b>                  |                    |                    |                    |                    |
| Inventory                             | 17.571.339         | 8.459.618          | 17.571.339         | 8.459.618          |
| Trade Receivables                     | 31.984.157         | 26.775.505         | 31.984.157         | 26.775.505         |
| Cash & Cash Equivalents               | 6.137.050          | 7.410.805          | 3.400.986          | 4.123.489          |
| Other Current Assets                  | 5.007.281          | 4.130.453          | 3.162.789          | 2.841.960          |
|                                       | <b>60.699.827</b>  | <b>46.776.381</b>  | <b>56.119.271</b>  | <b>42.200.572</b>  |
| <b>Total Assets</b>                   | <b>167.463.735</b> | <b>153.051.659</b> | <b>163.119.610</b> | <b>148.712.281</b> |
| <b>Equity &amp; Liabilities</b>       |                    |                    |                    |                    |
| <b>Total Equity</b>                   |                    |                    |                    |                    |
| Share Capital                         | 10.638.612         | 10.638.612         | 10.638.612         | 10.638.612         |
| Share Premium                         | 38.225.445         | 38.225.445         | 38.225.445         | 38.225.445         |
| Reserves for Own Shares               | (2.432.318)        | (2.432.318)        | (2.432.318)        | (2.432.318)        |
| Other Reserves                        | 37.497.092         | 33.282.916         | 34.356.199         | 29.537.394         |
| Profit / Loss Carried Forward         | 2.509.226          | 4.228.865          | 2.440.955          | 4.833.805          |
| Currency Exchange Differences         | 1.061.889          | 1.061.889          | 0                  | 0                  |
|                                       | <b>87.499.946</b>  | <b>85.005.409</b>  | <b>83.228.893</b>  | <b>80.802.938</b>  |
| <b>Total Equity</b>                   | <b>87.499.946</b>  | <b>85.005.409</b>  | <b>83.228.893</b>  | <b>80.802.938</b>  |
| <b>Long Term Liabilities</b>          |                    |                    |                    |                    |
| Long Term Loans                       | 13.650.000         | 12.000.000         | 13.650.000         | 12.000.000         |
| Deferred Tax Liabilities              | 9.514.215          | 9.292.527          | 9.514.215          | 9.292.527          |
| Severance Provisions                  | 591.985            | 556.188            | 591.985            | 556.188            |
| Other Long Term Liabilities           | 5.274.110          | 5.364.691          | 5.274.110          | 5.364.691          |
|                                       | <b>29.030.310</b>  | <b>27.213.406</b>  | <b>29.030.310</b>  | <b>27.213.406</b>  |
| <b>Current Liabilities</b>            |                    |                    |                    |                    |
| Trading Liabilities                   | 20.373.258         | 10.114.360         | 20.368.355         | 10.112.507         |
| Short Term Loans                      | 23.944.920         | 26.788.807         | 23.944.920         | 26.788.807         |
| Tax Liabilities                       | 1.158.812          | 1.108.678          | 1.101.220          | 984.934            |
| Accrued and Other Current Liabilities | 5.456.489          | 2.820.999          | 5.445.912          | 2.809.689          |
|                                       | <b>50.933.479</b>  | <b>40.832.844</b>  | <b>50.860.407</b>  | <b>40.695.937</b>  |
| <b>Total Equity &amp; Liabilities</b> | <b>167.463.735</b> | <b>153.051.659</b> | <b>163.119.610</b> | <b>148.712.281</b> |

| 3. STATEMENT OF CHANGES IN EQUITY  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| (Amounts in €)   | Group             |                   | Company           |                   |
|  | 1/1 - 30/06/2011  | 1/1 - 30/06/2010  | 1/1 - 30/06/2011  | 1/1 - 30/06/2010  |
| <b>Total Equity at the Beginning of the Year (1.1.2011 &amp; 1.1.2010)</b> | <b>85.005.409</b> | <b>83.813.909</b> | <b>80.802.938</b> | <b>79.006.748</b> |
| Total Comprehensive After Tax Income                                       | 2.509.226         | 2.270.137         | 2.440.955         | 2.843.457         |
| Distributed Dividends  | 0                 | (1.067.954)       | 0                 | (1.067.954)       |
| Remuneration of Board Members  | (15.000)          | (15.000)          | (15.000)          | (15.000)          |
| Other Non Comprehensive Income   | 313               | 250               | 0                 | 0                 |
| Reduction of Share Premium Attributable to Own Shares                      | 0                 | 0                 | 0                 | 0                 |
| Purchase / (Sales) of Own Shares   | 0                 | (111.649)         | 0                 | (111.649)         |
| Reduction of Share Premium   | 0                 | (1.994.740)       | 0                 | (1.994.740)       |
| Translation Reserve  | 0                 | 0                 | 0                 | 0                 |
| <b>Total equity at the end of the year (30.06.2011 &amp; 30.06.2010)</b>   | <b>87.499.948</b> | <b>82.894.953</b> | <b>83.228.893</b> | <b>78.660.862</b> |

