



**LOULIS MILLS S.A.**

10344/06/B/86/131

Loulis Port, Sourpi Magnisias

**Financial Statements for the Year 1 January 2011 - 31 December 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.

<b>1. STATEMENT OF FINANCIAL POSITION</b>				
<i>(Amounts in €)</i>				
	<b>Group</b>		<b>Company</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Tangible Fixed Assets	110.666.801	93.878.646	110.666.801	93.878.646
Investment Properties	197.268	12.026.510	197.268	12.026.510
Other Intangible Assets	237.060	236.920	237.060	236.920
Investment in Subsidiaries			236.431	236.431
Other Non Current Assets	148.433	133.202	148.433	133.202
Deferred Tax Assets	0	0	0	0
	<b>111.249.562</b>	<b>106.275.278</b>	<b>111.485.993</b>	<b>106.511.709</b>
<b>Current Asset</b>				
Inventory	13.309.096	8.459.618	13.309.096	8.459.618
Trade Receivables	31.624.062	26.775.505	31.624.062	26.775.505
Cash & Cash Equivalents	2.802.796	7.410.805	440.942	4.123.489
Other Current Assets	3.937.696	4.130.453	1.687.538	2.841.960
	<b>51.673.650</b>	<b>46.776.381</b>	<b>47.061.638</b>	<b>42.200.572</b>
<b>Total Assets</b>	<b>162.923.212</b>	<b>153.051.659</b>	<b>158.547.631</b>	<b>148.712.281</b>
<b>Equity &amp; Liabilities</b>				
<b>Total Equity</b>				
Share Capital	9.742.257	10.638.612	9.742.257	10.638.612
Share Premium	31.960.306	38.225.445	31.960.306	38.225.445
Reserves for Own Shares		(2.432.318)	0	(2.432.318)
Other Reserves	40.349.526	33.282.916	37.208.633	29.537.394
Profit / Loss Carried Forward	4.004.258	4.228.865	3.902.100	4.833.805
Currency Exchange Differences	1.061.889	1.061.889	0	0
	<b>87.118.236</b>	<b>85.005.409</b>	<b>82.813.296</b>	<b>80.802.938</b>
<b>Total Equity</b>	<b>87.118.236</b>	<b>85.005.409</b>	<b>82.813.296</b>	<b>80.802.938</b>
<b>Long Term Liabilities</b>				
Long Term Loans	25.000.000	12.000.000	25.000.000	12.000.000
Deferred Tax Liabilities	10.054.045	9.292.527	10.054.045	9.292.527
Severance Provisions	564.641	556.188	564.641	556.188
Other Long Term Liabilities	5.183.529	5.364.691	5.183.529	5.364.691
	<b>40.802.215</b>	<b>27.213.406</b>	<b>40.802.215</b>	<b>27.213.406</b>
<b>Current Liabilities</b>				
Trading Liabilities	16.041.939	10.114.360	16.033.548	10.112.507
Short Term Loans	13.455.324	26.788.807	13.455.324	26.788.807
Tax Liabilities	969.094	1.108.678	917.923	984.934
Accrued and Other Current Liabilities	4.536.404	2.820.999	4.525.325	2.809.689
	<b>35.002.761</b>	<b>40.832.844</b>	<b>34.932.120</b>	<b>40.695.937</b>
<b>Total Equity &amp; Liabilities</b>	<b>162.923.212</b>	<b>153.051.659</b>	<b>158.547.631</b>	<b>148.712.281</b>

