Annual financial reports

Of fiscal year 2013

(1/1/2013-31/12/2013)

In accordance with Article 4 of Law 3556/2007 and the decisions of the BoD of the Capital Market Commission by authorization of this Law

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ΛΟΥΛΗ

LOULIS Mills

General Commercial Reg. No. 50675444000 (Former S.A. Reg.No. 10344/06/B/86/131)

Loulis Mills, 370 08, Municipal District of Sourpi, Magnisia

C O N T E N T S

DIRECTORS' REPRESENTATIONS
(in accordance with Article 4(2) of Law 3556/2007)

The members of the Board of Directors of LOULIS MILLS S.A.:

1. Nikolaos K. Loulis - Chairman of the Board of Directors
2. Nikolaos S. Fotopoulos - Vice-Chairman of the Board of Directors & Managing Director
3. Konstantinos N. Dimopoulos - member of the Board of Directors, especially appointed for this purpose by the Board of Directors in today's meeting (26 March 2014)

WE HEREBY STATE THAT

To our knowledge

a. The attached Annual Financial Statements of the Company and the Group, which were prepared in accordance with the current Accounting Standards, accurately reflect the assets and liabilities, equity and the results of the period of LOULIS MILLS S.A., as well as the companies that are included in the consolidation as a group; and

b. the Annual Report of the Board of Directors accurately reflects the development, performance and position of LOULIS MILLS S.A., as well as those of the companies included in the consolidation taken as a whole, including the description of the major risks and uncertainties they face.

The Chairman of the BoD	The Vice-Chairman of the BoD & Managing Director	The BoD Member
NIKOLAOS K. LOULIS	NIKOLAOS K. FOTOPOULOS	KONSTANTINOS N. DIMOPOULOS

LOULIS MILLS S.A.
BOARD OF DIRECTORS' ANNUAL REPORT
of the fiscal year from 1 January 2013 to 31 December 2013
(in accordance with Law 3556/2007 and the applicable provisions of the European Commission)

The Report presented below aims at the more substantial and complete information of the public, covering all the important aspects of the Company's financial activity, in a true and substantiated manner, and is in accordance with the applicable legislation and the current provisions of the Capital Market Commission.

Dear Shareholders,

1. Significant Events that took place during 2013

2013 was a milestone year for LOULIS MILLS S.A. and for the country. It was in 2008, when the Company put into full operation for the first time both its state-of-the-art factories, and managed to significantly increase the sold quantities and its turnover.

The goal set by management at the start of the year, to strengthen its position in the market, was fully achieved, since an increase of its market share was noted during the closing year, as well as the reinforcement of its financial position. More specifically, the Company exceeded 210 thousand tons of sales in flour and flour byproducts, which is a historical high for the past six years. At the same time, the Company managed to preserve its working capital cycle at the levels of the previous years, at around 80 days, and additionally to strengthen its capital adequacy with more than € 7 million by drawing funds from various sources.

Within 2013, the acquisition of 20% of the Company's share capital by the Al Dahra Agriculture Group of companies was completed, a company based in the United Arab Emirates and engaged in the production and marketing of agricultural products in various countries of the world. This group is the main associate of the government for the Food Security System of the United Arab Emirates, which has as its purpose the problem-free supply of the country with food. The goal of this cooperation was the Company's future expansion into new markets, which Western countries find hard to access.

Taking into consideration the economic circumstances in Greece over the past years, and the Company's achievements described above, the year that just closed can be considered extremely successful.

Management's vision for the years to come is for LOULIS MILLS S.A. to become one of the leading food companies of the country.

Starting the review of 2013, we will examine certain key figures of the Financial Statements, where the following are noted:

A) Sales

In 2013 the turnover of the Group and the Company reached € 94 m, compared to € 91 m in the past year, marking an increase of 3.1%. This increase was the result of an increase of the sold quantities by 5.3%, i.e. 11 thousand tons of flours and by-products. Specifically, the sales of flours increased by € 1.5 m, whereas the increase in sales of by-products amounted to € 1.3 m. In quantities, the Company managed to expand its shares in flour by 3.8 thousand tons, and in by-products by 7.1 thousand tons.

In flours, the Company increased its turnover to professionals by € 2.6 m, while it maintained its turnover from consumer products to levels above € 15 m.

In consumer products, the Company holds a leading position in its overall category, also being the only company with a presence in all subcategories. In 2013 the Company also launched new products, as for example the pizza flour, demonstrating its focus on the research and development of new products, meeting the needs of every household. In the main categories of consumer flours, the sold quantities of our products with the trademark "Ag. Georgiou Mills" increased by 762 tons, when the overall flour category increased by 550 tons, proving the reinforcement of our products compared to competition.

Compared to the previous year, the turnover of consumer products remained the same for the Company at € 15 m, the result of an increase of 7.3% of the sales of branded products and a corresponding decrease of the sales of private label products. Recognizing that LOULIS MILLS S.A. is essentially the only flour producer in the sector of consumer products, Management has invested in this advantage, and managed to achieve significant growth compared to competition. The Company's management commits to consistently keep trying in the coming years to offer to Greek households top quality products, covering all their needs.

In industrial product sales, the Company maintained its sales abroad at the same levels as 2012 - at approximately 3% of the total turnover - and, as we have already mentioned, it increased by 4% its sales to professionals compared to 2012. This increase mainly originated from a 7% increase of the quantities sold to professionals.

From a sales aspect, 2013 was the best reward for Management, which in 2012, with its view towards the future, completed the reconstruction of the factory in Keratsini, which provides the Company with a significant comparative advantage. LOULIS MILLS S.A. will always be there for the professional, ready to meet his every need.

B) Gross Results-Operating Expenses

In 2013, both on a consolidated and a non-consolidated basis, the cost of goods sold increased by 6.3% compared to 2012, standing at €75.4 m., compared to €70.9 in 2012. The gross margin dropped by 8.4%, amounting to 19.7% of turnover, compared to 22.2% of last year's turnover. The reported drop was the result of the increased raw materials' prices during the 1st half of 2013.

The Company's operating expenses compared to its turnover dropped to 18.15% this year, whereas last year they were at 19.47%. In absolute figures, administrative expenses were € 3.1 m. at Company level, decreased by 11.9% compared to 2012. The selling expenses in their turn dropped by 1.9%, a very important fact considering that the sold quantities and the Company's turnover increased.

Management, aware of the conditions prevailing in society, decided to support both households and its professional customers, who have been putting their trust in it for many years now, and this is why it is trying to return to the market any amount it has saved from its operation.

The Group's operating expenses followed the Company's decrease, and stood at 17.08 m compared to € 17.8 m in 2012 with administrative expenses at the levels of € 3.19 m in 2013 compared to € € 3.64 in the past year, whereas selling expenses dropped from € 13.89 m to € 14.15 m.

Keeping the Company's operating expenses under 20% of the turnover was and continues to be the Company's main aim. The Company's strategic goal is the supply of the best products - services to its customers, at the best possible price and the lowest possible cost. Therefore, Management's main aim is the more effective and efficient use of company resources to serve the Customer's clients.

C) Earnings before taxes, financing and investing results and depreciation

The result of all the above, was that in 2013 the Company's operating results presented a marginal drop of 3.7% or in absolute numbers € 339,000, reaching € 8.88 m. As a margin towards sales, they stood at 9.4% compared to 10% last year.

The Company's management, working responsibly throughout the year, managed to protect the interests of all parties with interests in the Company. Both the Company's creditors and its customers must feel secure with regard to how Management runs the Company, and consider it a significant pillar of their stability and their future.

D) Financial Expenses

Financial expenses both in the Group and the Company dropped by 3.6% and stood for the Company and the Group at € 2.44 m. for 2013 compared to € 2.54 m in 2012. With regard to turnover, the financial expenses dropped by 6.5%, comprising 2.65% of the annual turnover, compared to 2.79% in the previous year. The decrease in financial expenses is due to the decrease of the overall borrowing by € 6.56 m, as well as the stability that prevailed in bank interest rates.

In general, the economic circumstances in the country did not improve in terms of the real economy. That is, both unemployment and the shortage of liquidity in the market did not improve, but the general policy and financial stability, in combination with the recapitalization of banks, contributed towards the stabilization of bank interest rates. The market is hoping for a better 2014, after the encouraging messages from the 2013 report for the Greek economy, which may lead to a deescalation of the borrowing cost and a boost to the market's liquidity.

E) Depreciation and amortization

Total depreciation for the Company and the Group amounted to € 3.88 m increased by 18.13%, compared to last year when they were € 3.28 m., whereas as a percentage of sales, they increased from 3.60% to 4.13%. The main reason for this increase is the reopening of the industrial unit of Keratsini, which took place in the last quarter of 2012.

F) Earnings before taxes

The net results of the year before taxes at the Company stood at € 2.54 m decreased by 24.8% from € 3.38 m in 2012 and as a percentage of sales from 3.71% to 2.70%. Correspondingly, in the overall Group there was a drop from € 3.51 m to € 2.63 m, i.e 25.01%.

G) Results after taxes

The net results of the year, after taxes at the Company, amounted to losses of € 3.73 m from profits of € 0.33 m in 2012. The difference between results before and after taxes, is mainly due to the change of the tax rate for the years after 01.01.2013, from 20% to 26%, which lead to an increase of the deferred tax by € 3 m. Also, according to Law 4172/2013, companies must tax any untaxed reserves up to 31.12.2014, a fact that must be accounted according to IAS 37 and amount to € 0.9 m.

H) Cash flows

For the closing year, the operating cash flows for the Group and the Company stood at € -2.95 m and € -1.08 m respectively, whereas during the previous year they stood at € 8.7 m and € 9.1 m for the Group and the Company respectively. That is, they dropped by € 11 m for the Group and € 10 m for the Company. The Company in total decreased its cash to € 727 thousand, after it settled € 6.5 m in loans and € 2.8 m to suppliers. The results of these actions are expected to show the coming year, with better terms in the purchases of raw and secondary materials, with lower financial expenses.

More specifically, the funds drawn from the share capital increase were used in its operating activity, settling liabilities to suppliers and loans, a fact that reinforces its creditworthiness, which in its turn is expected to lead to savings in the financial cost in the coming periods.

I) Investments

The Company, during 2013, as it had stated from the end of the previous year, did not make any large investment, other than investments for the maintenance of the existing mechanical equipment. The Company's Management, after a five-year period of large investments, which were in fact financed mainly with own funds, has decided not to proceed with any new investments, but to try to utilize to the greatest degree possible the existing equipment.

2. Significant information about the Company.

During the General Meeting of shareholders of 28 June 2013, the Company's shareholders approved with a percentage above 75% the proposal of the Board of Directors not to distribute dividend for 2012, whereas they also approved a fee from the profits of 2012 for the Members of the Board of Directors.

During the same General Meeting, the new Board of Directors was elected, as well as the members of the Audit Committee, in accordance with Art. 37 of Law 3693/2008.

3. Key Financial Indicators

In summary, the Company's financial results during the periods of 31 December 2013, 31 December 2012 and 31 December 2011, are reflected through certain key financial indicators and are compared to the targets set by the Company's Management, based on the Company's size, the sector it operates in, the prevailing conditions of the market and the averages of the balances comprising the sector, where the data are available, as follows:

KEY FINANCIAL INDICATORS OF PARENT COMPANY

		1/1/2013 31/12/2013		1/1/2012 31/12/2012		1/1/2011 31/12/2011		Objective
1	Total Bank Loans	29,651,505	3.35	36,211,195	3.94	38,455,324	3.39	(≤4.00)
	EBITDA	8,851,324		9,189,977		11,064,793		
2	EBITDA	8,851,324	3.67	9,189,977	3.67	11,064,793	6.34	(≥4.00)
	Interest charges	2,411,522		2,504,924		2,772,456		
3	Non-current Assets	104,242,509	3.52	108,712,213	3.00	111,485,993	2.75	(≥2.50)
	Total Bank Loans	29,651,505		36,211,195		38,455,324		
4	Total Bank Loans	29,651,505	0.36	36,211,195	0.46	38,455,324	0.48	(≤0.6)
	Total equity	82,432,704		78,463,272		82,813,296		
5	Total current assets	49,760,043	1.40	50,673,848	1.17	47,061,638	1.04	(≥1.00)
	Total Short-term Liabilities	35,478,912		43,342,889		34,932,120		
6	Total Liabilities	71,569,848	0.87	80,922,789	1.03	75,734,335	0.84	(≤1.00)
	Total equity	82,432,704		78,463,272		82,813,296		
7	Inventory Turnover Ratio	96.55		88.17		55.37		(~75)
8	Days of Suppliers' Credit	70.17		81.43		59.72		(~75)
9	Days for Collection of Trade Receivables	101.22		109.97		106.29		(≤120)

4. **Main Risks and Uncertainties**

The Company operates in an intensely competitive environment, where the most important problem is that the offer is many times greater than demand. Nevertheless, during 2013 the Company managed to maintain and improve in many points the results of the corresponding period last year. Our goal for 2014 is to be able to keep the Company profitable, with capital adequacy, and to develop into a strong food Company. The figures of the first months of the year are already leading to the conclusion that the Company will meet its goals.

The Group's activities create various financial risks, including interest rate risks, credit risks and liquidity risks. The overall risk management program of the Group focuses on the fluctuations of the financial markets, and aims at minimizing the potential adverse effects of these fluctuations to its financial performance. The Group does not have any transactions of a profiteering nature or transactions not related to its commercial, investing or borrowing activities.

The financial products used by the Group consist mainly of deposits in Banks, loans, overdraft bank accounts, accounts receivable and payable, dividends payable and liabilities from leasing contracts. Up to now, the global economic crisis does not appear to materially affect the Company's operations, due however to the intensity of the phenomenon, its estimated duration and the general suffocating situation and the shortage of liquidity in the market, any drop in consumer demand will potentially have a negative effect on sales and the profit margins of the food sector. The fact that our products are consumer staples, the Company's currently low financial exposure, as well as the significant quality and product diversification, are our main means available for minimizing the negative effects of the financial crisis.

The usual financial and other risks which the Company is exposed to are market risks (interest rates, liquidity risk, market prices, credit risk, inventories risk, risk of drop in demand due to general consumer recession).

4.1 Currency Risk

All of the Company's transactions and balances are in euro.

The Company's Management continuously monitors currency risks which may arise, and evaluates the needs for taking any relevant measures; at this point in time however there is no such risk.

4.2 Interest Rate Risk

The Company's Management has been continuously monitoring interest rate trends, and the Company's financing needs. There is a limited risk from changes in interest rates, mainly from long-term and short-term loans. The Group's policy is to maintain all loans at a floating rate, with the exception of a part of them which it has at a fixed rate. Taking into consideration that the Company's borrowing is linked to Euribor, the latter's decrease has a direct positive impact on the Company's financing expenses, which is eliminated however from the increase of the margins in recent years. However, because the Company keeps its borrowing from banks at a low level, the effect from the increase of the cost of money will not be great.

Sensitivity analysis to interest rate changes

	Interest Rate Volatility	Impact on profit before Company taxes	Impact on profit before Group taxes
Fiscal year 2013 amounts	1.00%	-296,515	-296,515
	-1.00%	296,515	296,515
Fiscal year 2012 amounts	1.00%	-362,112	-362,112
	-1.00%	362,112	362,112

4.3 Credit risk

The Company has no substantial credit risk concentrations in counterparties, mainly because of the highly diversified clientele (4,500). Also, there is no customer participating with more than a 5% share in the turnover.

The Group's companies have established and apply credit control procedures, aiming at minimising doubtful receivables, monitoring on a daily basis the size of the credit service, as well as the credit limits of accounts. Sales are made to customers with an evaluated history of sales, and the clientele is allocated over a large number of small customers, and credit risk is therefore deemed to be low.

Moreover, the Company has a credit insurance policy, which covers approximately 80% of its receivables. This policy cannot be sold or transferred. Specialized IT applications are constantly used by the competent departments, in order to check on an ongoing basis the provided credits, while where the option is provided, Group companies additionally take out credit insurance. Where a possibility is discovered that receivables will not be collected, provisions for doubtful debts are formed.

4.4 Liquidity Risk

The Company has a strong capital structure and a high liquidity indicator. The Company's general liquidity is at high levels. We indicatively mention that the general liquidity indicator (Current Assets to Short-term Liabilities) is 1.40.

With the appropriate combination of cash receivables from operating cash flows and approved bank credit lines, the correct and prudent management of liquidity is achieved. The Group's companies, constantly controlling the coverage needs of the overall liabilities and the composition and maturity of the liabilities, ensure that assured bank credits are always available, ready for use, and that the working capital is properly handled. The present available and approved credits to Group companies are adequate for dealing with a possible shortage of cash.

4.5 Risk of impairment of inventory

The Group always takes all necessary measures to minimize the risk and potential losses as a result of loss of stock from natural disasters. At the same time, due to the high stock turnover ratio (<90 days), and simultaneously their large duration (expiry date), the risk of their impairment is especially limited.

4.6 Decrease of demand due to general consumer recession

The Group belongs to the food sector, and demand in this sector has dropped in recent years in Greece. The continuation or the exacerbation of the market recession will continue to have a negative effect on the Group's results.

4.7 Risk of increase of prices of raw materials.

Wheat has always been a commodity with great fluctuations in its price. In the past, the price of wheat was based on its qualitative characteristics and the available quantities of each crop. In our days this has changed, since wheat is now a stock market commodity, and futures are negotiated daily in commodity exchanges all over the world. Therefore, taking into consideration that according to the above, the price of wheat in the global market is formed depending on the qualitative features of each crop, and the intentions of investors across the world, in combination with the uncertainty in the markets globally because of the economic crisis, the general instability in the prices of raw materials is expected to continue. Therefore, exposure to this risk is evaluated as high, and for this reason the Group's Management is taking the appropriate measures, in order to both restrict through special agreements with its suppliers exposure to this risk and to adjust its pricing and trade policy in a timely and appropriate manner.

5. Significant Transactions with Related Parties

The sales and purchases amounts cumulatively from the start of the fiscal year and the balances of the Company's receivables and liabilities at the end of the current year, which have emerged from its transactions with related parties, in accordance with IAS 24, are the following:

	THE GROUP	THE COMPANY
a) Income	21,488	21,488
b) Expenses	0	0
c) Receivables	21,488	21,488
d) Payables	0	1,683,000
e) Management and administration fees	499,059	499,059
f) Receivables from directors and managers	1,898	1,898
g) Payables to key management personnel	0	0

6. Events up to the date of preparation of the financial statements

There have been no significant events up to the date of preparation of the financial statements.

7. Anticipated course and development

Management's vision is for LOULIS MILLS to become the following years one of the leading food companies of the country. Having this as a goal over the past years it has made investments in fixed equipment and human resources. It has also developed its production process, so it can produce products of high quality, showing respect to the environment and the consumer.

The bar has also been set high for the coming years. At a financial level, Management will continue to operate on the basis of maintaining the positive results of the past years. Its goal for the new year is to further solidify the Company's position in the market, assuring its existing shares and increasing the targeted ones.

Additionally, Management's goal for 2014 is again the better control of operating costs and the cost of materials. The grains situation is still unstable, with the price of wheat in the international markets displaying fluctuations never recorded in the past decades.

The entry of wheat in the stock markets has left it vulnerable to profiteering games, with the frequent phenomenon of prices fluctuating independently of the conditions prevailing in the actual market. For this reason we witness the frequent phenomenon of regions with a high production of good quality wheat selling it at prices much higher than normal, since they all follow the stock market index, which is often higher.

As can be seen from the first months of 2014, prices remain unstable, while events in the Ukraine and Russia, if they continue, may potentially have an impact on global prices. Management's goal is to be able to find the appropriate grains for its production, at the best possible prices. It is thus operating in a concerted manner, in order to be able to open new markets or new types of markets.