| 4. CASH FLOW STATEMENT  |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | Group              |                    | Company            |                    |
|   | 30/6/2011          | 31/6/2010          | 30/6/2011          | 31/6/2010          |
| <b>Operating Activities</b>   |                    |                    |                    |                    |
| Pre tax Profit (Continuing Operations)  | <b>3.658.558</b>   | <b>2.817.236</b>   | <b>3.603.798</b>   | <b>3.350.930</b>   |
| Pre tax Profit (Discontinuous Operations)   | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| <i>Adjustment for:</i>  |                    |                    |                    |                    |
| Depreciation  | 1.532.212          | 1.428.025          | 1.532.212          | 1.428.025          |
| Provisions  | 1.179.062          | 1.150.431          | 1.093.846          | 1.120.393          |
| Interest Payable  | 1.076.358          | 843.813            | 1.074.705          | 841.920            |
| Interest Receivable   | (91.791)           | (86.832)           | (3.387)            | (615)              |
| <b>Changes In Working Capital:</b>  |                    |                    |                    |                    |
| Decrease / ( Increase ) of Inventory  | (9.111.720)        | 108.118            | (9.111.720)        | 108.118            |
| Decrease / ( Increase ) of Receivables<br>(Decrease) / Increase of Payables (except<br>loans) | (6.088.333)        | 3.689.185          | (5.532.333)        | 3.191.160          |
|   | <b>11.502.617</b>  | <b>(1.832.272)</b> | <b>11.566.453</b>  | <b>(1.847.827)</b> |
| <b>Less:</b>  |                    |                    |                    |                    |
| Interest Paid   | (977.428)          | (661.334)          | (977.359)          | (661.245)          |
| Tax Paid  | (485.558)          | (201.167)          | (433.185)          | (171.653)          |
| <b>Total Cash Flow from Operating Activities</b>  | <b>2.193.977</b>   | <b>7.255.203</b>   | <b>2.813.030</b>   | <b>7.359.206</b>   |
| <b>Investment Activities</b>  |                    |                    |                    |                    |
| Cash Inflow from the Sale of Participating<br>Interests                                       | 0                  | 0                  | 0                  | 0                  |
| Purchase of Non Current Assets  | (2.431.169)        | (4.315.166)        | (2.431.169)        | (4.315.166)        |
| Cash Inflow from the Sale of Non Current<br>Assets  | 87.633             | 0                  | 87.633             | 0                  |
| Interest Received   | 71.275             | 45.286             | 1.890              | 615                |
| Divident Received   | 0                  | 0                  | 0                  | 0                  |
| <b>Total Cash Flow from Investment Activities</b>   | <b>(2.272.261)</b> | <b>(4.269.880)</b> | <b>(2.341.646)</b> | <b>(4.314.551)</b> |
| <b>Financing Activities</b>   |                    |                    |                    |                    |
| Reduction of Share Capital  | 0                  | 0                  | 0                  | 0                  |
| Sale / (Purchases) of Own Shares  | 0                  | (111.649)          | 0                  | (111.649)          |
| Loan Redeemed   | (1.195.471)        | (2.385.762)        | (1.193.887)        | (2.385.604)        |
| Divident Paid   | 0                  | (958.749)          | 0                  | (958.749)          |
| <b>Total Cash Flow from Financing Activities</b>  | <b>(1.195.471)</b> | <b>(3.456.160)</b> | <b>(1.193.887)</b> | <b>(3.456.002)</b> |
| <b>Total Cash Flow</b>  | <b>(1.273.755)</b> | <b>(470.837)</b>   | <b>(722.503)</b>   | <b>(411.347)</b>   |
| <b>Cash &amp; Cash Equivalents at the<br/>Beginning of the Period</b>                         | <b>7.410.805</b>   | <b>6.738.347</b>   | <b>4.123.489</b>   | <b>2.014.800</b>   |
| <b>Cash &amp; Cash Equivalents at the end of<br/>the Period</b>                               | <b>6.137.050</b>   | <b>6.267.510</b>   | <b>3.400.986</b>   | <b>1.603.453</b>   |