<b>3. STATEMENT OF CHANGES IN EQUITY</b>				
<i>(Amounts in €)</i>				
	<b>Group</b>		<b>Company</b>	
	<b>1/1-31/12/2011</b>	<b>1/1-31/12/2010</b>	<b>1/1-31/12/2011</b>	<b>1/1-31/12/2010</b>
<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	5.171.971	4.228.865	5.069.813	4.833.805
Distributed Dividends		(1.067.953)	0	(1.067.953)
Sale of Subsidiaries			0	0
Movement in Reserves	(14.689)	(14.750)	(15.000)	(15.000)
Reduction of Share Premium Attributable to Own Shares	280.111	166.845	280.111	166.845
Purchase / (Sales) of Own Shares		(126.767)	0	(126.767)
Reduction of Share Premium	(3.324.566)	(1.994.740)	(3.324.566)	(1.994.740)
Translation Reserve			0	0
<b>Total equity at the end of the year (31.12.2011 &amp; 31.12.2010)</b>	<b>87.118.236</b>	<b>85.005.409</b>	<b>82.813.296</b>	<b>80.802.938</b>

<b>4. CASH FLOW STATEMENT</b>				
<i>(Amounts in €)</i>				
	<b>Group</b>		<b>Company</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>Operating Activities</b>				
Pre tax Profit (Continuing Operations)	<b>5.309.523</b>	<b>6.174.159</b>	<b>5.206.123</b>	<b>6.705.668</b>
Pre tax Profit (Discontinuous Operations)			<b>0</b>	<b>0</b>
<i>Adjustment for:</i>				
Depreciation	3.082.622	2.908.635	3.082.622	2.908.635
Provisions	192.294	(779.797)	101.228	(756.392)
Interest Payable	2.809.039	1.809.809	2.806.445	1.802.401
Interest Receivable	(195.286)	(184.277)	(30.397)	(5.787)
<b>Changes In Working Capital:</b>				
Decrease / ( Increase ) of Inventory	(4.849.478)	2.240.380	(4.849.478)	2.240.380
Decrease / ( Increase ) of Receivables (Decrease) / Increase of Payables (except loans)	(4.671.030)	2.552.268	(3.709.365)	2.482.358
	<b>7.348.621</b>	<b>683.908</b>	<b>7.414.889</b>	<b>1.566.985</b>
<b>Less:</b>				
Interest Paid	(2.376.215)	(1.633.648)	(2.373.621)	(1.626.240)
Tax Paid	(775.740)	(840.135)	(702.449)	(800.293)
Operating Cash flows from Discontinuous Operations	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Cash Flow from Operating Activities</b>	<b>5.874.350</b>	<b>12.931.302</b>	<b>6.945.997</b>	<b>14.517.715</b>
<b>Investment Activities</b>				
Cash inflow from the Sale of Participating Interests			<b>0</b>	<b>0</b>
Purchase of Non Current Assets	(7.112.175)	(5.706.556)	(7.112.175)	(5.706.556)
Cash Inflow from the Sale of Non Current Assets	136.873	500	136.873	500
Interest Received	170.222	154.473	24.037	4.291
Dividend Received	0	0	0	0
Investing Cash flows from Discontinuous Operations	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Cash Flow from Investment Activities</b>	<b>(6.805.080)</b>	<b>(5.551.583)</b>	<b>(6.951.265)</b>	<b>(5.701.765)</b>
<b>Financing Activities</b>				
Reduction of Share Capital	(3.324.646)	(1.964.361)	(3.324.646)	(1.964.361)
Sale / (Purchases) of Own Shares	0	(126.767)	0	(126.767)
Loan Redeemed	(333.483)	(3.535.588)	(333.483)	(3.535.588)
Dividend Paid	(19.150)	(1.080.545)	(19.150)	(1.080.545)
Financing Cash flows from Discontinuous Operations	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Cash Flow from Financing Activities</b>	<b>(3.677.279)</b>	<b>(6.707.261)</b>	<b>(3.677.279)</b>	<b>(6.707.261)</b>
<b>Total Cash Flow</b>	<b>(4.608.009)</b>	<b>672.458</b>	<b>(3.682.547)</b>	<b>2.108.689</b>
<b>Cash &amp; Cash Equivalents at the 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 the Period</b>	<b>2.802.796</b>	<b>7.410.805</b>	<b>440.942</b>	<b>4.123.489</b>