Therefore, one of the scenarios examined is contract farming with Greek farmers. This program has a multitude of benefits, both for the Company and for the economy in general. The benefits for the Company are significant, because it forms relationships of trust with its supplier, the simple farmer, who will see the company as a partner that is supporting him, and not an impersonal customer. It also allows the Company to fully control its supply chain, and to ensure in time the high quality of its products.

Contract farming is also a way for our Company to support Greek farmers and the agricultural economy in practice. It is important during these times for farming families to find help and to not abandon what their work. The agricultural economy is also a main contributor to the domestic product, and by supporting farmers you are essentially contributing towards the increase of the GDP and the growth of the Greek economy.

At the same time, the strategic partnership with Al Dahra, in addition to everything already mentioned, will potentially help the Company with its supply with grains. Al Dahra, as a company active in the agricultural product sector in various countries of the world, may contribute towards the additional restriction of the raw material price fluctuation risk. Its presence in many countries, and its multifaceted knowledge of agricultural production issues, will give strong advantages to LOULIS MILLS S.A., which will contribute towards the better control of the cost of raw materials.

Management is expected to follow over the coming year the same policy with regard to operating expenses, that is, to return to customers any benefits from cutting back expenses. For yet one more year, the Company feels the need to stand by its customers, showing that it supports them in practice. Having approximately one century of experience, we are aware that our relationship with our customers, is the Company's major capital. These relationships of trust that have been formed, must now become stronger; we are investing towards this, and we believe that the market will return it.

Another goal for the future, is to maintain the high quality in production and its further improvement. Up to now, LOULIS MILLS S.A., is the Company with the most international quality certifications in the flour industry sector, whereas it successfully passes inspections on a nearly daily basis. It should be noted that our factories have the following certifications:

1. ISO 2200:2005 (TUV Austria Hellas), related to food and by-product safety management.
2. ISO 9001:2008 (TUV Austria Hellas), related to food and by-product quality management.
3. ISO 9001:2008 (TUV Austria Hellas), related to the Port's operation management.
4. ISO 14001:2004 (TUV Austria Hellas), related to the facility's environmental management.
5. BRC (British Retail Consortium - Micron 2) Certificate, British standard for food safety management.
6. IFS (International Food Standard - TUV Austria Hellas) certificate, French-German standard for food safety management.

7. Organic product certificate (TUV Austria Hells), related to the production, packaging, storage and handling of organic products and by-products.

Also, in 2013, the Company successfully passed inspections by customers such as Yum-Pizza Hut, Lidl Hellas, General Mills, Elbisco, who have high standards and do not cooperate with organizations which do not have corresponding standards. Finally, in 2013, the Keratsini factory was successfully inspected by the entomology professor of the University of Kansas - quality systems inspector, Dr. Bhadriraju Subramanyam and inspector Mr. Vassilis Sotiroudas (Agrospecom).

The goal for the coming years is to maintain the high quality of the products we offer and to further develop them. That is why management invests in people with specialized knowledge, and in the further training of the existing personnel, whereas through the years it has maintained the highest specifications in its production process.

In November of 2013, the share capital increase was completed, via which the Al Dahra Agriculture Group now holds 20% of the Company's share capital. In the this strategic partnership of our Company with this group both managements had a long-term view towards the future. For LOULIS MILLS S.A., this coalition is expected to generate in the future prospects of expansion into new markets. The Al Dahra Group has a presence and commercial relationships in many large and developing markets of the world, which are not easily accessible by western companies.

Countries of northern and eastern Africa and countries of the Persian Gulf, are countries each with populations of tens of millions, with are rapidly growing. On the other side, the culture of these countries is quite different from European culture, and it is very hard to find a way to infiltrate them, at the same time requiring sufficient funds and assistance from the local authorities. The Company's management, acknowledging the advantages and difficulties of these markets, was led to a collaboration with a group, which is knowledgeable of these markets, since it has operations in several of them.

Therefore, for LOULIS MILLS S.A., through the cooperation with Al Dahra, the road has opened for a future expansion into new markets, either through exports or through the creation of a network of companies.

For the Al Dahra group, the benefit of collaborating with the Company, is that they have a reliable partner who has excellent knowledge of its subject matter and experience in the creation of model production units. More specifically, LOULIS MILLS is a company with a long tradition in the flour market, which has incorporated modern practices and innovations, at the same times operating under the strictest and highest standards.

After completing the recent investments of the past years, Management, apart from the Company's expansion into new markets, has also been focusing on research. In the future our goal is to develop new products, as it has always been in the past, and we want to be there for our customers, supporting them in any venture.

During the year that ended, our Company launched a range of new products, sensing its customers' needs. Therefore, in 2013, we introduced the pizza flour and the cake mix, two products which were quickly and easily accepted by the market. The mission of our Company's R&D department is to realize the needs of our business customers and the modern household, and to try to meet them. We were and we want to be the market's pioneers and to remain in the minds of consumers as the ones "who can offer us everything".

For the year that just started, the goal can be no other than to be able to offer at least two new products to the market, and to please our customers by our reliably high quality.

Therefore, summing up the goals of both the coming year, and in the long-term, we can say that they are based on three pillars: maintenance, growth, service. This means we want to maintain our key financial figures, our creditworthiness and the relationship with our suppliers at the high levels it has been all these years, without any discounts to the quality of our products.

At the same time, using our experience and collaborations, we want to grow and offer our quality products to as many people as possible, and at the same time develop new products to meet their needs. Our vision is to be among the leading food companies of the country.

8. CORPORATE GOVERNANCE STATEMENT

Introduction

LOULIS MILLS S.A. has a commitment to comply with corporate governance standards. In this context, the Company has implemented the principles set by the Corporate Governance Code established by the Greek Corporate Governance Council (ESED) with certain deviations, but always in accordance with the applicable legislation. The Code can be found at the following address:

http://www.helex.gr/el/web/guest/esed-hellenic-cgc

8.1 Internal Audit and Risk Management System

8.1.1 Main features of the internal audit system

The Company's internal audit is conducted by the Internal Audit Department, in accordance with the audit plan included in the Company's By-laws.

It is noted that the audit, according to which the relevant Report is prepared, is carried out in accordance with the regulatory framework of Law 3016/2002, as in force, and specifically Articles 7 and 8 of this Law, as well as according to Decision 5/204/2000 of the BoD of the Capital Market Commission, as in force after its amendment by Decision No. 3/348/19.7.2005 of the BoD of the Capital Market Commission.

During the audit, the Internal Audit Department is informed of all the necessary books, documents, files, bank accounts and portfolios of the Company, and requests Management's total and continuous cooperation, in order to be provided with all the requested information and documents, with the purpose of obtaining reasonable assurance for preparing a Report which is free material misstatements as regards the information and conclusions contained in it. The audit does not include any evaluation of the suitability of the accounting policies which were applied, as well as the fairness of the estimates made by Management, as these are the subject of the audit by the Company's legal auditor.

The audit's subject is the evaluation of the general level and the operating processes of the internal audit system. During every audited period, certain areas-fields are selected to be audited, while on a fixed and permanent basis both the operation and organization of the Company's Board of Directors and the operation of the 2 basic Departments operating are audited, in accordance with the provisions of Law 3016/2002, i.e. the Shareholder Support Department and the Corporate Announcement Department

8.1.2 Management of the Company's risks in relation to the preparation of the financial statements.

The Company has developed and applies policies and procedures in the preparation of financial statements, with the purpose of ensuring their credibility and their compliance with laws and regulations, which govern their preparation and publication.

These procedures pertain to the correct control and recording of revenues and expenses, as well as the monitoring of the condition and value of its assets. The policies and procedures that have been established are evaluated and redefined, if it is found that they are not sufficient or if changes to the applicable laws impose it.

At the end of each period, the Company's accounting department takes the actions necessary for the legal preparation of the stipulated financial statements.
The established policies and procedures, related to the preparation of the financial statements, pertain among other things to:

- Period closing procedures, including the submission deadlines, competences, classification and analysis of accounts and notices for the necessary disclosures.

- Reconciliations of the balances of the Trade and Supplier accounts, as well as the other Company receivables and liabilities, at regular intervals.

- Procedures ensuring that transactions are recognized in accordance with the International Financial Reporting Standards.

- Reconciliations of the bank accounts and loan accounts which the Company has in approved Banks on a monthly basis.

- Checks and reconciliations of payable and receivable cheques.

- Provisions for receivables and liabilities of the Company in the cases where the documentation has not yet been presented.

- Physical inventories and inspections of imports-exports at the warehouses on a monthly basis.

- Procedure for the inspection and reconciliations of sales and the issued invoices.

- Policies and procedures for areas such as significant purchases, payment and collections procedures, stock management, etc.

- Establishment of procedures for entries by different individuals in the framework of the segregation of duties.

- Approvals and procedures for the correct entry of the Company's expenses in the accounts of the followed accounting plan and the correct cost center.

- Procedures for the approval of purchase, entry and monitoring of fixed assets, and conduct of required depreciation.

- Procedures for monitoring and managing personnel and liabilities arising from payroll.

- Procedures that ensure the correct use of the accounting plan applied by the Company, and that access and changes to this through the Company's accounting system are made only by authorized users at a specific area of responsibility.

The information system used by the Company is developed and upgraded on an ongoing basis, in close cooperation with a recognized IT Company, in order to adapt to the constantly expanding and specialized needs, with the purpose of supporting the Company's long-term goals and perspectives.

8.2 General Shareholders Meeting

8.2.1 Method of operation of the General Meeting and its main powers

The General Meeting of shareholders is the Company's supreme body, and is entitled to decide on any company matter and all the matters brought to its attention. The role, competences, convocation, participation, ordinary and extraordinary quorum and majority of the participants, the Presidium, the Agenda, and the general operation of the General Meeting of the Company's shareholders are described in the Company's Articles of Association, as it has been updated in accordance with the provisions of Law 2190/1920, as in force (with the incorporation of Law 3884/2010 in relation to the minority interests).

More specifically, the General Meeting shall be the exclusively competent body to decide:

a) Any amendment to these Articles, including any share capital increase or decrease. The decisions on amendments to the Articles of Incorporation shall be valid, as long as they are not prohibited by an explicit provision of the Articles.

b) Election of the Board of Directors' members and Auditors.

c) Approval of the Balance Sheet of the Company;

d) Allocation of annual profits.

e) Merger, split, conversion, revival, extension of the term or dissolution of the Company; and

f) The appointment of liquidators.

The provisions of the previous paragraph shall not include: a) any increases decided by the Board of Directors according to paragraphs 1 and 14 of article 13 of Codified Law 2190/1920, as well as any increases imposed by the provisions of other laws;b) amendments to the Articles made by the Board of Directors according to Article 11(5), Article 13a(2), Article 13(13) and Article 17b(4) of Codified Law 2190/1920, as in force; c) the appointment of the first Board of Directors by the Articles of Association;d) the election of Directors as replacements for Directors who have resigned, passed away or forfeited their capacity in any other way, in accordance with Article 18(7) of Codified Law 2190/1920, as in force; e) The absorption, pursuant to Article 78 of C.L. 2190/1920, of a company limited by shares by another company limited by shares which holds 100% of its shares andf) The option of allocating profits or optional reserves during the current fiscal year, by decision of the Board of Directors, subject to prior authorization by the Ordinary General Meeting.

The decisions of the General Meeting are mandatory also for any shareholder who is absent or disagrees.

The General Meeting of shareholders is always convened by the Board of Directors and holds regular meetings at the Company's registered office or in a different Municipality within the prefecture where the registered office is located or another municipality neighboring to the Company's registered office, at least once each fiscal year, and always within the first six months from the end of each fiscal year. The General Meeting may be held in the Municipality where the Athens Exchange is registered.

The Board of Directors may convene an extraordinary General Meeting of shareholders, when it deems it appropriate or when it is requested by shareholders representing the percentage required by Law or the Articles.

The General Meeting, with the exception of iterative and equivalent Meetings, must be called at least twenty (20) days before the date when it is set to be held. It is clarified that non-business days are included. The date of publication of the notice and the date of its session shall not be included.

The notice to a General Meeting shall quote the date, time and premises where the meeting shall be held, as well as the items on the agenda with clarity and the shareholders who are entitled to attend it. It shall further provide accurate instructions as to how the shareholders may attend and exercise their rights either in person or by proxy or even at a distance.

A notice to a General Meeting shall not be required in the case where shareholders representing the entire share capital are present in person or by proxy and no shareholder opposes the meeting and decision making.

The General Meeting is in quorum and convenes validly on the items on the agenda, if attended in person or by proxy by shareholders representing at least one fifth (1/5) of the paid up capital.

Failing to achieve such quorum, the General Meeting shall be convened and held again in twenty (20) days from the day of the canceled meeting, with notice to the shareholders at least ten (10) days earlier. This iterative meeting shall be validly held on the items of the agenda, regardless of the paid-up capital represented thereat.

The decisions of the General Meeting shall be made by absolute majority of the votes represented at the meeting.

If decisions are to be made by the General Meeting, which are limited to:a) Change in the Company's nationality;b) Extension of term, merger, split, conversion, revival or dissolution of the company;c) Any change in the company's objects;d) Share capital increase, not provided for by the Articles of Association, in accordance with Article 13(1) and (2) of C.L. 2190/1920, - save as otherwise provided for in the law or where such increase is effected through capitalization of reserves;e) Any reduction of the share capital, unless this is carried out in accordance with paragraph 6, Article 16 of C.L. 2190/1920.f) Any change in the profit allocation method;g) Increase in shareholders' obligations;h) Conversion of the Company's registered shares into bearer shares and vice versa; i) Authorization (or renewal of the authorization) to the Board of Directors to proceed to a Share Capital increase pursuant to Article 13(1) of Codified Law 2190/1920;a quorum shall exist and the General Meeting shall be validly held, able to legally decide on the items on the agenda, when Shareholders representing at least two thirds (2/3) of the paid-up share capital attend it in person or by proxy.

The General Meeting is temporarily presided, until the election of a Chairman by the General Meeting, by the Chairman of the Board of Directors or his substitute, or if he is not present, by another member of the Board of Directors, or if no members of the Board of Directors is present, by a person temporarily elected by the Meeting. The temporary Chairman appoints a temporary secretary to also serve as scrutineer. Following the declaration of a definitive list of the present shareholders, the General Meeting elects a Chairman and a Secretary, who also serves as scrutineer.

The discussions and decisions of the General Meeting shall be limited to the items on the agenda. The discussions and resolutions of the General Meeting are summarized in a special book of Minutes and signed by the Chairman and the Secretary. At the request of any shareholder, the Chairman of the General Meeting shall enter in the minutes an accurate summary of his opinion. The minutes must include the list of shareholders attending the Meeting in person or by proxy, as well as each one's number of shares and votes. If a General Meeting is attended by only one (1) shareholder, it is essential that a Notary Public is present to sign the Minutes.

8.2.2 Shareholder rights and their exercise

Rights of participation and vote

Shareholders exercise their rights in relation to the Company's Management, only in the General Meetings and in accordance with the provisions of the Law and the Articles of Association. Each share provides the right of one vote in the General Meeting, with the reservation of the provisions of Article 16 of Codified Law 2190/1920, as currently in force.

Any party appearing as a shareholder in the records of the Dematerialized Securities System managed by "HELEX S.A.", where the Company's securities (shares) are kept, is entitled to participate in the General Meeting. The shareholder's capacity is proven by submitting a relevant written certificate by the above entity, or alternatively, with direct electronic connection of the Company to the records of this organization. The shareholder's capacity must exist on the record date, i.e. at the start of the fifth (5th) day before the General Meeting, and the relevant certificate or electronic certification regarding the shareholder's capacity must arrive at the Company on the third (3rd) day at the latest before the General Meeting is to be held.

The Company shall regard that only those listed as shareholders on the respective Record Date are entitled to participate and vote at the General Meeting. In the event of failure to comply with the provisions of Article 28a of Codified Law 2190/1920, this shareholder participates in the General Meeting only upon permission thereof.

We note that the exercise of such rights (participation and vote) does not require blocking of the beneficiary's shares or compliance with any other respective procedure restricting the capacity to sell and transfer such shares during the period from the Record Date to the General Meeting date.

A shareholder shall participate in the General Meeting and vote either in person or by proxy. Each shareholder may appoint up to three (3) proxies. Any legal persons may participate in the General Meeting by appointing up to three (3) persons as their proxies. However, if the shareholder owns Company shares appearing in more than one securities accounts, this limitation does not impede this shareholder from appointing different proxies for the shares appearing in each securities account with regard to the General Meeting. A proxy acting on behalf of more than one shareholder may cast a different vote for each shareholder. The proxy must notify the Company, before the commencement of the General Meeting, of any specific event which may be useful for the shareholders to assess the risk of the proxy serving interests other than those of the represented shareholder. According to this paragraph, there may be a conflict of interests in particular when the proxy:

a) is a shareholder exercising the Company's control or is a another legal person or entity controlled by this shareholder;

a) is a member of the Board of Directors or Management in general of the Company or of a shareholder exercising the Company's control or other legal person or entity controlled by a shareholder exercising the Company's control;

c) is an employee or certified auditor of the Company or of a shareholder exercising the Company's control or other legal person or entity controlled by a shareholder exercising the Company's control;

d) is a spouse or first-degree relative of one of the natural persons mentioned under cases (a) to (c) above.

The appointment and the revocation of a shareholder's proxy is made in writing and is notified to the Company with the same formalities, at least three (3) days before the date of the General Meeting.

Other shareholder rights

Ten (10) days before the Ordinary General Meeting each shareholder may receive from the Company copies of the annual financial statements and reports of the Board of Directors and the auditors. These documents must be submitted in time by the Board of Directors to the Company's office.

At the request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors must convene an Extraordinary General Meeting of the shareholders, setting the date thereof within forty five (45) days from the date the Chairman of the Board of Directors was served with the relevant request. Such request must specify the items on the agenda. Unless a General Meeting is convened by the Board of Directors within twenty (20) days from submission of the relevant request, the requesting shareholders shall convene the meeting at the company's expenses, upon decision of the Single-Member Court of First Instance in the area where the Company's registered office is located, following the procedure of interlocutory measures. The court's decision shall specify the place and time of the General Meeting as well as the items on the agenda.

Upon request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors must note on the agenda of a General Meeting already convened whether the Board of Directors received the relevant request at least fifteen (15) days before the General Meeting. Any such additional items shall be published or notified, by care of the Board of Directors, pursuant to Article 26 of C.L. 2190/1920 seven (7) clear days prior to the General Meeting. Failure to publish such additional items on the agenda, entitles the requesting shareholders to demand adjournment of the General Meeting in accordance with par. 3 of Article 39 of Codified Law 2190/1920 and to make the publication themselves, in accordance with the previous section, at the Company's cost.

By request of shareholders representing one twentieth (1/20) of the Company's paid-up share capital, the Board of Directors shall make available to the shareholders, in accordance with Article 27(3) of Codified Law 2190/1920, six (6) clear days prior to the Ordinary General Meeting, draft decisions on the items added to the initial or the revised agenda, should the relevant request be submitted to the Board of Directors seven (7) clear days prior to the Ordinary General Meeting.

At the request of any shareholder submitted to the Company at least five (5) clear days before the General Meeting, the Board of Directors shall provide the General Meeting with any specific information about corporate affairs, to the extent that such information is useful in assessing any items on the agenda.