**2. STATEMENT OF COMPREHENSIVE INCOME**

(Amounts in €)

|   | Group             |                   |                  | Company          |                   |                   |                  |                  |
|---|-------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|
|   | 1/1-30/06/2011    | 1/1-30/06/2010    | 1/4-30/06/2011   | 1/4-30/06/2010   | 1/1-30/06/2011    | 1/1-30/06/2010    | 1/4-30/06/2011   | 1/4-30/06/2010   |
| Sales   | 44.869.765        | 35.160.888        | 23.660.743       | 16.653.046       | 44.869.765        | 35.160.888        | 23.660.743       | 16.653.046       |
| Cost of Sales                                   | (32.809.143)      | (22.797.680)      | (17.429.142)     | (10.497.684)     | (32.809.143)      | (22.797.680)      | (17.429.142)     | (10.497.684)     |
| <b>Gross Profit</b>                             | <b>12.060.622</b> | <b>12.363.208</b> | <b>6.231.601</b> | <b>6.155.362</b> | <b>12.060.622</b> | <b>12.363.208</b> | <b>6.231.601</b> | <b>6.155.362</b> |
| Other Income                                    | 2.342.779         | 1.520.287         | 1.527.736        | 741.086          | 2.342.324         | 1.477.587         | 1.527.736        | 739.746          |
| Distribution Expenses                           | (7.200.202)       | (6.863.948)       | (3.979.650)      | (3.446.458)      | (7.200.202)       | (6.863.948)       | (3.979.650)      | (3.446.458)      |
| Administration Expenses                         | (2.068.801)       | (2.543.830)       | (1.060.583)      | (1.004.952)      | (2.037.492)       | (1.893.648)       | (1.036.244)      | (976.916)        |
| Other Expenses                                  | (491.272)         | (901.500)         | (339.381)        | (397.388)        | (490.136)         | (890.964)         | (338.705)        | (397.388)        |
| Profit on sale of investments and securities    | 0                 | 0                 | 0                | 0                | 0                 | 0                 | 0                | 0                |
| Income from Participating Interests             | 0                 | 0                 | 0                | 0                | 0                 | 0                 | 0                | 0                |
| Profit/Loss from Financial Assets in Fair Value | 0                 | 0                 | 0                | 0                | 0                 | 0                 | 0                | 0                |
| Impairment of Non Current Assets                | 0                 | 0                 | 0                | 0                | 0                 | 0                 | 0                | 0                |
| Interest Income                                 | 91.791            | 86.832            | 48.178           | 43.952           | 3.387             | 615               | 1.056            | 590              |
| Interest Expenses                               | (1.076.359)       | (843.813)         | (553.756)        | (430.212)        | (1.074.705)       | (841.920)         | (552.979)        | (429.585)        |
| <b>Pre Tax Profit</b>                           | <b>3.658.558</b>  | <b>2.817.236</b>  | <b>1.874.145</b> | <b>1.661.390</b> | <b>3.603.798</b>  | <b>3.350.930</b>  | <b>1.852.815</b> | <b>1.645.351</b> |
| Income Tax                                      | (1.149.332)       | (547.099)         | (560.763)        | (503.974)        | (1.162.843)       | (507.473)         | (582.448)        | (464.348)        |
| <b>Profit from Continuing Operations</b>        | <b>2.509.226</b>  | <b>2.270.137</b>  | <b>1.313.382</b> | <b>1.157.416</b> | <b>2.440.955</b>  | <b>2.843.457</b>  | <b>1.270.367</b> | <b>1.181.003</b> |
| <b>Profit from Discontinuous Operations</b>     | <b>0</b>          | <b>0</b>          | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>          | <b>0</b>         | <b>0</b>         |
| <b>Profit After Tax</b>                         | <b>2.509.226</b>  | <b>2.270.137</b>  | <b>1.313.382</b> | <b>1.157.416</b> | <b>2.440.955</b>  | <b>2.843.457</b>  | <b>1.270.367</b> | <b>1.181.003</b> |
| <b>Other Non Comprehensive Income</b>           |                   |                   |                  |                  |                   |                   |                  |                  |
| Revaluation of Non Current Assets               | 0                 | 0                 | 0                | 0                | 0                 | 0                 | 0                | 0                |
| <b>Total Comprehensive Income</b>               | <b>2.509.226</b>  | <b>2.270.137</b>  | <b>1.313.382</b> | <b>1.157.416</b> | <b>2.440.955</b>  | <b>2.843.457</b>  | <b>1.270.367</b> | <b>1.181.003</b> |
| <b>Profit for the Period Attributable to:</b>   |                   |                   |                  |                  |                   |                   |                  |                  |
| Equity Shareholders                             | 2.509.226         | 2.270.137         | 1.313.382        | 1.157.416        | 2.440.955         | 2.843.457         | 1.270.367        | 1.181.003        |
| Non Controlling Interests                       | 0                 | 0                 | 0                | 0                | 0                 | 0                 | 0                | 0                |
| <b>E.P.S.</b>                                   |                   |                   |                  |                  |                   |                   |                  |                  |
| Basic   | <b>0,1648</b>     | <b>0,1480</b>     | <b>0,0863</b>    | <b>0,0758</b>    | <b>0,1604</b>     | <b>0,1863</b>     | <b>0,0835</b>    | <b>0,0774</b>    |
| <b>E.P.S. from Continuing Operations</b>        |                   |                   |                  |                  |                   |                   |                  |                  |
| Basic   | <b>0,1648</b>     | <b>0,1480</b>     | <b>0,0863</b>    | <b>0,0758</b>    | <b>0,1604</b>     | <b>0,1863</b>     | <b>0,0835</b>    | <b>0,0774</b>    |
| <b>Proposed dividend per share</b>              | 0,00000           | 0,00000           | 0,00000          | 0,00000          | 0,00000           | 0,00000           | 0,00000          | 0,00000          |
| <b>Depreciation</b>                             | 1.532.212         | 1.428.025         | 769.891          | 723.598          | 1.532.212         | 1.428.025         | 769.891          | 723.598          |
| <b>E.B.I.T. from Continuing Operations</b>      | 4.643.126         | 3.574.217         | 2.379.722        | 2.047.650        | 4.675.116         | 4.192.235         | 2.404.737        | 2.074.346        |
| <b>E.B.I.T.D.A. from Continuing Operations</b>  | 6.175.338         | 5.002.242         | 3.149.613        | 2.771.248        | 6.207.328         | 5.620.260         | 3.174.628        | 2.797.944        |