## 2. Statement of Comprehensive Income

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(Amounts in €)

	Group		Company	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Sales	95.831.927	77.578.616	95.831.927	77.578.616
Cost of Sales	(71.752.048)	(51.445.357)	(71.752.048)	(51.445.357)
<b>Gross Profit</b>	<b>24.079.879</b>	<b>26.133.259</b>	<b>24.079.879</b>	<b>26.133.259</b>
Other Income	4.103.119	3.163.596	4.102.549	3.120.849
Distribution Expenses	(15.165.015)	(15.146.795)	(15.165.015)	(15.146.795)
Administration Expenses	(4.260.713)	(4.769.135)	(4.202.402)	(4.013.759)
Other Expenses	(833.994)	(1.581.235)	(832.840)	(1.572.901)
Impairment of Non Current Assets			0	(18.372)
Interest Income	195.286	184.277	30.397	5.787
Interest Expenses	(2.809.039)	(1.809.808)	(2.806.445)	(1.802.400)
<b>Pre Tax Profit</b>	<b>5.309.523</b>	<b>6.174.159</b>	<b>5.206.123</b>	<b>6.705.668</b>
Income Tax	(1.305.265)	(1.945.294)	(1.304.023)	(1.871.863)
<b>Profit from Continuing Operations</b>	<b>4.004.258</b>	<b>4.228.865</b>	<b>3.902.100</b>	<b>4.833.805</b>
<b>Profit from Discontinuous Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit After Tax</b>	<b>4.004.258</b>	<b>4.228.865</b>	<b>3.902.100</b>	<b>4.833.805</b>
<b>Other Non Comprehensive Income</b>				
Revaluation of Non Current Assets	1.167.713	0	1.167.713	0
<b>Total Comprehensive Income</b>	<b>5.171.971</b>	<b>4.228.865</b>	<b>5.069.813</b>	<b>4.833.805</b>
<b>Profit for the Period Attributable to:</b>				
Equity Shareholders	5.171.971	4.228.865	5.069.813	4.833.805
Non Controlling Interests	0	0	0	0
<b>E.P.S.</b>				
Basic	<b>0,2631</b>	<b>0,2774</b>	<b>0,2563</b>	<b>0,3171</b>
<b>E.P.S. from Continuing Operations</b>				
Basic	<b>0,0000</b>	<b>0,0000</b>	<b>0,0000</b>	<b>0,0000</b>
<b>Proposed dividend per share</b>			0,00000	
<b>Depreciation</b>	3.082.622	2.908.635	3.082.622	2.908.635
<b>E.B.I.T. from Continuing Operations</b>	7.923.276	7.799.690	7.982.171	8.520.653
<b>E.B.I.T.D.A. from Continuing Operations</b>	11.005.898	10.708.325	11.064.793	11.429.288

## ADDITIONAL ELEMENTS AND INFORMATION

1. 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

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

3. Tangible assets of Loulis Mills S.A., up to the amount of € 40.4 million has been established to secure bond loan € 29.50 million

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

5. The total number of employees at 31/12/2011, for the Group: 223 and for the Company: 223 instead of 226 for the Group in 31/12/2010 and 226 for the Company.

6. 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	--	--
d) Inventories	--	--
e) Transactions and salaries of the members of BoD and	497.897	497.897
f) Receivables occurred from executives and members of BoD	772	772
g) Obligations towards executives and other members of	--	--

7. Investments on tangible fixed assets for the year 2011 are for the Group and the Company € 7,112 thousand

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

9. 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.

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

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

12. On September 2011 revaluation on company's tangible assets in Keratsini was carried out. A revaluation surplus of € 1.460 mil and a deffer tax of € 0.29 mil has been occurred by the valuation. Both amounts were charged at the statement of other comprehensive income.

13. The Board of Directors has not proposed any dividend for the year 2011 due to the economic crisis and for cash flow reasons. After that the distribution of dividend will be decided in the Annual General Meeting