Should any shareholder(s) representing one twentieth (1/20) of the paid up Share Capital so request, the Chairman of the Meeting must adjourn the decision-making procedure of the Extraordinary or Ordinary General Meeting only once as regards all or certain issues, setting the date for the adjourned meeting for the day indicated in the request of shareholders, which, however, may not be later than thirty (30) days from the date of adjournment. The General Meeting that takes place following such adjournment is a continuation of the previous one and the publication formalities applicable to the notice to the shareholders need not be repeated. Such meeting may be attended also by any new shareholders, without prejudice to the provisions of Article 27 para. 2 and Article 28 of Codified Law 2190/1920.

In the case of a request by shareholders representing one twentieth (1/20) of the paid-up share capital, which must be submitted to the Company five (5) clear days before the ordinary General Meeting, the Board of Directors must announce to the General Meeting the amounts which were paid within the past two years for any reason by the Company to members of the Board of Directors or the Managers or other employees, as well as any other Company contract entered into for any reason with the same persons. Also, at the request of any shareholder submitted according to the above, the Board of Directors must provide the specific information requested regarding the Company's affairs, to the extent these are useful for actually assessing the items on the agenda. The Board of Directors may refuse to provide the requested information due to compelling reasons and shall record such reasons in the Minutes. Such reason can include, as the case may be, the representation of the requesting shareholders in the Board of Directors in accordance with paras 3 or 6 of Article 18 of C.L. 2190/1920.

Subsequent to a request by shareholders representing one fifth (1/5) of the paid-up share capital submitted within the time limit as per the previous paragraph, the Board of Directors must provide the General Meeting with information pertaining to the progress of corporate affairs and the state of the Company's assets. The Board of Directors may refuse to provide the requested information due to compelling substantial reasons, recording such reasons in the minutes. Such reason can include, as the case may be, the representation of the requesting shareholders in the Board of Directors in accordance with paras 3 or 6 of Article 18 of C.L. 2190/1920, as applicable, if the respective Directors have received sufficient information.

Should shareholders representing one twentieth (1/20) of the paid-up share capital so request, decision-making on any item on the agenda of the General Meeting shall be made by roll call.

Shareholders of the company representing one twentieth (1/20) of the paid-up share capital shall be entitled to request the audit of the company from the Single Member Court of First Instance of the district within which the registered office of the company is located, which shall hear the case under the voluntary jurisdiction procedure. The Court will order an audit based on the probability of actions violating law or the Company's Articles of Association or resolutions of the General Meeting.

Shareholders of the company representing one fifth (1/5) of the paid-up share capital shall be entitled to request the audit of the company from the competent court as per the previous paragraph, if due to the entire course of the corporate affairs it is suspected that the management thereof is not exercised as required by the principle of sound and prudent management. This provision shall not apply when the minority requesting the audit is represented in the company Board of Directors.

8.3 Board of Directors

The Board of Directors manages the Company as a collective body, adopting its resolutions in accordance with the applicable laws on S.A.s, the stock market laws, the regulations of ATHEX and the supervisory authorities. Directors have access to any information related to the Company's operation. They must act in good faith, their main aim being the interest of the Company and its Shareholders.

The BoD focuses mainly on the drawing up of its strategy and development policy; it further supervises and controls the management of the Company's assets. The composition and the capacities of Directors are set out by Law and the Company's Articles of Association. The primary obligation and duty of the Directors is to improve the Company's long-term financial value and protect its general interests.

8.3.1 Composition and method of operation of the Board of Directors

The Company's Board of Directors, in accordance with Article 17 of its Articles, consists of five (5) to seven (7) Directors, natural or legal persons, which are elected by the General Meeting of shareholders with an absolute majority of the shares represented at the Meeting. Directors are reelectable and revocable at all times.

The term in office of Directors is four (4) years, staring from the date of the General Meeting that elected them until expiry of the time-limit within which the immediately following ordinary General Meeting is to be held. This Article was amended to make the term in office of Directors four years.

The Board of Directors holds meetings when required by Law, the Articles of Association or the Company's needs, upon notice of its Chairman or his substitute, either at the Company's registered office or the Company's branch in Keratsini (1 Spetson Street). Such notice shall accurately state the items on the agenda otherwise resolutions are validly adopted only if the meeting is attended by all Directors either in person or by proxy and no one objects to the adoption of resolutions.

The Board of Directors shall validly hold its meetings at a place other than the Company's registered office, in Greece or abroad, if such meeting is attended in person or by proxy by all Directors and no one objects to the holding of such meeting and the adoption of resolutions.

The Board of Directors may hold its meetings via teleconference. In this case, the notice to the Directors shall provide all information necessary for their participation in the meeting. The meetings of the Board of Directors are chaired by its Chairman or his legal substitute.

The Board of Directors is in quorum and validly holds its meetings if attended by half plus one the Directors either in person or by proxy. In any case, the Directors attending in person must be at least three (3).

The valid adoption of resolutions by the Board of Directors requires the absolute majority of Directors attending in person or by proxy.

An absent Director may be represented by another director, with a simple letter or telegraph addressed to the Chairman of the Board of Directors. Each Director may represent only one other Director, but it is required that at least three Directors attend each meeting in person.

The discussions and decisions of the Board of Directors shall be summarized in a special book of minutes, which can also be kept electronically. At the request of any Director, the Chairman of the Board of Directors shall enter in the Minutes an exact summary of such Director's opinion. The Minutes book shall also contain a list of the Directors present in person or by proxy at the meeting. The minutes of the Board of Directors are signed by the Chairman or Vice-chairman, if elected, or of no Vice-chairman has been elected by the Managing Director. Copies of the minutes shall be officially issued by those persons, without any other certification required.

The Board of Directors has the right delegate powers each time by a special resolution, to be entered in the minutes, (except those requiring collective action) for specific and individually defined issues, to one or more Directors or other persons, who shall act individually or collectively. The Board of Directors may also assign the company's internal audit to one or more persons, to third parties, or, where the law permits, to Directors. Such persons may, by decision of the Board, further delegate the exercise of the powers conferred on them, or part thereof, to other members or third parties.

a) If a Director's position is vacated due to death, resignation or any other reason, the remaining Directors, if there are at least three (3) remaining, may elect a replacement. The replacement's term in office expires on the date when the term of the person he is replacing would have expired. The decision of the election shall be subject to the publicity formalities of article 7b of Codified Law 2190/1920 and shall announced by the Board of Directors at the immediately following General Meeting, which may replace the elected persons even if no such matter had been included in the agenda.

b) In the above case of resignation, death or loss, in any other way, of the capacity of Director(s), the remaining members may continue the administration and representation of the Company even without replacing the members missing, according to the above, on the condition that their number exceeds one half of the members before the occurrence of the aforementioned events. In any case, these Directors may not be less than three (3).

c) In any case, the remaining Directors, regardless of their number, may convene a General Meeting with the exclusive purpose of electing a new Board of Directors.

8.3.2 Information of the members of the Board of Directors

The Company's current Board consists of six (6) members, three (3) of which are executive and the other three (3) members are non-executive and independent. Their term in office is for four years (4), ending on 28/06/2017. In detail, after the replacement on 11.11.2013 of the resigned Christoph Theodor Heinrich Kempkes, son of Helmut, by Khedaim Abdulla Saeed Faris Alderei, son of Abdulla (Government Gazette 8127/19.11.2013) the Board of Directors consists of:

Nikolaos Loulis, son of Konstantinos, Chairman of the BoD - Executive Member

Nikolaos Fotopoulos, son of Spyridonas, Vice-chairman of the BoD and Managing Director - Executive Member

Konstantinos Dimopoulos, son of Nikolaos, BoD Member - Executive Member

Khedaim Abdulla Saeed Faris Alderei, son of Abdulla, BoD Member - Non-Executive Member

Georgios Mourelatos, son of Apostolos, BoD Member - Independent Non-executive Member

Christos Tsitsigiannis, son of Georgios, BoD Member - Independent Non-executive Member

The BoD held nineteen (19) meetings in 2013, and these meetings, after quorum was established, were attended by Directors in person or by proxy.

Short resumes of the members of the BoD follow below

Nikolaos Loulis, son of Konstantinos, Chairman of the BoD - Executive Member

Mr. Loulis was born in Volos in 1986. He studied at the Carroll School of Management of the Boston College where he majored in accounting and finance and graduated in 2008. In August 2009 he commenced studies at the Swiss Milling School (SMS) and graduated in February 2010 with a "Milling Technologist SMS" Diploma. He speaks English and German.

Nikolaos Fotopoulos, son of Spyridonas, Vice-chairman of the BoD and Managing Director - Executive Member

Mr Fotopoulos was born in 1960. He graduated from the Athens Supreme School of Economics and Business in 1983 and holds an MBA from Universitaet Mannheim in Germany (1986). In 1992 he was appointed as the Manager of the Athens Branch at the "KYLINDROMYLOS LOULI SA" Company and in 1996 he became the company's Director of Finance. Between 1999 and 2004 he was the "AGIOU GEORGIOU MILLS SA" (a subsidiary of "LOULI MILLS SA") company's Chairman and Managing Director.

Konstantinos Dimopoulos, son of Nikolaos, BoD Member - Executive Member

Mr Dimopoulos was born in 1929. He was employed between 1954 and 1988 at the "AGIOU GEORGIOU MILLS SA" Company in various positions (1967-1974: Manager of the Thessaloniki Branch, 1974-1982: Director of Sales in Athens, 1982-1988: Director of Sales in Attica). He served as a member on the Board of Directors of "AGIOU GEORGIOU MILLS SA" between 1991 and 2004.

Khedaim Abdulla Saeed Faris Alderei, son of Abdulla, BoD Member - Non-Executive Member

He is a member of the royal family and the government of the United Arab Emirates. He studied in the USA and Lebanon. He has served as Deputy Minister of Foreign Affairs of the United Arab Emirates, and other high ranking government posts. He was also the Managing Director of the companies of Sheikh Hamdan Bin Zayed Al Nahyan.

Georgios Mourelatos, son of Apostolos, BoD Member - Independent Non-executive Member

Mr. Mourelatos was born in Patra in 1954. He studied political science and economics in Athens. He has been employed in management positions such as Head of Central Treasury Management in the Banking Sector, General Manager at St George Mills and General Manager of the Loulis Group of Companies. Currently, he is working as an internal consultant-partner at Eurobank.

Christos Tsitsigiannis, son of Georgios, BoD Member - Independent Non-executive Member

Mr. Christos Tsitsigiannis was born in Volos in 1969 . He studied at the German milling School "Deutsche Mullerschole Braunschweing" from 1988 since 1990. He is managing G. Tsitsigiannis Mills Co. since 1992.

8.4 Audit Committee

The Company, in compliance with the provisions and mandates of Law 3693/2008 elected during the annual Ordinary General Meeting of shareholders that took place on 22 June 2012 an Audit Committee, consisting of the following non-executive Directors:

1) **Georgios Mourelatos, son of Apostolos,** Independent Non-executive Director

2) **Khedaim Abdulla Saeed Faris Alderei, son of Abdulla,** Non-Executive Director

3) **Christos Tsitsigiannis, son of Georgios**, Independent Non-executive Director.

The Audit Committee’s powers and duties comprise of:

a) follow up of the financial reporting procedure;

b) monitoring the effective operation of the internal audit system and the risk management system, as well as the monitoring of the correct operation of the Company’s internal auditors’ unit;

c) monitoring the course of the mandatory audit of the Company’s financial statements;

d) overview and monitoring of matters related to the existence and maintenance of the objectivity and independence of the legal auditor or auditing firm, in particular as regards the provision to the Company of other services by the legal auditor or the auditing firm.

The proposal of the Company’s Management to the General Meeting for the appointment of a legal auditor or auditing firm is made at the recommendation of the Audit Committee.

The mission of the Audit Committee is to assure the effectiveness and efficiency of the company operations, to check the credibility of the financial information provided to the Company's investors and shareholders and the Company's compliance with the applicable legislative and regulatory framework, to safeguard the Company's investments and assets, and to identify and address the most significant risks.

It is clarified that the Company's Statutory Auditor, which conducts the audit of the annual and interim financial statements, provides no other type of non-auditing services to the Company, nor does he have any other relationship with the Company, ensuring in this manner his objectivity, impartiality and independence.

8.4.1 Activities of Audit Committee

8.4.1.1 Meetings and participation

The Committee held five (5) meetings in 2013. These meetings were scheduled in order to coincide with the publication of the Company's financial statements.

The Company's internal auditor and certified auditor Mr. Antonis Anastasopoulos had the opportunity to discuss the issues with the Audit Committee, without the presence of members of executive management.

8.4.1.2 Overview of Financial Results

The Audit Committee examined a series of issues with the financial reporting as regards the financial statements of 2012, as well as the financial information of the first half of 2013. It also reexamined the main assumptions and judgments significantly affecting financial results, the main disclosure and presentation issues in order to ensure the completeness, clarity and adequacy of the financial statement information, before their submittal to the Board of Directors. Moreover, it examined the results from the certified auditor's overview of the Management reports of the Board of Directors for 2012 and the first half of 2013, their preparation being the legal obligation of the Company.

8.4.1.3 External Audit

Independence

The Audit Committee is responsible for the development, application and control of the Company's procedures related to the control of the Company procedures related to external audit. These procedures have been designed on the basis of assuring the independence and objectivity of the external auditors, and regulating the appropriate framework for the transfer of staff from the auditing Firm to the Company's branches. They also set out the necessary actions when non-auditing services by the external auditors are used.

On principle, the external auditor are excluded from the provision of consulting services and cannot be employed in LOULIS MILLS S.A., on a non-auditing subject, unless there are imperative reasons. Any proposal for the employment of external auditors for non-auditing work, must be approved by the Audit Committee before their appointment.

The Audit Committee receives assurances every year by the certified auditor regarding the independence and objectivity of the external auditors, as required in accordance with the professional standards and regulatory provisions, as well as assurance of top Management's compliance with the Company's instructions regarding the appointment to the Company of former external auditors or their employment in non-auditing works.

Efficacy and redetermination

The Audit Committee has undertaken the annual revision of the experience, the available resources and the independence of the external auditors, as well as the evaluation of the effectiveness of the auditing procedures applied through:

A. The review and approval of the auditing plan of the certified auditor for the financial statements of fiscal year 2013, the terms included in the audit agreement and the preferred auditing fees.

B. The conduct of interviews with Management and other executives, as well as with the certified auditor, regarding the assurance of the independence, objectivity and integrity of the external auditors, and the determination of the strategy for the audit and cooperation with the Company.

C. The receipt of information provided by the certified auditor, regarding their procedures that ensure their independence and audit quality.

With regard to the proposal to the BoD for the renewal of the cooperation for one year with the certified auditor, the Audit Committee took into consideration the duration of the term in office of the auditor, and examined the need to conduct a complete biding procedure. There was no contractual obligation restricting the decision of the Audit Committee with regard to the selection of the external auditors.

8.4.1.4 Internal Audit

In 2013 the Audit Committee:

A. Reviewed the results of the audits carried out by the internal audit department, and examined Management's response regarding the issues that arose, among other things also the implementation of any of its recommendations.

B. Reviewed and approved the internal audit plan for 2014, including the recommended approach of the audit, the coverage and the allocation of resources.

C. Reviewed the effectiveness of the internal audit, taking into consideration the opinions of the BoD and the top executives, on matters such as the independence, adequacy of resources and professional expertise, strategy, programing and methodology of the internal audit.

D. Reviewed the regular reports regarding issues of audit systems of major importance, as well as the details of any corrective action taken.

The internal audit department, is an independent operation, ensuring that all works at the Company are performed in accordance with the company's objectives, policies and procedures. More specifically, the internal audit aims at ensuring the credibility and stability of the internal financial audit systems, in the entire spectrum of the Company's activities.

The Internal auditor acts in accordance with the International Standards for the Professional Practice of Internal Auditing and the Company's policies and procedures, and reports directly to the Audit Committee of the Board of Directors.

9. **CORPORATE SOCIAL RESPONSIBILITY**

Our vision

The Company’s sustainable and viable growth.

Our purpose

Our vision is for our company to be governed by the respect towards the principles, tradition and the environment.

Our Duty

The creation of added value for our people, the local community, shareholders, partners and customers.

Our Goal

The fulfillment of our vision with innovation, responsibility and fair competition.

9.1 Turning our commitments into practice for 2013

Despite the exceptionally adverse circumstances, in 2013 we endeavored to be faithful to our commitment to offer and have a responsible stance towards society. With specific actions we focused on social solidarity, vulnerable social groups and education.

The details of our work in 2013 are:

Society

Loulis Museum

Operation of the Loulis Museum “From grain to bread”. Our Museum opened its doors in full operation for the first time in 2013, with its educational program. Its total visitors were 10,000, mainly from student communities, while its total operating cost was € 75,000.

Donations and Grants

- € 40,000 to charitable institutions which we have been supporting through the years.
- € 4,000 to the Volos Nursing Home.
- 1,800 liters of gasoline to the Almyros traffic police.

Environment

- We have been organizing continuous actions in our production, which aim at improving our environmental performance
- We introduced environmentally friendly packaging in our productive procedure.
- We adopted recycling processes in all production phases.
- We managed to eliminate waste that is harmful to the environment.
- We development environmentally-friendly insect control methods (Thermal, Air vacuum).
- Reduction of pollution from the Company's trucks for the collection of empty palettes through our cooperation with the Chep Company.

Our Customers

Proper cooperation is the key for responding to the market's difficult circumstances.

- In 2013 we invested in reinforcing our collaboration with all of our customer categories, addressing their concerns and the restriction of their liquidity.
- With the continuous provision of expertise and guidance, the high level of our customer service and our innovative ideas, we effectively support our associates, at the same time maintaining our leading position in the market.
- Our goal being the maximum satisfaction of our customers, we offer support programs and actions for the improvement of their business environment.
- Our goal for 2014 was to finish the specially designed area where free seminars will be offered both to bakers, for the improvement of their products and the expansion of their range, and to consumers, in order to keep them up to date as regards our new products.

Our shareholders

Despite the adverse economic environment, we worked with responsibility for one more year towards sustainable development, we took advantage of all the prospects and set high goals.

- In 2013 we established our partnership with AL DAHRA, a company based in the United Arab Emirates. This partnership on the one hand enhanced the Company’s capital adequacy, and on the other, assures a strategic partner.

Employees

Despite this period of intense uncertainty brought on by the economic crisis in the country for the past six years, we have all been working together as a family, and we thus achieved the further staffing of our human resources, as well as their educational development.

Our ultimate goal is to offer opportunities of improvement and utilisation of the skills of our people.

For example:

- In 2013 we conducted ten training seminars.
- The Great Place to Work Institute conducted a survey at our company, aiming to improve the working climate.
- We provided free periodic medical check-ups for the entire staff with a preventive medical check-up and testing program.
- Production of audiovisual material on safety at work.
- Provision of emergency financial support to employees.
- We invested in new means of transportation for the safest transfer of our employee from and to work.

Greek Economy

A reference point in the strategy of LOULIS MILLS S.A. is the support of Greek agricultural products and the Greek economy.

In 2013 we launched a program for the cultivation of Greek soft and hard wheat of supreme quality, with the purpose of increasing the supply of raw materials from local producers. A special agriculturalist was hired for this program, who visits agricultural areas, informs, consults and supervises the cultivation of wheat. The purpose is to train Greek producers to produce top quality wheat, a fact that will primarily help the Greek agricultural economy.

HONORARY DISTINCTIONS

- Award from the organization "Together for the Children" for our overall contribution.
- Award from the Municipality of Maroussi for our support towards various social groups.

Sourpi, 26 March 2014

The Chairman of the Board of Directors

Nikolaos Loulis

Dear Shareholders, further to all the above, please approve the Financial Statements of the 83rd Fiscal Year (1 January 2013 - 31 December 2013) which follow this report.

Sourpi, 26 March 2014

The Board of Directors

It is hereby certified that the above Report consisting of twenty seven (27) pages is the one mentioned in the Audit Report we issued, dated 27 March 2014.