**ADDITIONAL ELEMENTS AND INFORMATION**

1. The interim Financial Statements of first segment of 2011 (1/1-30/6/2011) has been reviewed by a Certified Auditor - Accountant and have been composed according to the International Financial Reporting Standards (IFRS) and specifically according to the International Financial Standards 34 for the interim financial statements.

2. The companies which have been consolidated in the above financial statements are presented in the following table with the corresponding ownership stakes

| COMPANY NAME   | DOMICILE - COUNTRY | PARTICIPATION STAKE | RELATIONSHIP WITH THE PARENT COMPANY | CONSOLIDATION METHOD | UNAUDITED TAX FISCAL YEARS |
|--|--------------------|---------------------|--------------------------------------|----------------------|----------------------------|
| LOULIS MILLS S.A.                                    | Sourpi Magnisias   | Parent              | Parent                               | -                    | 6                          |
| LOULIS INTERNATIONAL FOODS ENTERPRISES Ltd.          | Levkosia-Cyprus    | 98,70%              | Direct                               | Full                 | 6                          |
| LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd. | Levkosia-Cyprus    | 100,00%             | Direct                               | Full                 | 6                          |
| LOULIS MEL BULGARIA S.A                              | Sofia-Bulgaria     | 100,00%             | Indirect                             | Full                 | 8                          |

3. The company has applied the basic accounting principles of the balance sheet 31-12-2010.

4. Tangible assets of Loulis Mills S.A., up to the amount of € 99.75 million, were used as collateral in order to secure a bond loan, worth of € 2.50 million. By the day of the financial statements the collateral € 99.75 million has been written off, since the loan has been redeemed after the balance sheet day, and new collateral of € 30.00 million has been established to secure bond loan € 25.00 million

5. There are no pending judicial cases or court decisions, which may have a material impact on the financial operations of the Company.

6. The total number of employees at 31/3/2011, for the Group: 225 and for the Company: 225 instead of 243 for the Group in 31/3/2011 and 243 for the Company.

7. The company's purchases and sales accumulatively from the beginning of the fiscal year and the balance of inventories and trade receivables of the Group and the parent company is :

|  | <u>Consolidated</u> | <u>Company</u> |
|--|---------------------|----------------|
| a) Sale of products and services                           | --                  | --             |
| b) Purchase of products and services                       | --                  | --             |
| c) Receivables   | --                  | 100.000        |
| d) Inventories   | --                  | --             |
| e) Transactions and salaries of the members of BoD and     | 237.824             | 237.824        |
| f) Receivables occurred from executives and members of BoD | 10                  | 10             |
| g) Obligations towards executives and other members of     | --                  | --             |

8. Investments on tangible fixed assets during the first six months of 2011 are for the Group and the Company € 2,431 thousand

9. The Company has made a provision of € 600.000 for the unaudited tax years

10. The General Meeting of 20/6/2012 has decided to increase the nominal value of the shares by € 0.20 with capitalisation of share premium reserve up to the amount of € 3,324,566.40. At the same time it has been decided the share capital to be decreased by € 3,324,566.40 and the amount to be paid cash to the shareholders. At the same General Meeting was decided to write off 1,400,556 own shares.

11. On the 22/6/2011 the Company issued a new bond loan of € 2.5 millions in cooperation with Bank of Cyprus plc.

12. On the 3/8/2011 the Company issued a fully secured bond loan of € 25 millions in cooperation with Alpha Bank.