Athens, 27 March 2014

THE CERTIFIED AUDITOR

ANTONIS ANASTASOPOULOS

SOEL Reg. No. 33821

Explanatory report of the Bod (in accordance with paragraph 7 & 8 of Article 4 of Law 3556/2007)

This explanatory report of the Board of Directors addressed to the Annual General Meeting of Shareholders, contains information in accordance with the provisions of paragraph 1, Article 11a of Law 3371/2005.

1. Share capital structure. The company's share capital amounts to Euro 10,960,039.68, divided into 17,125,062 common registered shares of a par value of € 0.64 each. All shares are listed for trading in the Athens Stock Exchange market, in the Medium and Small Capitalization class. The Company shares are common registered shares with voting rights.

2. Limits on transfer of Company shares The transfer of Company shares is subject to the provisions of Law and no restrictions apply to the transfer of shares under the Company's Articles of Association.

3. Significant direct or indirect holdings in the sense of articles 9-11 of Law 3556/2007 With liquidation date on 20.03.2013, Mr. Nikolaos Loulis holds 47.43%, Ms. Evaggelia Louli holds 6.86%, and AL DAHRA AGRICULTURE SPAIN SLU 20% of the Company's share capital. No other natural or legal entity owns a percentage greater than 5% of the Company's share capital.

4. Holders of shares which provide special controlling rights. There are no Company shares granting their owners special controlling rights.

5. Restrictions to the right to vote The Company's Articles of Association contain no restrictions on voting rights.

6. Agreements between Company Shareholders The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights arising from its shares.

7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Article of Association deviating from those provided for in Codified Law 2190/20 The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/1920.

8. Power of the Board of Directors or certain members to issue new shares or purchase treasury shares. In accordance with Article 6 of the Company's Articles of Association, by a decision of the General Meeting that is subject to the formalities provided for under Article 7b of Codified Law 2910/1920, as in force, the Board of Directors shall be granted the right, by decision adopted by a majority of two thirds (2/3) of its total members, to increase the share capital by issue of new shares. The amount of the increases may not exceed the paid up capital as at the date the General Meeting resolution is passed. In accordance with the provisions of Article 16 (5) - (13) of Codified Law 2190/1920, companies listed on the Athens Exchange may by decision of the General Meeting of their Shareholders acquire treasury shares through the Athens Exchange for up to 10% of the total number of shares, with the purpose of supporting their market price and under the special terms and procedures of the above paragraphs of Article 16 of Codified Law 2190/1920. There is no provision to the contrary in the Company's Articles of Association.

9. Significant agreement which the Company has entered into and is already in force, amended or expires in case of a change in the control of the Company after a public offering and the effects of any such agreement There is no such agreement.

10. Each agreement concluded between the Company and members of the Board of Directors or personnel, which provide for compensation in case of resignation or dismissal on other than serious grounds, or termination of office or employment due to a public proposal. There are no agreements between the company and the members of its Board of Directors or its staff, which provide for the payment of compensation, especially in the event of a resignation or dismissal without material cause or an end of tenure or employment due to a public bid.

AUDIT REPORT BY INDEPENDENT CERTIFIED AUDITOR
To the Shareholders of "LOULIS MILLS S.A."

Report on the Financial Statements

We have audited the accompanying company and consolidated financial statements of **"LOULIS MILLS S.A."**, which comprise the company and consolidated Statement of Financial Position as at December 31, 2013, and the company and consolidated 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 company and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management determines is necessary to enable the preparation of company 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 company 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 company 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 company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company 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 company 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 company 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 company and consolidated financial statements present fairly, in all material respects, the financial position of the Company **"LOULIS FLOUR S.A."** and its subsidiaries as at December 31, 2013, and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

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 accompanying company and consolidated Financial Statements, in the scope of the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, March 27th, 2014
The Certified Public Accountant

Antonios I. Anastasopoulos
SOEL Reg. No 33821

INTERNATIONAL **C**ertified & **R**egistered **A**uditors A.E.

81 Patission Street & 8 Heyden Street Athens GR-10434
S.O.E.L. R.N. 111

ANNUAL FINANCIAL STATEMENTS

1. STATEMETN OF FINANCIAL POSITION

(amounts in €)		GROUP		COMPANY	
		31/12/2013	**31/12/2012**	**31/12/2013**	**31/12/2012**
ASSETS	**Note**				
Non current assets					
Owner-occupied Property, plant and equipment	7.1	103,361,037	107,881,983	103,361,037	107,881,983
Investment property	7.1	197,268	197,268	197,268	197,268
Other intangible assets	7.2	263,768	217,953	263,768	217,953
Investments in subsidiaries	7.3	0	0	236,431	236,431
Other Long-Term Receivables	7.4	184,005	178,578	184,005	178,578
		104,006,078	**108,475,782**	**104,242,509**	**108,712,213**
Current assets					
Inventories	7.5	18,936,310	20,951,964	18,936,310	20,951,964
Trade Receivables	7.6	26,921,866	26,348,821	26,921,866	26,348,821
Cash and cash equivalents	7.7	1,065,399	3,531,287	792,833	1,520,587
Other current assets	7.8	5,935,154	4,535,901	3,109,034	1,852,476
		52,858,729	55,367,973	49,760,043	50,673,848
TOTAL ASSETS		**156,864,807**	**163,843,755**	**154,002,552**	**159,386,061**
EQUITY AND LIABILITIES					
Owner's equity attributable to owners of the parent company					
Share Capital	7.9	10,960,040	9,742,257	10,960,040	9,742,257
Share premium	7.10	38,520,304	31,960,306	38,520,304	31,960,306
Other reserves	7.11	37,418,728	41,133,803	32,952,360	36,760,709
		86,899,072	82,836,366	82,432,704	78,463,272
Total equity		**86,899,072**	**82,836,366**	**82,432,704**	**78,463,272**
Long-term liabilities					
Long term loans	7.13	15,750,000	20,750,000	15,750,000	20,750,000
Deferred tax liabilities	7.14	12,368,997	9,496,118	12,368,997	9,496,118
Employee retirement compensation liabilities	7.16	786,610	878,315	786,610	878,315
Other long-term liabilities	7.15	5,502,329	6,455,467	7,185,329	6,455,467
		34,407,936	37,579,900	36,090,936	37,579,900
Short-term liabilities					
Trade Payables	7.17	11,487,556	18,834,409	11,479,377	18,825,881
Short-term borrowings	7.18	13,901,505	15,461,195	13,901,505	15,461,195
Liabilities from taxes	7.19	3,229,881	1,471,459	3,161,608	1,397,467
Accrued and Other Short-Term Liabilities	7.20	6,938,857	7,660,426	6,936,422	7,658,346
		35,557,799	43,427,489	35,478,912	43,342,889
Total Equity and Liabilities		**156,864,807**	**163,843,755**	**154,002,552**	**159,386,061**

2. STATEMENT OF COMPREHENSIVE INCOME

(amounts in €)

	Note	GROUP 1/1-31/12/2013	GROUP 1/1-31/12/2012	COMPANY 1/1-31/12/2013	COMPANY 1/1-31/12/2012
Sales	7.21	93,953,493	91,145,029	93,953,493	91,145,029
Cost of goods sold		(75,413,829)	(70,914,509)	(75,413,829)	(70,914,509)
Gross profit		**18,539,664**	**20,230,520**	**18,539,664**	**20,230,520**
Other income	7.22	4,449,179	3,460,624	4,448,556	3,460,624
Selling expenses	7.24	(13,889,894)	(14,155,260)	(13,889,894)	(14,155,260)
Administrative expenses	7.25	(3,192,904)	(3,635,288)	(3,163,247)	(3,591,184)
Other expenses	7.23	(965,538)	(36,083)	(965,538)	(35,555)
Financial Income	7.27	141,732	188,171	13,561	7,027
Financial Expenses	7.27	(2,447,503)	(2,539,462)	(2,442,263)	(2,536,774)
Profit/(Loss) before tax		**2,634,736**	**3,513,222**	**2,540,839**	**3,379,398**
Income tax	7.28	(6,270,230)	(3,110,437)	(6,270,230)	(3,046,320)
Profit / (loss) from continuing operations		**(3,635,494)**	**402,785**	**(3,729,391)**	**333,078**
Earnings/ (Losses) from Discontinued Operations	7.29	**0**	**(1,847)**	**0**	**0**
Net Profit for the Period		**(3,635,494)**	**400,938**	**(3,729,391)**	**333,078**
Other Comprehensive Income					
Profit/Loss from Revaluation of Property	7.26	0	(5,535,285)	0	(5,535,285)
Corresponding Grants		0	50,294	0	50,294
Actuarial Profit / Loss		(60,958)	(6,696)	(60,958)	(6,696)
Income Tax corresponding to Other Comprehensive Income		0	1,107,057	0	1,107,057
Funds Recycled through Profit and Loss		**(60,958)**	**(4,384,630)**	**(60,958)**	**(4,384,630)**
Funds Not Recycled through Profit and Loss		**0**	**0**	**0**	**0**
Total Comprehensive Income for the period		**(3,696,452)**	**(3,983,692)**	**(3,790,349)**	**(4,051,552)**
Earnings for the period attributable to:			0		
Equity holders of the Parent Company		(3,696,452)	(3,983,692)	(3,790,349)	(4,051,552)
Non controlling interests		0	0	0	0
Earnings per Share for Earnings attributable to parent company equity holders					
Basic	7.30	(0.2346)	0.0263	(0.2406)	0.0219
Earnings per share for Earnings from Continuing Operations Attributable to Parent Company Equity Holders					

Basic	(0.2346)	0.0263	(0.2406)	0.0219
Proposed Dividend per Share	**0.0000**	**0.0000**	**0.0000**	**0.0000**
Depreciation	3,881,783	3,280,832	3,881,783	3,280,832
Earnings/ (losses) before taxes, financing and investing results from **continuing** operations	4,940,507	5,864,513	4,969,541	5,909,145
Earnings/ (losses) before taxes, financing and investing results from **discontinued** operations	0	(1,769)	0	0
Earnings/(losses) before taxes, financing & investment results	**4,940,507**	**5,862,744**	**4,969,541**	**5,909,145**
Earnings/ (losses) before taxes, financing, investing results and depreciation from **continuing** operations	0	9,145,345	0	9,189,977
Earnings/ (losses) before taxes, financing, investing results and depreciation from **discontinued** operations	0	(1,769)	0	0
Earnings / (Losses) before taxes, financing, investing results and depreciation	**8,822,290**	**9,143,576**	**8,851,324**	**9,189,977**

3. STATEMENT OF CHANGES IN EQUITY

3.1 Group

	Share Capital	Share premium	Statutory reserve	Contingency reserves	Special reserves	Tax-free reserves	Treasury Share Reserve	Asset Revaluation Reserve	Exchange Difference Reserve	Other reserves	Earnings / losses for the period after tax	Equity before Minority Interests	Minority interests	Equity after Minority Interests
Balance as at 1st January 2012	**9,742,257**	**31,960,306**	**1,263,482**	**103,990**	**0**	**7,676,355**	**0**	**8,793,753**	**3,482,806**	**7,784,998**	**16,071,890**	**86,879,836**	**0**	**86,879,836**
Earnings / losses for the period after tax	0	0	0	0	0	50,294	0	(4,428,228)	0	0	400,938	(3,976,996)	0	**(3,976,996)**
Turnover of reserves	0	0	185,118	0	0	0	0	0	0	0	(185,118)	0	0	**0**
Income recognized directly in equity	0	0	0	0	0	0	0	0	0	0	294	294	0	**294**
Dividends distributed	0	0	0	0	0	0	0	0	0	0	(15,000)	(15,000)	0	**(15,000)**
Actuarial Profit / (Loss_	0	0	0	0	0	0	0	0	0	0	(51,768)	(51,768)	0	**(51,768)**
Purchase / sale of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Capital Return Amount related to Treasury Shares	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Dividends distributed	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Decrease of share premium reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Equity as at 31st December 2012	**9,742,257**	**31,960,306**	**1,448,600**	**103,990**	**0**	**7,726,649**	**(0)**	**4,365,525**	**3,482,806**	**7,784,998**	**16,221,236**	**82,836,366**	**0**	**82,836,366**
Balance as at 1st January 2013	**9,742,257**	**31,960,306**	**1,448,600**	**103,990**	**0**	**7,726,649**	**(0)**	**4,365,525**	**3,482,806**	**7,784,998**	**16,221,236**	**82,836,366**	**0**	**82,836,366**
Earnings / losses for the period after tax	0	0	0	0	0	0	0	0	0	0	(3,635,494)	(3,635,494)		**(3,635,494)**
Turnover of reserves	0	0	30,164	0	0	0	0	0	0	0	(30,164)	0		**0**
Income recognized directly in equity	0	0	0	0	0	0	0	0	0	0	(623)	(623)		**(623)**
Dividends distributed	0	0	0	0	0	0	0	0	0	0	(18,000)	(18,000)		**(18,000)**
Actuarial Profit / (Loss_	0	0	0	0	0	0	0	0	0	0	(60,958)	(60,958)		**(60,958)**
Purchase / sale of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0		**0**
Capital Return Amount related to Treasury Shares	0	0	0	0	0	0	0	0	0	0	0	0		**0**
Dividends distributed	0	0	0	0	0	0	0	0	0	0	0	0		**0**
Share capital increase	1,217,783	6,559,998	0	0	0	0	0	0	0	0	0	7,777,781		**7,777,781**
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0		**0**
Equity as at 31st December 2013	**10,960,040**	**38,520,304**	**1,478,764**	**103,990**	**0**	**7,726,649**	**(0)**	**4,365,525**	**3,482,806**	**7,784,998**	**12,475,997**	**86,899,072**	**0**	**86,899,072**

3.2 Company

(amounts in €)

	Share Capital	Share premium	Statutory reserve	Contingency reserves	Tax-free reserves	Asset Revaluation Reserve	Treasury Share Reserve	Other reserves	Earnings / losses for the period after tax	Total	Grand total
Balance as at 1st January 2012	**9,742,257**	**31,960,306**	**1,263,482**	**103,990**	**7,676,355**	**8,793,753**	**0**	**6,533,794**	**16,500,960**	**82,574,897**	**82,574,897**
Income for the period after tax	0	0	0	0	0	0	0	0	333,078	333,078	333,078
Capital Return Amount related to Treasury Shares	0	0	0	0	0	0	0	0	0	0	0
Sales /(Purchases) of Treasury Shares	0	0	0	0	0	0		0	0	0	0
Dividends	0	0	0	0	0	0	0	0	(15,000)	(15,000)	(15,000)
Actuarial Profit / (Loss_	0	0	0	0	0	0	0	0	(51,768)	(51,768)	(51,768)
Return of Capital to shareholders	0	0	0	0	0	0	0	0	0	0	0
Earnings/(losses) from Property Revaluation	0	0	0	0	0	(4,428,228)	0	0	0	(4,428,228)	(4,428,228)
Net Earnings/Expenses directly recognized in Equity	0	0	185,118	0	0	0	0	0	(134,825)	50,293	50,293
Equity as at 31st December 2012	**9,742,257**	**31,960,306**	**1,448,600**	**103,990**	**7,676,355**	**4,365,525**	**0**	**6,533,794**	**16,632,445**	**78,463,272**	**78,463,272**
											0
Balance as at 1st January 2013	**9,742,257**	**31,960,306**	**1,448,600**	**103,990**	**7,676,355**	**4,365,525**	**0**	**6,533,794**	**16,632,445**	**78,463,272**	**78,463,272**
Income for the period after tax	0	0	0	0	0	0	0	0	(3,729,391)	(3,729,391)	(3,729,391)
Capital Return Amount related to Treasury Shares	0	0	0	0	0	0	0	0	0	0	0
Sales /(Purchases) of Treasury Shares	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	(18,000)	(18,000)	(18,000)
Actuarial Profit / (Loss_	0	0	0	0	0	0	0	0	0	0	0
Share capital increase	1,217,783	6,559,998	0	0	0	0	0	0	0	7,777,781	7,777,781
Earnings/(losses) from Property Revaluation	0	0	0	0	0	0	0	0	0	0	0
Net Earnings/Expenses directly recognized in Equity	0	0	30,164	0	0	0	0	0	(91,122)	(60,958)	(60,958)
Equity as at 31st December 2013	**10,960,040**	**38,520,304**	**1,478,764**	**103,990**	**7,676,355**	**4,365,525**	**0**	**6,533,794**	**12,793,932**	**82,432,704**	**82,432,704**

4 CASH FLOW STATEMENT ITEMS FOR THE PERIOD

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Operating activities				
Earnings/ Losses before taxes (continuing operations)	**2,634,736**	**3,513,222**	**2,540,839**	**3,379,398**
Earnings/ Losses before taxes (discontinued operations)	0	(1,847)	0	0
Plus /Less adjustments for:				
Depreciation	3,881,783	3,280,832	3,881,783	3,280,832
Provisions	(4,381,106)	(2,811,501)	(4,383,028)	(2,849,576)
Investment Activities Results (Income, Expenses, Profit and Loss)	0	(5.658)	0	0
Interest payable	2,447,504	2,539,462	2,442,264	2,536,774
Interest receivable	(141,732)	(182,512)	(13,561)	(7,027)
Plus/ less adjustments for changes in working capital accounts or related to operating activities:				
Decrease/ (increase) of inventory	2,015,654	(7,642,868)	2,015,654	(7,642,868)
Decrease/ (increase) of receivables	(576,819)	4,946,890	(434,123)	5,380,157
(Decrease)/ increase of liabilities (except banks)	(4,541,831)	8,660,213	(2,856,293)	8,644,766
Less:				
Interest payable & related expenses paid	(2,253,331)	(2,333,932)	(2,248,091)	(2,331,244)
Taxes paid	(2,036,890)	(1,249,125)	(2,031,171)	(1,226,441)
Operating flows from discontinued operations	0	(2,560)	0	0
Total inflows/ (outflows) from operating activities (a)	**(2,952,032)**	**8,710,616**	**(1,085,727)**	**9,164,771**
Investing activities				
Purchase of PPE and intangible assets	(857,764)	(6,082,823)	(857,764)	(6,082,823)
Proceeds from the sale of PPE and intangible assets	0	249,799	0	249,799
Interest received	141,732	110,'028	13,561	7,027
Investment flows from discontinued operations	0	0	0	0
Total inflows/(outflows) from investing activities (B)	**(716,032)**	**(5,722,996)**	**(844M203)**	**(5,825,997)**
Financing activities				
Proceeds/ (Payments) from share capital increase/reduction	7,777,781	0	7,777,781	0
Proceeds from issued/utilised loans	0	505,871	0	505,871
Loan repayment	(6,559,689)	(2,750,000)	(6,559,689)	(2,750,000)
Dividends/Fees to Members of the Board Paid	(15,916)	(15,000)	(15,916)	(15,000)
Financing flows from discontinued operations	0	0	0	0
Total inflows/(outflows) from financing activities (C)	**1,202,176**	**(2,259,129)**	**1,202,176**	**(2,259,129)**
Net increase/ (decrease) of cash and cash equivalents (a+b+c)	**(2,465,888)**	**728,491**	**(727,754)**	**1,079,645**
Cash and cash equivalents at year start	**3,531,287**	**2,802,796**	**1,520,587**	**440,942**
Cash and cash equivalents at year end	**1,065,399**	**3,531,287**	**792,833**	**1,520,587**

5. SEGMENT REPORTING

5.1. Geographic Segment

The following table presents revenues and results for the geographic segments of the Group, for the fiscal years ended on 31.12 .2013 and 31.12.2012.

	Greece		**Bulgaria**		**Romania – Discontinued Operation**		**Consolidation Write-offs**		**Group**	
Amounts of FY 2013-2012	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Turnover	93.953.493	91.145.029	0	0	0	0	0	0	93.953.493	91.145.029
Gross Profits	18.539.664	20.230.520	0	0	0	0	0	0	18.539.664	20.230.520
Earnings before taxes, financing, investing & depreciation	8.851.324	9.189.977	-29.034	-44.632	0	-1.769	0 o	0 o	8.822.290	9.143.576
Earnings before taxes	2.540.839	3.379.398	93.897	128.165	0	-1.847	0	0	2.634.736	3.511.375
Fixed Assets	103.558.305	108.079.251	7.439.691	7.439.691	0	0	-7.439.691	-7.439.691	103.558.305	108.079.251
Other assets	50.444.247	51.306.810	4.744.752	4.657.191	0	0	-1.882.497	-236.431	53.306.502	55.764.504
TOTAL ASSETS	**154.002.552**	**159.386.061**	**12.184.443**	**12.096.882**	**0**	**0**	**-9.322.188**	**-7.676.122**	**156.864.807**	**163.843.755**
Equity	82.432.704	78.463.272	12.105.556	12.012.282	0	0	-7.639.188	-7.676.122	86.899.072	82.836.366
Other liabilities	71.569.848	80.922.789	78.887	84.600	0	0	-1.683.000	0	69.965.735	81.007.389
TOTAL EQUITY & LIABILITIES	154.002.552	159.386.061	12.184.443	12.096.882	0	0	-9.322.188	-7.676.122	156.864.807	163.843.755

5.2 Per Product Category

The Company separates its operations into two main sectors, depending on the end recipient. These sectors are Professional and Consumer products, for which the Company has separate distribution channels, while producing them in the same industrial facilities. Professional Products are available exclusively in bulk form, in packages of 50 kg, 25 kg and 10 kg, to food, pastry, cookie, pasta industries, food and bakery and pastry product small industries, secondary processors, i.e. those for whom flour is the raw material for the production of bread, bakery goods, croissants, cookies, pasta and other pastry products. Consumer products are available in 1kg, 1/2 kg and 5 kg packages in retail, such as super markets and grocery stores, and are addressed to consumers for household use.

	2013			2012		
	Consumer Products	**Industrial Products**	**TOTAL**	**Consumer Products**	**Industrial Products**	**TOTAL**
Sales to Third parties	15,025,541	78,927,952	**93,953,493**	15,866,467	75,278,562	**91,145,029**
Earnings/(losses) before taxes, financing & investment results	1,103,631	3,865,910	**4,969,541**	1,419,051	4,490,094	**5,909,145**
Earnings/(Losses) before tax	923,009	1,617,830	**2,540,839**	1,229,250	2,150,148	**3,379,398**

6. NOTES ON THE FINANCIAL STATEMENTS

1. General Information

Country of establishment

LOULIS MILLS S.A. is a Greek Societe Anonyme and is subject to Codified Law 2190/1920 on Societes Anonymes. It was established on 22 February 1927.

Main activities

The Company's objects are:

a) The operation of a Cylinder Mill, and in general industrial and commercial operations related to the flour industry, grains, manufacturing of animal feed, agricultural products in general and foods, as well as agricultural suppliers, fertilizers, etc.
b) The production, purchase and resale, import, export and in general the handling and trade of grain products or other agricultural products in general and foodstuffs, as well as agricultural supplies, fertilizers, etc.
c) The construction or purchase and the operation in any manner of storage, packaging and distribution facilities for the above products, as well as the operation of transportation equipment for these products owned by the Company or third parties.
d) The provision of any type of services, intermediary or other, to the trade and in general the handling of the above products.
e) The production, trade, manufacturing, operation, processing, storage, handling of all types of food products, the raw materials for their manufacturing or their by-products, as well as the exercise of any relevant activity.
f) The manufacturing and trade of machinery for the production and processing of phylo and kadaifi pastries, bakery, pastry and food products, as well as all types of machines and machinery.
g) Imports and exports related to the above or similar products, raw materials or their derivatives or by-products or the materials for their packaging, storage or distribution.
h) The provision of know-how and consulting services in the foodstuffs sector.
i) The production and trade of electricity.
j) The operation of a parking space, and the provision of car washing services and other car operation services.

Branches

The LOULIS MILLS S.A. sales network, which is the most complete in the Greek market, has 3 sales branches (Athens, Thessaloniki, Kavala) and the central store of Sourpi/Volos, which serves the other areas.

2. Principal accounting policies

The main accounting principles that were applied in the preparation of these consolidated financial statements are presented below. These policies were applied consistently for the period presented in these consolidated financial statements, except where stated otherwise.

Basis for preparation of the Financial Statements.

2.1 Adoption of the International Financial Reporting Standards (IFRS)

The annual financial statements pertain to year 2013 and cover the period of 1 January - 31 December 2013. The financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as well as their interpretations, as these have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB and adopted by the EU and apply on 31.12.2013.
The Group is not influenced by the provisions regarding the deposits portfolio hedging, as presented in IAS 39, not adopted by the European Union.
The financial statements presented were prepared based on the going concern and the historical cost principle.
The date of adoption of the IFRS by the Group is the 1st of July 2003. For the preparation of these annual consolidated financial statements in accordance with IFRS 1, the LOULIS GROUP, applied the mandatory exceptions and some of the optional exceptions, as of the retroactive application of the IFRS.

2.2 Exemptions from the retroactive application chosen by the Group.

The LOULIS GROUP chose to apply the following optional exemptions from the complete retroactive application of the IFRS:

a) Exception of business combinations

LOULIS GROUP has applied the exception of business combinations at IFRS 1. It has not specified again the business combinations that took place before the transition date of 1st July 2003.

b) Exemption of fair value as deemed cost

The LOULIS GROUP has chosen to assess specific assets, facilities and equipment at the fair value of 1 July 2003.

c) Exemption for cumulative foreign exchange differences

The LOULIS GROUP chose to set the previous cumulative foreign exchange differences at zero on 1 July 2003. This exception has been applied to all foreign subsidiaries, in accordance with IFRS 1.

d) Exception of assets and liabilities of subsidiaries

The parent company has applied the IFRS later than its subsidiaries.

e) Exemption from the indication of previously recognized financial assets and liabilities.

The LOULIS GROUP reclassified certain investments to available for sale and at fair value through profit or loss on the transition date of 1 July 2003.

2.3 Exceptions from the complete retroactive application followed by the Group.

The LOULIS GROUP has applied the following mandatory exceptions from the retroactive application:

a) Exception of derecognition of financial assets and liabilities.

Financial assets and liabilities that have been derecognized before 1 July 2003, are not derecognized in accordance with the IFRS.

b) Exception of hedge accounting

Management has applied hedge accounting as of 1 July 2003, and meets all the hedging criteria in accordance with IAS 39.

c) Exception for estimates

Estimates made in accordance with the IFRS on 1 July 2003, coincide with the estimates made on the same date in accordance with the General Accounting Chart, except where there was proof that these estimates were wrong.

2.4 New standards, interpretations and amendment of existing standards.

New IFRSs, amendments and interpretations have been adopted which are mandatory for accounting periods beginning on or after 1 January 2007. The Group and Company Management's assessment about the impact of the implementation of these new standards and interpretations on the company and the group is presented below:

IFRS 7 Financial instruments: Disclosures and additional adaptation to IAS 1, Presentation of Financial Statements - Disclosures (effective for annual periods beginning on or after 1 January 2009)

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. IFRS 7 replaces IAS 30 (Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, (Financial Instruments: Disclosure and Presentation). It is applicable to all entities that prepare financial statements in accordance with the IFRS.
The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group applies this standard, as well as the adaptation of IAS 1, and presents the relevant disclosures.

IFRS 8 Operating Segments
(Effective for annual periods beginning on or after 01.1.2009)

IFRS 8 replaces IAS 14 (Segment Reporting). The information reported would be that which Management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different than what is presented in the financial statements, explanations and reconciliations must be therefore given, if they are different.

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations - Amendment.

It applies to annual accounting periods beginning on or after 1 July 2009. This amendment specifies that all assets and liabilities of a subsidiary are classified as held for sale in accordance with IFRS 5, even in the event that a company retains a non-controlling interest in a subsidiary following a sale. The amendment has a future subsidiary from the day of the first application of IFRS 5. Therefore, participations in subsidiaries that have been classified as held for sale from the time of application of IFRS 5 must be reassessed. Any early implementation of the amendment is acceptable. In case of early implementation, the amendments to IAS 27 (as amended in January 2008) must also be applied on the date of implementation of the amendments to IFRS 5.

Revised IFRS 3 'Business Combinations' and Amended IAS 27, 'Consolidated and Separate Financial Statements'
(It applies for accounting periods beginning on or after 1 July 2009.)

The International Accounting Standards Board (IASB) published on 10 January 2008 the Revised IFRS 3 'Business Combinations' and the Amended IAS 27 'Consolidated Special Financial Statements'. The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations that will affect the amount of the goodwill recognized, the results of the period in which the business combination takes place and the future results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). Revised IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by the above standards must be applied prospectively and will affect future acquisitions and transactions with minority interests.

Amendments to IAS 1 "Presentation of Financial Statements".
(Effective for annual periods beginning on or after 1.1.2009)

IAS 1 has been amended to enhance the usefulness of information presented in the financial statements. The most important amendments are: the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income ("total comprehensive income") that combines all items of income and expense recognized in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of an new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group will make the necessary changes to the presentation of its financial statements.

Amendments to IAS 32 "Financial instruments: Presentation" and IAS 1 "Presentation of Financial Statements"
(Effective for annual periods beginning on or after 1.1.2009)

with regard to Puttable Financial Instruments (effective for annual periods beginning on or after 1 January 2009). The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relative to puttable instruments classified as equity. The Group does not expect these amendments to affect the financial statements of the Group.

Amendment to IAS 39, "Financial instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"
(Effective for annual periods beginning on or after 1.1.2009)

This amendment to IAS 39 allows a company to reclassify non-derivative financial assets (except those classified by the company in fair value through results at the initial recognition) outside the fair value through results category in certain cases. Moreover, this amendment allows a company to transfer financial assets from the available for sale items to the loans and receivables items, if the financial asset would meet the loan and receivables item definition (if it has not been characterized as available for sale), as long as the company intends and is able to maintain this financial asset in the near future. This amendment does not allow the re-classification in the fair value through results item. The amendment regards disclosures of financial assets that have been under re-classification.

Amendments to IAS 23 "Borrowing costs"
(effective for annual periods beginning on or after 1.1.2009)

Based on the amendments to IAS 23, the option (existing in the current standard) to recognize borrowing costs that can be directly allocated to an asset meeting the requirements in the expenses of the period is abrogated.
All borrowing costs directly attributable to the acquisition, construction or production of an asset fulfilling the requirements, shall be capitalized. An asset fulfilling the requirements is an asset necessarily requiring a significant period of preparation for the use it is intended for or for its sale.

Interpretation 11 - Group and Treasury Shares Transactions
(effective for annual periods beginning on or after 01.03.2007)

IFRIC 11 provides certain guidelines in case where there are share-based remuneration agreements which depend on the value of the shares, if in the financial statements of the company they are treated as payment in cash or as payment via treasury shares. This is a significant distinction, as there are significant differences in the accounting operations required. For example, payments in cash are evaluated at fair value on each balance sheet date. On the contrary, in payments made with equity instruments the fair value is determined on the date of the benefit and it is accounted for in the period when the relevant service is provided.

Interpretation 12, "Service Concession Arrangements".
(effective for annual periods beginning on or after 01.1.2008)

IFRIC 12 addresses how organizations providing services should apply the existing IFRSs to account for the obligations they undertake and rights conceded to them under the relevant service concession arrangements. Based on the Interpretation, these organizations must not recognize the relevant infrastructure as a tangible asset but they must recognize a financial asset and/or an intangible asset. The Interpretation is not relevant to the Group's operations.

Interpretation 14, Scope of IAS 19 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction".
(effective for annual periods beginning on or after 01.1.2008)

Interpretation 14 provides directions regarding the method to assess the limit on the surplus amount that can be recorded as assets in a defined benefit scheme pursuant to IAS 19 'Employee Benefits'. Moreover, it explains how this limit may be affected in case of a minimum funding legal or contractual requirement and standardizes the existing practice.

IFRIC 15 Agreements for the Construction of Real Estate
(Effective for annual periods beginning on or after 01.1.2009)

The purpose of IFRIC 15 is to provide instructions with respect to the following two issues:
i) Whether construction of real estate falls within the field of application of IAS 11 or IAS 18. ii) When the income arising from agreements for construction of real estate is to be recognized.This Interpretation is applied during accounting recognition of income and any associated expenses, for businesses undertaking the construction of real estate either directly or through subcontractors. Agreements falling within the field of application of IFRIC 15 are agreements for construction of real estate. In addition to the construction of real estate, these types of agreements may include delivery of goods or services.

IFRIC 16, "Hedges of a net investment in a foreign operation"
(effective for annual accounting periods beginning on or after 1.10.2008).

This interpretation clarifies:
- The Financial Statements' presentation currency does not create exposure to risk for which the Company may apply hedge accounting. Therefore, the parent Company may specify as a risk to be hedged only the foreign exchange differences occurring between its functional currency and the currency of the foreign operation.
- Any Group company may hold hedging instruments.
- Even though IAS 39 "Financial Instruments: Recognition and Measurement" applies to the determination of the amount to be transferred to Profit & Loss from the foreign exchange difference reserves regarding the hedging instrument, IAS 21 "The Effects of Changes in Foreign Exchange Rates" applies as to the hedged item.

IFRIC 17, "Distributions of Non-cash Assets to Owners"
(effective for annual accounting periods beginning on or after 1 July 2009.)

This Interpretation clarifies:
- the payable dividend must be recognized when dividend is approved and is no longer at the Company's disposal;
- the Company must measure the payable dividend at the fair value of the net assets to be distributed;
- the Company must recognize the difference between the dividend paid and the book value of the net assets distributed in the results; and
- the Company must provide additional disclosures, as long as the net assets held for distribution to the owners comply with the definition of discontinued operation. Interpretation 17 applies in case of distribution of non-cash assets on a proportional basis, except in case of jointly controlled transactions.

IFRIC 18 'Transfers of Assets from Customers' (according to the adoption by the EU, applied for annual accounting periods starting on or after 31 October 2009)
The interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, that the entity must then use to provide the customer with ongoing access to a supply of goods or services. In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property. This interpretation is not relevant to the Group's operations.

Standards mandatory after 2010

IAS 24 (Amended) "Related Party Disclosures" (effective for annual accounting periods beginning on or after 1 January 2011)

This amendment aims to reduce disclosures of transactions between government-related entities and to clarify definition of a related party. In particular, it abolishes the obligation of public sector related parties to disclose details of all transactions with the public sector and other public sector related parties, it clarifies and simplifies the definition of "related-party" and requires disclosure not only of the relationships, transactions and balances between related parties but also commitments in both separate and consolidated financial statements. The Group will apply these changes as of their effective date.

IAS 32 (Amendment) "Financial instruments: Presentation" (effective for annual accounting periods beginning on or after 1 February 2010)

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.The amendment is not expected to have an effect on the Group's financial statements.

Interpretations effective after year 2010

IFRIC 19 'Extinguishing Financial Liabilities' (effective for annual accounting periods beginning on or after 1 July 2010)

IFRIC 19 addresses the accounting method adopted by an entity issuing equity instruments to a creditor in order to settle, in full or in part, a financial liability. The interpretation is not relevant to the Group's operations.

IFRIC 14 (Amended) 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (effective for annual accounting periods beginning on or after 1 January 2011)

The amendments apply in limited cases: in particular when an entity is subject to minimum funding requirements (MRF) and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit from such an early payment as an asset. This interpretation is not relevant to the Group's operations.

Standards and Interpretations mandatory for fiscal periods starting 1 January 2012 or later.

IFRS 9 "Financial Instruments"

(effective for annual periods beginning on or after 1 January 2015).

IFRS 9 is the first phase of the International Accounting Standards Board's project to replace IAS 39 and refers to the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. IFRS 9 cannot be adopted earlier by the Company as it has not yet been adopted by the European Union. Only once approved will the Group decide if IFRS 1 will be adopted prior to 1 January 2015.

IFRS 13 "Fair Value Measurement"

(effective for annual periods beginning on or after 1 January 2013).

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. The requirements of this standard do not extend the use of fair value accounting, but provide clarifications as to how it should be applied in cases where its use is already required by other standards. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements, independently from the standard the use is based on and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the European Union.

IFRIC 20 'Stripping costs in the production phase of a surface mine"

(effective for annual periods beginning on or after 1 January 2013).

This interpretation sets out the accounting for the costs of overburden waste removal (stripping) in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. The interpretation applies only to stripping costs incurred in surface mining activity, and does not address underground mining activity or activities related to extraction of oil or natural gas. This interpretation has not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial instruments: Disclosures"- transfers of financial assets

(effective for annual accounting periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not recognized in their entirety as well as for transferred financial assets recognized in their entirety but in which the Group has continuing involvement. It also provides guidelines for application of the disclosure requirements. The standard does not apply to the Group.

IAS 12 (Amendment) "Income Tax"

(Effective for annual accounting periods beginning on or after 1 January 2012.)

The amendment to IAS 12 provides a practical approach for measurement of deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in accordance with IAS 40 "Investment Property". This amendment has not yet been endorsed by the European Union.

IAS 1 (Amended) - "Presentation of Financial Statements".

(effective for annual accounting periods beginning on or after 1 July 2012)

The amendment requires business entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the European Union.

IAS 19 (Amendment) "Employee Benefits"

(effective for annual periods beginning on or after 1 January 2013).

This amendment makes significant changes to the recognition and measurement of defined benefit plan expenses as well as pension and termination benefits (eliminating the corridor approach) and to disclosures concerning all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expenses, disclosure requirements, treatment of expenses and taxes relating to defined employee benefit plans and to the distinction between "short-term" and "long-term" benefits. This amendment has not yet been endorsed by the European Union.

IFRS 7 (Amendment) "Financial instruments: Disclosures"

(effective for annual periods beginning on or after 1 January 2013).

The IASB has published this amendment in order to incorporate additional information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements with respect to financial assets, including the off-set right associated with the entity's recognized financial assets and liabilities, on the entity's financial position. This amendment has not yet been endorsed by the European Union.

IAS 32 (Amendment) "Financial instruments: Presentation"

(effective for annual periods beginning on or after 1 January 2014).

This amendment to the application guidelines of IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities in the statement of financial position. This amendment has not yet been endorsed by the European Union.

Groups of standards related to consolidation and joint arrangements

(effective for annual accounting periods beginning on or after 1 January 2013)

The IASB published five new standards in relation to consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (Amendment), IAS 28 (Amendment). These standards apply to the annual accounting periods that start on or after 1 January 2013. Early application is allowed only if all five standards are implemented simultaneously. These standards have not yet been endorsed by the European Union. The main terms of the standards are the following:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all the guidelines with regard to the instructions regarding control and consolidation that are provided in IAS 27 and SIC 12. The new standard changes the definition of control as a decisive factor in order to decide whether a financial entity must be consolidated. The standard provides extensive clarifications that dictate the different ways in which an economic entity (investor) can control another economic entity (investment). The revised definition of control focuses on the need to simultaneously have the right (the possibility of directing the activities that significantly affect the performances) and the variable returns (positive, negative or both) in order to have control. The new standard also provides clarifications with regard to substantive and protective rights, as well as agency relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides a more realistic reflection of joint arrangements by focusing on the rights and obligations, rather than their legal form. There are two types of arrangements: joint operations and joint ventures. The proportional consolidation method is no longer allowed. Participants in joint ventures must apply consolidation with the equity method. Economic entities participating in joint operations apply similar accounting with what participants in jointly controlled assets or jointly controlled operations apply for the time being. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time the Board transferred to IAS 27 terms of the IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" related to separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

Notes on the accounting principles adopted by the Group:

The accounting principles used for the preparation and presentation of the annual financial statements are consistent with those applied for the preparation of all the financial statements of the Group for the year ended on December 31st December 2012, in accordance with the IFRS.
The annual and interim consolidated financial statements must be taken into consideration in combination with the annual and interim consolidated financial statements of 31.12.2005, that have been prepared in accordance with the IFRS, because in this way more complete information is provided to the reader.

There are no significant changes to the accounting principles that were followed, compared to those used for the preparation of the consolidated financial statements of 31.12.2012, in accordance with the IFRS.

Consolidated annual financial statements

The annual financial statements of the LOULIS GROUP include the annual financial statements of subsidiaries LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD and sub-subsidiary LOULIS MEL BULGARIA E.A.D..

As of 1 October 2012, LOULIS INTERNATIONAL FOODS ENTERPRISES Ltd, a 100% subsidiary of LOULIS MILLS S.A., discontinued all operations and is under a liquidation process, in accordance with the Laws of Cyprus. Therefore, the Company was not fully consolidated on 31.12.2012, but in accordance with IFRS 5 (Discontinued Operations).

On 8 February 2013, the discontinuation of the operation and the liquidation of LOULIS MEL BULGARIA E.A.D. was decided upon.In the fiscal year that ended on 31.12.2012, the Company was fully consolidated according to IAS 10.

3. Applied Accounting Policies

The financial statements have been prepared according to the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union, as well as the IFRS issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the IFRS as issued by IASB and adopted by the EU.

3.1 Companies that are consolidated and their consolidation method

Group's companies, with their respective addresses and holding shares, included in the annual consolidated financial statements are:

Company Name	Registered Office	% Parent holding	Relationship that dictated the consolidation	Consolidation Method	Fiscal years not audited by tax authorities:
LOULIS MILLS S.A.*	Sourpi Magnisia	-	Parent	-	1
LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd.	Nicosia, Cyprus	100%	Direct	Total	6
LOULIS MEL BULGARIA E.A.D.	Sofia, Bulgaria	100%	Indirect	Total	10

*For fiscal years 2011 and 2012, the Company was audited by the Certified Auditor Accountant, in accordance with the provisions of paragraph 5, Article 82 of Law 2238/1994 and Tax Compliance Reports have been issued with an unqualified opinion.

3.2 Subsidiaries

Subsidiaries are the economic entities in which the Group has the power of determining their economic and operating policies, directly or indirectly holding more than half of their voting rights.

The subsidiaries are fully consolidated as of the date that their control is transferred to the Group, and they cease to be consolidated from the date when the control is interrupted. The acquisition accounting method is used for the accounting of the acquisition of subsidiaries. The cost of an acquisition is calculated as the sum of current values, on the date of the transaction, the assets offered, the shares issued and the liabilities existing or undertaken, plus any cost related directly to the acquisition.

The acquired assets, liabilities and contingent liabilities, are initially calculated at their current value on the date of the acquisition cost and the current value of the acquired subsidiary's equity is recorded as goodwill.

Intragroup transactions, account balances and the profits realized from transactions between Group companies, are extinguished. Realized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.3 Recognition of Income

Income consists of the invoicing value for the provision of the services offered by the Company and the trade, net before recoverable taxes (VAT), discounts and returns. Company income is recorded as follows:

(a) Sales of merchandise
The sales of goods are recognized when significant risks and rewards of ownership of the goods have been transferred to the client. This is usually done when the Company has sold or delivered the goods to the client, the client has accepted the goods and full payment of the related amounts is reasonably secured.

(b) Provision of services
Services are recognized in the accounting period when they are offered, with reference to the completion of the specific transaction calculated based on the services offered, as a proportion of the overall services to be offered.

(c) Credit interest
Credit interest is recognized on a pro rata basis, using the actual interest rate method.

(d) Income from royalties
Income from royalties is recognized in accordance with the accrued income principle depending on the content of the relevant royalties agreements.

(e) Income from Dividends
Income from dividends is recognized when the right of the Company to collect has been established.

3.4 Dividends Receivable

The dividends are entered in the financial statements of that fiscal year when the distribution proposal is formulated by Management.

3.5 Conversion of Foreign Currency

(1) Functional currency and presentation currency
The financial statements of the Group's subsidiaries are presented in the local currency of the country where they carry out their activities. The consolidated financial statements are shown in euro (€), which is the Company's functional currency and presentation currency of the Company and the Group.

(2) Transactions and balances
Transactions in foreign currency are recorded based on the foreign exchange rates prevailing on the date of the transaction. Transaction profits and losses arising from the settlement of such financial receivables and liabilities which are in foreign currencies, are recognized in the profit and loss statement.

(3) Group Companies
The operating results and equity of all the companies of the Group (except those active in hyper-inflationary economies), their functional currency different from the Group's presentation currency, are converted to the Group's presentation currency as follows:

- Assets and liabilities are converted according to the exchange rate effective on the balance sheet closing date.
- Income and expenses on the income statement of every company are converted in accordance with the average rate from start of the fiscal year to the balance sheet date.
- All foreign exchange differences arising from the above are recorded in a separate account of equity.

3.6 Property, Plant and Equipment

Plots and buildings mainly consisting of industrial facilities are presented at fair value, based on assessments by external valuators, less later depreciation.

Depreciation is calculated using the straight-line method, so that the cost or the revalued value of each item is distributed over the period of its estimated useful life.

Useful lives stand as follows:

	years
Buildings	25-40
Plant, machinery and equipment	20-35
Transportation equipment	5–8
Furniture, appliances & office equipment	1-5

The residual value and the useful lives are revised and adjusted at each balance sheet date, if that is considered necessary.

Expenses for repairs and maintenance of fixed equipment are debited in the profit and loss statement for the period they were realized. The cost for important renovations and other later expenses is included in the asset's value, when there is a possibility of future economic benefits for the Group, greater than what was originally expected in accordance with the original performance of the asset. Significant renovations are depreciated during the rest of the useful life of the relevant asset.

Profits and losses from the sale of assets are determined by comparing revenues with the book value and are included in the profit and loss statement.

3.7 Investment property

Investment property is intended to create revenues from rent or profit from reselling them. Properties utilized for the Group's operating activities, are considered operational and not investment. This is the criterion separating investment and operational property.

Investment property as long term assets are presented at fair value, which is determined internally on an annual basis, based on similar transactions carried out on a date close to the date of preparation of the balance sheet. Any changes in fair value, which represents the free market price, are recorded in other operating income in the income statement.

3.8 Goodwill

Goodwill represents the excess of the acquisition cost of a company, compared to the fair value of the share acquired by the Group in the net realizable assets of the subsidiary on the date of the acquisition.

3.9 Impairment of Assets

Non-current and current assets, including goodwill and other intangible assets, are assessed for losses due to impairment when events or other changes to the conditions indicate that their book value may not be recoverable. Loss from impairment is recognized for the amount by which the book value of the asset exceeds the recoverable amount. The recoverable amount is the highest amount between fair value less cost of sale of the asset and value-in-use.

3.10 Inventories

Inventories are valued at the lowest between acquisition cost and net realizable value. The cost value is determined with the average weighted cost method. The cost value of finished products and semi-finished inventories includes raw materials, direct labour, other direct expenses, and expenditures related to production, except lending expenditure. Net realizable value is the calculated selling price in the ordinary course of business, less closing and selling costs.

3.11 Provisions

Provisions are recognized when the Group has a present legal or presumed obligation that results from past events, it is possible that there will be a flow of funds to settle this obligation and the amount of the obligation can be calculated reliably.

3.12 Deferred Taxation

A complete provision is formed for deferred taxation on the temporary differences between the value of the assets and liabilities for tax purposes and their book value, based on the effective tax rates. Any debit balances from temporary deductible differences are recognized only to the extent they are expected to be realized in the future as taxable profits.

3.13 Borrowing

Borrowing is recognized at the initial granted amount, after the deduction of the financial cost. Any difference between the payments and the repayment value is recognized in the profit and loss statement for the duration of the loan using the effective interest rate method.

The Group’s Loan Liabilities are analyzed below (long-term and short-term loan liabilities), per country, up to 31.12.2013.

Loans from banks 29,651,505

These are analyzed as follows:

a. Company

	31/12/2013	31/12/2012
LOULIS MILLS Bond Loans	20,750,000	26,750,000
Less: Short-term installments	(5,000,000)	(6,000,000)
Balance of long-term loans	**15,750,000**	**20,750,000**

Bond Loans with a Balance of € **20,750,000** which must be repaid in annual installments as follows:

Within 2014 € 5,000,000
Within 2015 € 5,500,000
Within 2016 € 10,250,000

Short-term Company Loans (without the short-term installments of Bond Loans) on 31.12.2013: **€ 8,901,505** compared to **€ 9,461,195** on 31/12/2012.

Other long-term liabilities (Tax Audit results) with a balance of **€ 1,054,526** which must be repaid in annual installments as follows:

Within 2015: 948,633 €
Within 2016: 105,893 €

3.14 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consist of cash in the treasury and bank deposits less bank overdrafts. In the balance sheet, bank overdrafts are included in Loans as current liabilities.

3.15 Financial Risk

a) Foreign exchange risk

Transactions in foreign currencies are converted with the foreign currency exchange rate that was in effect on the date of the transaction. The currency assets and liabilities in foreign currencies are converted into euro with the exchange rate of the balance sheet date. Profits and losses from foreign exchange differences arising from conversion of currency units expressed in foreign currency during the period and on the balance sheet date using the current exchange rates are posted to the results.

b) Credit risk

The Company has established and implements credit control procedures to minimize bad debts. Sales are made to customers with an evaluated history of sales, and the clientèle is allocated over a large number of small customers, and credit risk is therefore deemed to be low.

c) Interest rate fluctuation risk

The Group does not hold any major interest-bearing assets and thus is not subject to risk of changes to the interest rates. There is a limited risk from changes in interest rates, mainly from long-term and short-term loans. As protection from the interest rate fluctuation risk in long-term loans, the Group, from the € 20,75 m has the € 15 m with fixed interest rate.

3.15 Financial instruments

	GROUP		COMPANY	
Non current assets	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Fixed Assets	103,822,073	108,297,204	103,822,073	108,297,204
Other Long-Term Receivables	184,005	178,578	184,005	178,578
Total	**104,006,078**	**108,475,782**	**104,006,078**	**108,475,782**
Current assets				
Inventories	18,936,310	20,951,964	18,936,310	20,951,964
Trade Receivables	26,921,866	26,348,821	26,921,866	26,348,821
Cash and cash equivalents	1,065,399	3,531,287	792,833	1,520,587
Other current assets	5,935,154	4,535,901	3,109,034	1,852,476
Total	**52,858,729**	**55,367,973**	**49,760,043**	**50,673,848**
Long-term liabilities				
Loans	15,750,000	20,750,000	15,750,000	20,750,000
Provisions/Other long-term liabilities	18,657,936	16,829,900	20,340,936	16,829,900
Total	**34,407,936**	**37,579,900**	**36,090,936**	**37,579,900**
Short-term liabilities				
Suppliers	11,487,556	18,834,409	11,479,377	18,825,881
Loans	13,901,505	15,461,195	13,901,505	15,461,195
Other Liabilities	10,168,738	9,131,885	10,098,030	9,055,813
Total	**35,557,799**	**43,427,489**	**35,478,912**	**43,342,889**

3.16 Fair value determination

Pursuant to IFRS 7, paragraphs 15, 16 and 36b, for non-Current Assets, and specifically the Fixed Assets, the Company carries out at regular intervals an audit of their fair value, with the help of independent valuators, based on known methods. Moreover, due to the nature of the Company's fixed equipment, its value does not change greatly from one year to the other. In 2012 the Company evaluated its properties.

In accordance with IFRS 7, paragraphs 15-16 and 36b, the Company's other Financial Instruments are receivables from trade and Short-term Liabilities, which expire within one year, and their book value therefore may be considered fair. As regards Long-term Loans, the Company's weighted capital cost is very close to the borrowing interest rate, therefore the book value of the item is very close to the fair value.

3.17 Comparative information

Where required, the comparative amounts have been adjusted in order to be consistent with the changes in the presentation of the current year.

4. Existing Collaterals

Mortgages and underwritings have been registered on the fixed assets of the parent company, on 31.12.2013, of € 38 m, as collateral for bond loans of € 20.75 m.

5. Disputes sub judice or in arbitration

There are no disputes sub judice or in arbitration that may significantly affect the company's financial standing or operation. There are pending legal cases, their outcome not expected to have a significant impact on the Company's financial statement.

6. Number of employed personnel

Number of employees at the end of year 2013: Group 213, Company 213, compared to 214 in the Group and 214 in the Company in the previous year.

7. Transaction with related parties (IAS 24)

The sales and purchases amounts cumulatively from the start of the fiscal year and the balances of the Company's receivables and liabilities at the end of the current year, which have emerged from its transactions with related parties, in accordance with IAS 24, are the following:

	THE GROUP	THE COMPANY
a) Income	21,488	21,488
b) Expenses	0	0
c) Receivables	21,488	21,488
d) Payables	0	1,683,000
e) Management and administration fees	499,059	499,059
f) Receivables from directors and managers	1,898	1,898
g) Payables to key management personnel	0	0

8. Earnings per share

The calculation of the basic earnings per share on 31 December 2013 and 2012 is as follows:

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net Earnings / (losses) attributable to parent company equity holders	(3,635,494)	400,938	(3,729,391)	333,078
Average weighted number of shares in circulation (deducting the average weighted number of treasury shares)	15,498,571	15,222,276	15,498,571	15,222,276
Basic earnings / (losses) per share	**(0.2346)**	**0.0263**	**(0.2406)**	**0.0219**

8. Capital Costs

Investments in fixed assets in 2013 amount for the Group and the Company at € 858 m.

9. Contingent Liabilities – Receivables

There are no significant contingent liabilities that require disclosure in the annual financial statements. In September of 2011, the Ministry of Economy, Competitiveness and Shipping issued a decision to include a series of investments in the industrial unit of Sourpi under Development Law 3299/2004. The Company has already completed the investment, but because the completion of the audit by the Manager is pending, a receivable from the state may arise in the future.

10. Fiscal years not audited by tax authorities:

Fiscal years not audited for the LOULIS Group of companies is:

LOULIS MILLS: 1 unaudited year: 2013
LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD.: 6 unaudited fiscal years: 2008, 2009,2010, 2011,2012,2013
LOULIS MEL BULGARIA E.A.D.: 10 unaudited fiscal years: 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011,2012,2013

In 2013, the tax audit by Certified Auditors-Accountants was completed for 2012, as stipulated by the provisions of Article 82 (5) of Law 2238/1994 and was issued "Tax Compliance Report" with "Unqualified Opinion".

For 2013, the tax audit of the Certified Auditors Accountants is under way, and the relevant tax certificate is anticipated to be delivered following the publication of financial statements for 2013. If up to the completion of the tax audit any additional tax obligations arise, we estimate that they will have no substantial effect on the financial statements.

11. Board of Directors' fees

The fees to the members of the Board of Directors of LOULIS MILLS S.A. paid in 2013, are in total: € 15,916 and the paid travel expenses of the Members of the Board of Directors 100,000 €, in accordance with the decision of the Ordinary General Meeting of 28 June 2013.

7. ANALYSIS OF THE FINANCIAL STATEMENTS OF THE COMPANY - GROUP

1. Property, plant and equipment & Investment Properties

The following table presents the changes to the tangible assets of the Company and the Group during the fiscal year from 01.01.2013 to 31.12.2013:

Company

	LAND	BUILDINGS	INVESTMENT PROPERTIES	MACHINES	TRANSPORTATION EQUIPMENT	FURNITURE & OTHER EQUIPMENT	ASSETS UNDER WAY	TOTAL
Inventory as of 1.1.2012	**19,755,980**	**61,516,864**	**197,268**	**37,976,192**	**1,356,729**	**3,875,186**	**12,080,535**	**136,758,754**
Adjustments	(3,774,449)	(1,760,836)	0	0	0	0	0	**(5,535,285)**
Additions	0	12,895,590	0	4,922,355	68,790	186,440	4,927,570	**23,000,745**
Reductions	0	(21,804)	0	(239,186)	(16,770)	(4,403)	(16,937,185)	**(17,219,348)**
Balance as at 31.12.2012	**15,981,531**	**72,629,814**	**197,268**	**42,659,361**	**1,408,749**	**4,057,223**	**70,920**	**137,004,866**
Accumulated depreciation								
Inventory as of 1.1.2012	**0**	**(12,382,779)**	**0**	**(9,984,723)**	**(863,675)**	**(2,663,508)**	**0**	**(25,894,685)**
Additions	0	(1,670,542)	0	(1,098,018)	(198,290)	(275,612)	0	**(3,242,462)**
Reductions	0	4,379	0	194,938	12,016	199	0	**211,532**
Balance as at 31.12.2012	**0**	**(14,048,942)**	**0**	**(10,887,803)**	**(1,049,949)**	**(2,938,921)**	**0**	**(28,925,615)**
Net Book Value as at 01.01.2012	**19,755,980**	**49,134,085**	**197,268**	**27,991,469**	**493,054**	**1,211,678**	**12,080,535**	**110,864,069**
Net book value as of 31.12.2012	**15,981,531**	**58,580,872**	**197,268**	**31,771,558**	**358,800**	**1,118,302**	**70,920**	**108,079,251**
Inventory as at 1.1.2013	**15,981,531**	**72,629,814**	**197,268**	**42,659,361**	**1,408,749**	**4,057,223**	**70,920**	**137,004,866**
Adjustments	0	0	0	0	0	0	0	**0**
Additions	0	501,244	0	161,268	38,070	57,023	16,900	**774,505**
Reductions	0	(1,400,906)	0	(38,886)	(51,149)	(12,539)	0	**(1,503,480)**
Balance as at 31.12.2013	**15,981,531**	**71,730,152**	**197,268**	**42,781,743**	**1,395,670**	**4,101,707**	**87,820**	**136,275,891**
Accumulated depreciation								
Inventory as at 1.1.2013	**0**	**(14,048,942)**	**0**	**(10,887,803)**	**(1,049,949)**	**(2,938,921)**	**0**	**(28,925,615)**
Additions	0	(2,005,379)	0	(1,402,200)	(170,797)	(265,965)	0	**(3,844,341)**
Reductions	0	0	0	7,192	33,873	11,305	0	**52,370**
Balance as at 31.12.2013	**0**	**(16,054,321)**	**0**	**(12,282,811)**	**(1,186,873)**	**(3,193,581)**	**0**	**(32,717,586)**
Net book value as at 01.01.2013	**15,981,531**	**58,580,872**	**197,268**	**31,771,558**	**358,800**	**1,118,302**	**70,920**	**108,079,251**
Net book value as at 31.12.2013	**15,981,531**	**55,675,831**	**197,268**	**30,498,932**	**208,797**	**908,126**	**87,820**	**103,558,305**

2. Other intangible assets

It is analyzed below as:

	Group		Company	
	2013	2012	2013	2012
SOFTWARE	256,975	210,586	256,975	210,586
BRANDS	6,793	7,367	6,793	7,367
Totals	**263,768**	**217,953**	**263,768**	**217,953**

3. Investments in subsidiaries

An analysis of the investments of parent Company Loulis Mills S.A. in subsidiaries is presented below.

	PERCENTAGE
PARTICIPATION IN L.I.F.E. (BULGARIA) LTD.	100.00%

4. Other Long-Term Receivables

These are analyzed as follows:

	Group		Company	
	2013	2012	2013	2012
Other Long-Term Receivables	184,005	178,578	184,005	178,578
TOTAL	**184,005**	**178,578**	**184,005**	**178,578**

5. Inventories

An analysis of the Inventories per country is presented in the following tables.

2013	LOULIS MILLS S.A.	GROUP
Merchandise	223,791	223,791
Finished and semi-finished products	3,022,200	3,022,200
Raw & auxiliary materials, Packaging materials	15,690,319	15,690,319
TOTAL	**18,936,310**	**18,936,310**

2012	LOULIS MILLS S.A.	GROUP
Merchandise	198,343	198,343
Finished and semi-finished products	3,631,882	3,631,882
Raw & auxiliary materials, Packaging materials	17,121,739	17,121,739
TOTAL	**20,951,964**	**20,951,964**

6. Trade Receivables

These are analyzed as follows:

	Group		Company	
	2013	2012	2013	2012
Trade/Other receivables	18,405,454	19,776,632	18,405,454	19,776,632
Less: Provisions	(1,336,162)	(3,008,315)	(1,336,162)	(3,008,315)
Notes Receivable	319,000	45,803	319,000	45,803
Notes overdue	57,391	5,088	57,391	5,088
Cheques receivable	5,984,444	6,359,840	5,984,444	6,359,840
Cheques overdue	5,960,816	4,988,186	5,960,816	4,988,186
Less: Provisions	(2,490,565)	(1,818,413)	(2,490,565)	(1,818,413)
Short-term receivables from affiliates	21,488	0	21,488	0
Totals	**26,921,866**	**26,348,821**	**26,921,866**	**26,348,821**

7. Cash and cash equivalents

The cash of the Group per country is analyzed in the two following tables.

2012	LOULIS MILLS	BULGARIA	CASH OF DISCONTINUED OPERATION	GROUP
Cash	94,960	221,349	0	316,309
Sight and time deposits	1,425,627	1,752,417	36,934	3,214,978
TOTAL	**1,520,587**	**1,973,766**	**36,934**	**3,531,287**

2013	LOULIS MILLS	BULGARIA	CASH OF DISCONTINUED OPERATION	GROUP
Cash	121,817	209,502	0	331,319
Sight and time deposits	671,016	26,130	36,934	734,080
TOTAL	**792,833**	**235,632**	**36,934**	**1,065,399**

8. Other current assets

These are analyzed as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Sundry Debtors	6,874,667	5,411,879	4,090,388	2,771,677
Less: Provisions	(1,189,786)	(1,062,673)	(1,189,786)	(1,062,673)
Receivables from the state	41,841	41,841	0	0
Expenses of subsequent fiscal years	171,689	112,489	171,689	111,107
Advance payments & credits management accounts	36,743	32,365	36,743	32,365
Totals	**5,935,154**	**4,535,901**	**3,109,034**	**1,852,476**

9. Share Capital

The share capital per country is analyzed in the following table.

GROUP	SHARE CAPITAL	SHARE CAPITAL
	2013	**2012**
BULGARIA	1,637,540	1,637,540
LOULIS MILLS S.A.	10,960,040	9,742,257

10. Share premium

An analysis of the share premium reserves is presented in the following table.

GROUP	SHARE PREMIUM RESERVES	SHARE PREMIUM RESERVES
	2013	**2012**
BULGARIA	1,850,971	1,850,971
LOULIS MILLS S.A.	38,520,304	31,960,306
TOTAL	**40,371,275**	**33,811,277**
Consolidation entries	(1,850,971)	(1,850,971)
GROUP	**38,520,304**	**31,960,306**

11. Other reserves

These are analyzed as follows:

	Group 2013	Group 2012	Company 2013	Company 2012
Asset Revaluation Reserve	4,365,525	4,365,525	4,365,525	4,365,525
Statutory reserve	1,478,764	1,448,600	1,478,764	1,448,600
Contingency reserves	103,990	103,990	103,990	103,990
Tax-free reserves	7,726,649	7,726,649	7,676,355	7,676,355
Exchange Difference Reserve	3,482,806	3,482,806	0	0
Other reserves	7,784,997	7,784,997	6,533,794	6,533,794
Earnings / losses for the period after tax	12,475,997	16,221,236	12,793,932	16,632,445
Totals :	**37,418,728**	**41,133,803**	**32,952,360**	**36,760,709**

12. Foreign Exchange differences from consolidation

	2013	2012
ROMANIA Group	(875,454)	(875,454)
BULGARIA Group	1,937,343	1,937,343
Totals	**1,061,889**	**1,061,889**

13. Long term loans

These are analyzed as follows:
a. Company

	LOULIS MILLS S.A.
Loans from banks	29,651,505

These are analyzed as follows:

a. Company

	2013	2012
LOULIS MILLS Bond Loans	20,750,000	26,750,000
Less: Short-term installments	(5,000,000)	(6,000,000)
Balance of long-term loans	**15,750,000**	**20,750,000**

Bond Loans with a Balance of € **20,750,000** which must be repaid in annual installments as follows:

Within 2014 € 5,000,000
Within 2015 € 5,500,000
Within 2016 € 10,250,000

14. Deferred Taxation

The following table presents a break-down of the deferred taxation arising from the application of the International Accounting Standards.

	Group	Company
Balance at start of Deferred Liability 2012	**10,054,046**	**10,054,046**
Deferred Tax Liability from Fixed Assets	(497,928)	(497,928)
Deferred Tax Liability from Inventories	(60,000)	(60,000)
Deferred Tax Liability from Provisions	0	0
Reversal of Deferred Tax Liability	0	0
Balance at end of Deferred Liability 2012	**9,496,118**	**9,496,118**
Balance at start of Deferred Liability 2013	**9,496,118**	**9,496,118**
Deferred Tax Liability from Fixed Assets	2,854,879	2,854,879
Deferred Tax Liability from Inventories	18,000	18,000
Deferred Tax Liability from Provisions	0	0
Reversal of Deferred Tax Liability	0	0
Balance at end of Deferred Liability 2013	**12,368,997**	**12,368,997**

15.Other long-term liabilities/Risk Management

Credit Risk

The Company has no substantial credit risk concentrations in counterparties, mainly because of the highly diversified clientèle. Exposure to credit risks is monitored and evaluated on an ongoing basis, by an organized department of credit control, in order for the supplied credit not to exceed the set credit limit. At the same time, the Company has an insurance policy of credits with an insurance company (ATRADIUS) which insures 80% of the receivables. For the remaining 20% of the receivables and for any receivable above the 360 days, the Company has formed a provision for € 5.1 m.

The insurance policy cannot be negotiated or transferred, therefore the Company cannot enter into any act for its pledging or sale.

Interest rate risk and foreign exchange risk

The Company's bank loans are mainly in euro in Greece, and in local currency abroad, and is subject to floating rates. No derivatives in financial products have been used by the Company in order to reduce exposure to the risk of rate fluctuations, on the balance sheet preparation date. The Company's Management believes that there are no significant risks from a possible change in the interest rates or from the change of foreign exchange rates.

Liquidity Risk (financing risk)

The Company is not facing any difficulties in the service of its liabilities, a fact that arises:a) from its good cash flows; b) from its high credit rating by bank organizations and c) from its financial assets, their value presented in the financial statements not deviating from their fair value.

Other long-term liabilities

	Group		Company	
	2013	2012	2013	2012
Other provisions	90,562	519,647	90,562	519,647
Long-term Tax Liabilities	1,054,526	1,376,604	1,054,526	1,376,604
Subsidies of fixed assets	4,357,241	4,559,216	4,357,241	4,559,216
Long-term liabilities from affiliates	0	0	1,683,000	0
Totals	**5,502,329**	**6,455,467**	**7,185,329**	**6,455,467**

Other long-term liabilities (Tax Audit results) with a balance of **€ 1,054,526** which must be repaid in annual installments as follows:

Within 2015: 948,633 €
Within 2016: 105,893 €

16. Employee retirement compensation liabilities

Defined Benefit Pension Plans

	2013	2012	2011
Current employment costs	61,378	61,290	66,144
Interest Cost	30,741	31,850	33,989
Effect of settlement/Cutback	105,807	212,675	128,863
Past service cost due to amendments	(154,249)	(38,375)	11,291
Compensations paid	(196,341)	(282,309)	(235,988)
TOTAL	**(152,664)**	**(14,869)**	**4,299**
Unrecognized actuarial (profits)/losses	60,959	45,071	4,153
Total Included in the Statement of Comprehensive Income	**(91,705)**	**30,202**	**8,452**

Current value of liability

	2013	2012	2011
Current Value of Defined Benefits Commitment	786,610	878,315	803,041
Fair Value of Plan's Assets	0	0	0
Balance Sheet Liability	**786,610**	**878,315**	**803,041**
Recognized Profits/Losses Statement			
Accumulated Actuarial Proftis/Losses of previous years	283,471	238,400	234,247
Actuarial Profit / Loss of period	60,959	45,071	4,153
Accumulated Actuarial Profits / Losses of period	**344,430**	**283,471**	**238,400**

The Company implements the revised IAS 19, as in force from 1/1/2013 with retroactive implementation as of 31/12/2011, in accordance with the provisions of IAS 8.

17. Trade Payables

The two following tables present the method for calculating the amount of the Suppliers and other payables item per group for 2013 and 2012

2013	LOULIS MILLS S.A.	BULGARIA	GROUP
Suppliers (third parties)	10,818,930	8,179	10,827,109
Cheques payable (postdated)	0	0	0
Customer Advance Payments	660,447	0	660,447
Totals	**11,479,377**	**8,179**	**11,487,556**

2012	LOULIS MILLS S.A.	BULGARIA	GROUP
Suppliers (third parties)	18,169,786	8,528	18,178,314
Cheques payable (postdated)	162,365	0	162,365
Customer Advance Payments	493,730	0	493,730
Totals	**18,825,881**	**8,528**	**18,834,409**

18. Short-term borrowings

	Group		Company	
	2013	2012	2013	2012
Short-term loans	8,901,505	9,461,195	8,901,505	9,461,195
Long-term loans - payable in the next period	5,000,000	6,000,000	5,000,000	6,000,000
Totals	**13,901,505**	**15,461,195**	**13,901,505**	**15,461,195**

19. Liabilities from taxes

The following tables analyze liabilities from taxes - duties per group for the two years.

2013	LOULIS MILLS S.A.	BULGARIA	GROUP
Tax liabilities - duties (exclusive of income tax)	1,723,559	55,252	1,778,811
Income tax of profits	1,438,049	13,021	1,451,070
Totals	**3,161,608**	**68,273**	**3,229,881**

2012	LOULIS MILLS S.A.	BULGARIA	GROUP
Tax liabilities - duties (exclusive of income tax)	230,423	58,426	288,849
Income tax of profits	1,167,044	15,566	1,182,610
Totals	**1,397,467**	**73,992**	**1,471,459**

20. Other short term liabilities

	Group			Company	
	2013	**2012**		**2013**	**2012**
Insurance organizations	428,241	441,875		428,228	441,862
Dividends Payable	2,350	2,350		2,350	2,350
Sundry creditors	6,086,998	6,729,795		6,086,626	6,729,168
Income of subsequent fiscal years	3,004	34,854		954	33,414
Accrued expenses	418,264	451,552		418,264	451,552
Totals	**6,938,857**	**7,660,426**		**6,936,422**	**7,658,346**

21. Sales

Below follows a break-down of the sales of the Company and the Group.

	2013	2012
Sales to Professionals	66,648,342	64,051,814
Sales to affiliates	21,488	0
Sales to the Public Sector	78,599	135,778
Sales abroad	2,732,844	2,996,008
Sales of Consumer Products	15,025,541	15,866,467
Sales of by-products	9,446,679	8,094,962
Totals	**93,953,493**	**91,145,029**

22. Other income

	Group		Company	
	2013	2012	2013	2012
Other operating income	2,927,590	3,004,048	2,927,590	3,004,048
Extraordinary and non-operating income	422,261	426,772	422,261	426,772
Extraordinary profit	25,047	15,676	25,047	15,676
Prior year income	65,388	14,128	65,388	14,128
Foreign Exchange Differences	623	0	0	0
Income from prior period provisions	1,008,270	0	1,008,270	0
Totals	**4,449,179**	**3,460,624**	**4,448,556**	**3,460,624**

23. Other expenses

	Group 2013	Group 2012	Company 2013	Company 2012
Extraordinary & non-operating expenses	(5,067)	(79,723)	(5,067)	(79,489)
Extraordinary losses	(923,772)	(74,345)	(923,772)	(74,345)
Expenses from previous years	(36,699)	(49,139)	(36,699)	(49,139)
Foreign exchange losses	0	(294)	0	0
Provisions for contingencies	0	167,418	0	167,418
Totals from continuing operations	**(965,538)**	**(36,083)**	**(965,538)**	**(35,555)**

24. Distribution costs

The following table includes a break-down of the selling expenses per Group and Company

2013	LOULIS MILLS S.A.	BULGARIA	GROUP
Distribution expenses	13,889,894	0	13,889,894

2012	LOULIS MILLS S.A.	BULGARIA	GROUP
Distribution expenses	14,155,260	0	14,155,260

25. Administrative expenses

The following table presents the analysis per group of the Administrative expenses account

2013	LOULIS MILLS S.A.	BULGARIA	GROUP
Administrative expenses	3,163,247	29,657	3,192,904

2012	LOULIS MILLS S.A.	BULGARIA	GROUP
Administrative expenses	3,591,184	44,104	3,635,288

26. Profit/Loss from Revaluation of Property

	2013	2012
Profit/Loss from Revaluation of Property	0	(5,535,285)
Income Tax corresponding to Other Comprehensive Income	0	1,107,057
Total	**0**	**(4,428,228)**

27. Financial expenses/(income)

	Group		Company	
	2013	2012	2013	2012
Debit interest & related expenses	(2,416,688)	(2,507,519)	(2,411,522)	(2,504,924)
Other financial expenses	(30,815)	(31,943)	(30,741)	(31,850)
Credit interest & related income	141,732	182,512	13,561	7,027
Income from participations	0	5,659	0	0
Totals	**(2,305,771)**	**(2,351,291)**	**(2,428,702)**	**(2,529,747)**

28. Income tax

	Group 2013	Group 2012
Property tax	108,905	112,898
Differences arising from tax audits	430,583	1,558,627
Income Tax Provision	548,632	340,891
Extraordinary contribution	0	0
Correction of Income Tax Provision as of 31/12/2012 and 31/12/2011 respectively	814	48,891
Provisions and other tax liabilities	2,308,417	500,000
Deferred tax	2,872,879	549,130
Total	**6,270,230**	**3,110,437**

	Company 2013	Company 2012
Property tax	108,905	112,898
Differences arising from tax audits	430,583	1,558,627
Income Tax Provision	548,632	276,774
Correction of Income Tax Provision as of 31/12/2012 and 31/12/2011 respectively	814	48,891
Provisions and other tax liabilities	2,308,417	500,000
Deferred tax	2,872,879	549,130
Total	**6,270,230**	**3,046,320**

29. Earnings/ Losses from Discontinued Operations

	2013	2012
Administrative expenses	0	(1,535)
Financial Expenses	0	(78)
Other operating expenses	0	(234)
Other operating income	0	0
Profit/(Loss) before tax	**0**	**(1,847)**
Income tax	0	0
Profit / (loss) after tax	**0**	**(1,847)**

30. Earnings per Share

	Group		Company	
	31/12/2013	**31/12/2012**	**31/12/2013**	**31/12/2012**
Net Earnings / (losses) attributable to parent company equity holders	(3,635,494)	400,938	(3,729,391)	333,078
Average weighted number of shares in circulation (deducting the average weighted number of treasury shares)	15,498,571	15,222,276	15,498,571	15,222,276
Basic earnings / (losses) per share	**(0.2346)**	**0.0263**	**(0.2406)**	**0.0219**

31. Cash Flow of Discontinued Operation

LIFE LTD -2012

Goodwill written-off	0
Equity written-off	31,275
Profit/Loss from the liquidation for the Group	5,659
Cash inflow from liquidation of subsidiaries	**36,934**
Cash and cash equivalents during liquidation	(36,934)
Net Cash Inflow from liquidation of subsidiary	**0**

8. FINANCIAL RISK MANAGEMENT - GOALS & PROSPECTS

1. Financial risk factors

The Company's activities create financial risks, such as risks of exchange rates, interest rate changes, credit risks and liquidity risks. The Company's policy aims at minimizing the impact from financial factors that may arise. The Company uses financial products, mainly long-term and short-term loans, transactions in foreign currency, trade receivable accounts, payable accounts, liabilities from financial leasing agreements, dividend payments, deposits in banks and investments in securities.

The Finance Department is responsible for risk management, with strategy and the general planning being the responsibility of the Company's Board of Directors. The Board of Directors lays down the general risk management strategy and policies.

a) Credit risk

The Company has no material concentrations of credit risk. A Credit Control system is implemented, for the more effective management of this risk and the evaluation and classification of customers depending on the risk level. The credit limits of customers are set based on internal evaluation criteria and are in accordance with the limits set by the Company's Management. Credit limits are monitored at regular intervals, whereas the Company had entered into a credit insurance policy in 2013 with ATRADIUS, covering part of the credit risk for the greatest part of the customers. The maximum exposure to credit risk on the Balance Sheet date is the fair value of each category of assets, as presented below. On 31 December 2013, the time-line of receivables was the following:

Receivables		**GROUP**		**COMPANY**	
		2013	**2012**	**2013**	**2012**
Trade		18,426,942	19,776,632	18,426,942	19,776,632
Less: Provisions		-1,336,162	-3,008,315	-1,336,162	-3,008,315
Notes receivable		319,000	45,803	319,000	45,803
Notes overdue		57,391	5,088	57,391	5,088
Cheques receivable (postdated)		5,984,444	6,359,840	5,984,444	6,359,840
Cheques in arrears (stamped)		5,960,816	4,988,186	5,960,816	4,988,186
Less: Provisions		-2,490,565	-1,818,413	-2,490,565	-1,818,413
Sundry debtors		6,874,667	5,411,879	4,090,388	2,771,677
Less: Provisions		-1,189,786	-1,062,673	-1,189,786	-1,062,673
		32,606,747	**30,698,027**	**29,822,468**	**28,057,825**
		GROUP		**COMPANY**	
		2013	**2012**	**2013**	**2012**
Not overdue and not impaired		30,337,831	26,992,786	27,553,552	24,352,584
Overdue, not impaired					
	0-180 days	1,858,552	3,181,104	1,858,552	3,181,104
	> than 180 days	410,364	524,137	410,364	524,137
		32,606,747	**30,698,027**	**29,822,468**	**28,057,825**

	Group		**Company**	
	2013	**2012**	**2013**	**2012**
Balance as at 1 January	**5,889,401**	**5,692,502**	**5,889,401**	**5,692,502**
Additions for the year	799,265	471,355	799,265	471,355
Non-utilized provision				
Used provisions	1,672,153	274,456	1,672,153	274,456
Balance as at 31 December	**5,016,513**	**5,889,401**	**5,016,513**	**5,889,401**

The 'Trade receivables' account is not interest-bearing and is usually arranged in: Group 0-180 days, Company 0-180 days.

At the end of the year, the Company's Management decided that there was no material credit risk which was not covered by insurance or a bad debt provision.

In the framework of insuring against the credit risk arising from deposits in banks, the Company allocates cash deposits in banks based on limits, with the purpose of decreasing exposure to risk from this reason. Also, the Company collaborates only with financial institutions with a high credit rating.

b) Liquidity risk
The Company manages its liquidity needs by carefully monitoring its long term financial obligations, as well as day-to-day payments. Liquidity risks are monitored on a weekly basis. Liquidity needs for a period of 6 months or one year are redefined on a monthly basis.
During periods of shortage of liquidity, the Company has the option of financing its liquidity needs through bank loans from approved credit lines which it keeps in banks.

Because liabilities mature in one up to six months, the Company may cover them either through proceeds from trade receivables or by using the financing limits which it keeps in banks.

The Finance Department prepares statements of anticipated cash flows, which are reviewed by Management with the purpose of better planning liquidity management.

c) Risk of fluctuations of basic prices of raw materials.
The Company is exposed to the risk of changes in the prices of raw materials, which are mainly influenced by the conditions prevailing in the Greek and the world markets. In any case however, these fluctuations are passed on to the end product.

d) Interest Rate Risk
The encumbrance it is subjected to through the use of borrowed funds is directly related to the interest rate, and therefore there is some such risk. For the Company's short-term and long-term loans, the risk arises from the fact that these agreements have a floating interest rate, linked to EURIBOR. According to the sensitivity analysis conducted by the Finance Department for internal use, an increase or decrease of EURIBOR with have the following results:

Sensitivity analysis to interest rate changes

	Interest Rate Volatility	**Impact on profit before Company taxes**	**Impact on profit before Group taxes**
Fiscal year 2013 amounts	1.00%	-296,515	-296,515
	-1.00%	296,515	296,515
Fiscal year 2012 amounts	1.00%	-362,112	-362,112
	-1.00%	362,112	362,112

a) Foreign exchange risk
Because the Company is supplied with raw and secondary materials mainly from Member States of the European Union it is not exposed to foreign exchange risk.

f) Other operating risks
The Company's Management has established a reliable internal audit system for identifying any malfunctions and exemptions in the framework of its commercial operations. Insurance coverage of property and other risks are sufficient.

9. OTHER IFORMATION

1. LOULIS MILLS S.A. Shares

The shares of LOULIS MILLS S.A. are common and listed in the Athens Exchange, under the code LOULI.

The Extraordinary General Meeting of the Company's shareholders that was held on 16.12.2004, decided, among other issues, to reduce its share capital by € 64.896, by decreasing the total number of shares from 16,724,232 to 16,622, 832 common registered shares, due to cancellation of treasury shares, in accordance with Article 16 of Codified Law 2190/1920.

The above 101,400 shares were purchased during the period from 17-12-2001 to 28-1-2002, in execution of the decision of the Extraordinary General Meeting of 23/7/2001 of the Company's shareholders and the decision dated 7/11/2001 of its BoD.

Following the above reduction, the company's share capital amounts to Euro 10,638,612.48, divided into 16,622,832 common registered shares of a par value of € 0.64 each.

In accordance with the decision of the Extraordinary General Meeting of 18/9/2008, the Company during the period of 18/9/2008-30/09/2010 purchased 1,400,556 treasury shares, of a total value of € 2,810,614. The total number of treasury shares held by the Company on 30/09/2010 with the above total value, reduced the Company's and the Group's equity.

The Extraordinary General Meeting of its shareholders on 2 January 2009 decided to increase the Company's share capital by € 8,311,416 with capitalization of the share premium reserves. The above share capital increase took place with an increase of the par value of the share by € 0.50 each, i..e from € 0.64 to € 1.14 each. An equivalent reduction of the Company's share capital followed, by € 8,311,416 (eight million three hundred and eleven thousand four hundred and sixteen euros) which took place with a decrease of the par value of the share by € 0.50 each, i..e from € 1.14 to € 0.64 each, and an equivalent distribution of cash to the shareholders of € 8,311,416 (eight million three hundred and eleven thousand four hundred and sixteen euros), i.e. an amount of € 0.50 per share. Following the above decisions of the General Meeting, the company's share capital now amounts to € 10,638,612, divided into 16,622,832 common registered shares of a par value of € 0.64 each. The Board of Directors of ATHEX, in its meeting of 29 January 2009, was informed of the equivalent increase and decrease of the par value of the Company's shares, with return of capital and payment of cash to shareholders, of € 0.50 per share. The date of commencement of the payment of return of capital was the 12th of February 2009, and it took place through PIRAEUS BANK.

The Ordinary General Meeting of Shareholders, on 25 May 2010, decided among other things, to distribute dividend for 2009, which increased by the dividend corresponding to the Treasury Shares held by the Company, amounted to € 0.070046 per share. From the above amount, pursuant to Law 3697/2008 the tax corresponding to the dividend, equal to 10%, shall be withheld and, therefore, the total amount of dividend per share to be paid amounted to € 0.063041. Entitled to collect this dividend are shareholders registered in the Company's Dematerialized Securities System on Thursday, 3 June 2010 (record date). The ex-dividend date was Tuesday, 1 June 2010. The payment of dividend for year 2009, started on Thursday, 9 June 2010, through Alpha Bank.

Moreover, the Annual Ordinary General Meeting, on 25 May 2010, unanimously approved the increase of the Company's share capital, by € 1,994,739.84, with increase of the par value of each share by € 0.12 with capitalization of part of the Share Premium, as well as an equivalent reduction of the Share Capital, i.e. by € 1,994,739.84, with decrease by € 0.12 of the par value of each share, with the purpose of returning capital in cash to the shareholders.

The Ordinary General Meeting of shareholders of 20 June 2011, unanimously approved, with 11,830,895 votes, i.e. with 77.7% the increase of the Company's share capital by € 3,324,566.40, with increase of the par value of each share by € 0.20, with capitalization of the share premium and an equivalent reduction of the Company's share capital was unanimously approved, by € 3,324,566.40, with decrease of the par value of each share by € 0.20, with the purpose of returning capital in cash to the shareholders. Moreover, with 11,830,895 votes, i.e. 77.7%, it was decided to cancel the 1,400,556 treasury shares of the Company, in accordance with Article 16(6) of Codified Law 2190/1920, and to correspondingly reduce the Company's share capital.

After the above reduction the company's share capital amounts to € 9,742,256.64, divided into 15,222,276 common registered shares of par value € 0.64 each.

The Ordinary General Meeting of Shareholders of 28/06/2013 decided on the increase of the Company's share capital by €1,217,783.04 with payment of cash, through the issue of 1,902,786 new ordinary registered dematerialized shares of the Company with voting right, with a par value of € 0.64 each, with cancellation of the pre-emptive right of the old shareholders in favour of the new shareholder/strategic investor Al Dahra Agriculture Spain S.L. The selling price of the new shares is € 4.0875753 per share. Following the above increase, the company's share capital amounts to Euro 10,960,039.68, divided into 17,125,062 common, dematerialized, registered shares of a par value of € 0.64 each. The total revenues of the issue were € 7,777,781.05. The difference between each share's issue price and the par value, of a total amount of € 6,559,998.01, pursuant to the law and the Company's Articles, was credited to the special "share premium account".

2. Main currency rates of Balance Sheet & Profit and Loss

Balance Sheet	31/12/2013	31/12/2012	31/12/2013 vs 31/12/2012
1 euro = Leva	1.9558	1.9558	-

Profit & Loss	Average 2013	Average 2012	Average 2013 vs Average 2012
1 euro = Leva	1.9558	1.9558	-

3. Significant changes to the annual consolidated figures of the Balance Sheet and Profit and Loss

The most important changes appearing in the balance sheet and the profit & loss account of the year ended on 31.12.2013, are the following:

Investments in fixed assets in 2013 amount for the Group and the Company at € 858,000.

The audit of the unaudited fiscal year 2010 was completed. The taxes, plus the certified taxes, were € 342,000 and the surcharges € 94,000. For this year, the company has formed a provision of € 500,000. The results of the tax audit encumbered the results of 2013.

As of 1 October 2012, LOULIS INTERNATIONAL FOODS ENTERPRISES Ltd, a 100% subsidiary of LOULIS MILLS S.A., discontinued all operations and is under a liquidation process, in accordance with the Laws of Cyprus. The Company is not therefore consolidated for 2013 in the comparable period it is presented in accordance with IFRS 5 (Discontinued Operations).

On 8 February 2013, the discontinuation of the operation and the liquidation of LOULIS MEL BULGARIA E.A.D. was decided upon, which was not, in the sense of para. 32 of IFRS 5, a signification operation of the Group, and it is not therefore presented as a discontinued operation.

On 21 May 2013, AL DAHRA AGRICULTURE SPAIN S.L. acquired 1,522,228 shares of the Company, i.e. 10% of the share capital.
The Ordinary General Meeting of Shareholders of 28/06/2013 decided on the increase of the Company's share capital by €1,217,783.04 with payment of cash, through the issue of 1,902,786 new ordinary registered dematerialized shares of the Company with voting right, of a par value of € 0.64 each, with cancellation of the pre-emptive right of the old shareholders in favour of the new shareholder/strategic investor Al Dahra Agriculture Spain S.L. Sociedad Unipersonal. The selling price of the new shares is € 4.0875753 per share. Following the above increase, the company's share capital amounts to Euro 10,960,039.68, divided into 17,125,062 common, dematerialized, registered shares of a par value of € 0.64 each. The total revenues of the issue were € 7,777,781.05. The difference between each share's issue price and the par value, of a total amount of € 6,559,998.01, pursuant to the law and the Company's Articles, was credited to the special "share premium account". Therefore Al Dahra Agriculture Spain S.L. Sociedad Unipersonal now holds 20% of the Company's share capital.

On 14 October 2013, the Company's Board of Directors certified the payment of cash for covering the Share Capital Increase. Therefore, in implementation of par. 21 of IAS 33, the profits per share of the current period have not been affected by this Increase.

On 05.11.2013 ATHEX approved the listing of 1,902,786 new, common, dematerialized, registered shares with voting right, which emerged from the above share capital increase.

As of 08.11.2013, the Company's 1,902,786 new shares are negotiated in ATHEX.

The increase by € 3.2 million of the Company's Income Tax, is mainly due to the increase of deferred taxation by € 2.3 m., in accordance with Law 4110/2013, which increased the tax rate from year 2014 (fiscal year 2013) and onwards to 26% from 20%. Due to the fact that this increase was not a corrective event, in accordance with IAS 10, par. 22, the Company on 31.12.2012, calculated the deferred tax with a tax rate of 20% in accordance with IAS 12, par. 47. At the same time, the foregoing increase of the Income Tax, is due to the accounting treatment of € 0.9 m in taxes, to be paid the coming year, and pertain to taxation of "Untaxed Reserves" on the basis of Law 4172/2013.

In "Trade Payables" there is a decrease of 39%, which is mainly due to the decrease of the purchases of raw materials due to the change in the Company's policy, regarding the levels of inventories it wishes to keep.

In "Liabilities from taxes", the increase by € 1.7 m is mainly due to the accounting treatment of the certified taxes by the audit of fiscal year 2010, and the liability from the taxation of "Untaxed Reserves".

The change in "Other Expenses" by € 600,000 is due to the fact that in June of 2013, a loss was finalized from the failure to collect a debt of 872,000. A corresponding amount was entered in the Company's revenues from the use of a provision formed during the previous years. This loss therefore did not affect the results of the current period.

The increase by € 1.4 m in "Other Current Assets" of the Company is due to down payment for the purchase of fixed assets.

With Article 72 of Law 4172/2013, undistributed or capitalized untaxed reserves of the legal entities, as they were presented in the last balance sheet that closed before 1.1.2014, and which arise from untaxed profits of Law 2238/1994, in case of distribution or capitalization up to 31.12.2013, are independently taxed with a 15% rate, exhausting the tax obligation of the legal entity and its shareholders. As of 1.1.2014 and onwards, the above reserves must be offset at the end of each tax year, with losses from any reason during the past 5 years, until their exhaustion.

In case of their distribution or capitalization, they are subject to independent taxation with a 19% rate. As of 1.1.2015, special untaxed reserve accounts are not allowed.

The Company has examined the impact from the implementation of Article 72 of Law 4172/2013 and based on the untaxed reserves of the Company, a tax liability of € 0.9 m was entered in the financial statements of 31.12.2013, for the tax that must be paid for fiscal year 2014, with the distribution or capitalization of the reserves.

4. Note related to future events

The annual financial statements and the accompanying notes and reports might contain certain assumptions and calculations pertaining to future events in relation to the Company’s operations, growth and financial performance.

Despite the fact that such assumptions and calculations are based on the best possible knowledge of the Company's and the Group's management with regard to current conditions and actions, the actual results may eventually differ from calculations and assumptions taken into consideration in the preparation of the Company's and the Group's annual financial statements.

The Company and the Group are not responsible or obligated to change the reports or assumptions related to future events as a result of new information regarding these future events or another reason.

INFORMATION Article 10 LAW 3401/2005

The following Announcements/Notices have been sent also to the daily Official List posted on the ATHEX website, as well as the Company’s website www.loulismills.gr.

03.12.13 Announcement of regulated information under Law 3556/2007 - Evaggelia Louli

27.11.13 Announcement of publication of Interim Financial Statements for the period 1.1.2013-30.9.2013

11.11.13 Change to composition of the BoD

11.11.13 Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – H.E. KHADIM ABDULLAH SAEED DERHI

11.11.13 Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – Al Dahra

11.11.13 Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – GOODMILLS GROUP GMBH

11.11.13 Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – Nikolaos Loulis

08.11.13 Announcement of the amount of the Share Capital

6.11.13 Share capital increase by payment in cash with private placement

04.11.13 Announcement of availability of Approved Prospectus

01.11.13 Announcement of regulated information under Law 3556/2007- Olga Manou

29.08.13 Announcement of publication of Interim Financial Statements of H1 2013

28.06.13 Resolutions of Annual General Meeting of 28 June 2013

29.05.13 Announcement of publication of Interim Financial Statements of Q1 2013

23.05.13 Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – H.E. KHADIM ABDULLAH SAEED DERHI

23.05.13 Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – Al Dahra Holding LLC

22.05.13 Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – Evaggelia Louli

22.05.13 Announcement of regulated information under Law 3556/2007

21.05.13 STRATEGIC ALLIANCE LOULIS MILLS – AL DAHRA

17.05.13 Announcement of results of Tax Audit

15.05.13 Announcement of regulated information under Law 3556/2007 -Nikolaos Loulis, Olga Manou

15.05.13 15.05.13 - Notification of significant changes to the voting rights arising from shares in accordance with Law 3556/2007 – Nikolaos Loulis, Olga Manou

28.03.13 Announcement of publication of Financial Statements of 2012

27.03.13 Replies to questions of the Capital Market Commission

27.03.13 Economic Calendar of Year 2013

06.03.13 Announcement of results of Tax Audit

The Annual Financial Statements of the Group and the Company, from page 5 to page 79, were approved by the Board of Directors on 26/03/2014.

The Chairman of the Board of Directors	The Vice-Chairman of the Board of Directors & Managing Director
Nikolaos K. Loulis	Nikolaos S. Fotopoulos

The Accounting Manager

Ioannis G. Louloudakis

LOULIS MILLS S.A.

GEMI Number 50675444000 (former SA Reg. No. 10344/06/B/86/131)

Registered Office: Municipality of Almyros, Municipal District of Sourpi, Magnisia Prefecture (Port Loulis)

REPORT OF DISTRIBUTION OF FUNDS RAISED FROM THE SHARE CAPITAL INCREASE

It is hereby notified, in accordance with Article 4.1.2 of the regulations of ATHEX, as well as decisions 25/17.7.2008 of the BoD of ATHEX and 7/448/11.10.2007 of the BoD of the Capital Market Commission, that the Company's share capital increased with the issue of 1,902,786 new common registered dematerialised shares, of a par value of 0.64 euro each, and funds were drawn, amounting to € 7,777,781.05. The share capital increase was decided by the Ordinary General Meeting of the Company's shareholders on 28.06.2013. The expenses, amounting to € 47.22 thousand, were covered by the increase amount, and therefore the total amount from the Share Capital increase was allocated as follows:

(Amounts in EUR)

Sector of Drawn Funds Use	Category of Drawn Funds Use	Total Drawn Funds	% of total	Implementation Time Schedule upon to 23.12.2013	Allocated Funds on 31.12.2013	Unused Balance 31.12.2013
Coverage of own participation in Development Law 3299/2004.	Coverage of own participation in Development Law 3299/2004.	754,000.00	9.69%	754,000.00	754,000.00	0.00
Coverage of Short-term Liabilities	Coverage of Short-term Liabilities	500,000.00	6.43%	500,000.00	500,000.00	0.00
Repayment of Raw Material Suppliers	Repayment of Raw Material Suppliers	6,476,563.21	83.27%	6,476,563.21	6,476,563.21	0.00
Issue Expenses	Issue Expenses	47,217.84	0.61%	47,217.84	47,217.84	0.00

Other information

a. Date of listing of new shares in ATHEX: 8 November 2013

b. Date of certification of payment of the increase: 14 October 2013

Sourpi, 27 March 2014

THE CHAIRMAN OF THE BOD	THE VICE-CHAIRMAN & MANAG. DIRECTOR	THE ACCOUNTING MANAGER
NIKOLAOS LOULIS	NIKOLAOS FOTOPOULOS	IOANNIS LOULOUDAKIS
AH 778710	P 585864	Σ 501090

REPORT OF FINDINGS
FROM THE CONDUCT OF PRE-AGREED PROCEDURES
ON THE "RAISED FUNDS DISTRIBUTION REPORT"

To the Board of Directors of LOULIS MILLS S.A.

According to the order we have received from the BoD of LOULIS MILLS S.A., we conducted the following agreed upon procedures within the regulatory framework of the Athens Stock Exchange, as well as the legislative framework of the Capital Market, with regard to the Raised Funds Distribution Report which concerns the share capital increase of LOULIS MILS S.A. effected In 2013.

Responsibility for the preparation of the aforementioned Report lies with the Company's Management.

We undertook this project in accordance with the International Standard on Related Services 4400, which applies to "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information". Our responsibility is to perform the following agreed-upon procedures and report our findings to you.

Procedures:

1. We compared the amounts indicated as disposed funds in the attached "Raised Funds Distribution Report" from the share capital increase of LOULIS MILLS S.A., to the respective amounts recognized in the Company's books and records for the period to which they refer.

2. We have checked the Table for completeness and consistency of its contents with the contents of the Prospectus that has been issued by the Company to that respect, as well as with the respective decisions and announcements of the Company's competent bodies.

Findings:
a. The per category of use/investment amounts indicated as disposed funds in the attached "Raised Funds Distribution Report" from the share capital increase of LOULIS MILLS S.A., arise by the Company's books and records for the period to which they refer.
b. The Table contains the minimum information required for that purpose under the regulatory framework of the Athens Exchange and the respective legislative framework of the Capital Market and it is consistent with the information in the Prospectus and the respective decisions and announcements of the Company's competent bodies.

Given that the above procedures do not constitute either an audit or a review pursuant to International Auditing Standards or International Standards on Review Engagements, we do not provide any assurances beyond those indicated above. Had we effected additional procedures or performed an audit or a review, we might have been made aware of other matters, apart from those mentioned in the previous paragraph.

This present report is addressed solely to the Board of Directors of LOULIS MILLS S.A. as part of their responsibilities to comply with the regulatory framework of the Athens Stock Exchange and the legal framework of the Capital Market. Hence, this Report may not be used for any other purposes since it is confined only to the aforementioned data and is not extended to the financial statements drawn up by the company for the period from January the 01.01 - 31.12.2013, for which we issued a separate Review Report on 27 March 2014.

Athens, 27 March 2014
Certified Public Accountant - Auditor

Antonios I. Anastasopoulos

INTERNATIONAL CERTIFIED AND REGISTERED AUDITORS S.A.

81 Patission St. & Heyden St. 10434 Athens
SOEL Reg. No. 111

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