



**KRI-KRI MILK INDUSTRY S.A.**  
**Reg. No.: 30276/06/B/93/12**  
**General Commercial Registry No.: 113772252000**

**INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD**  
**1.1.2013 – 30.6.2013**

**IN ACCORDANCE WITH ARTICLE 5 OF CODIFIED GREEK LAW 3556/2007**

**(TRANSLATION FROM THE GREEK ORIGINAL)**

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**DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS**  
**(in accordance with article 4 (2) of Law 3556/2007)**

Hereby we declare, that to the best of our knowledge:

The Interim Consolidated Financial Statements for the period ended 30 June 2013, which were drawn up in accordance with IFRS, give a true and fair view of the assets, liabilities, shareholder's equity and the financial results of "KRI-KRI Milk Industry S.A." and its consolidated subsidiaries taken as a whole, in accordance with §3-5 of article 5 of Law 3556/2007.

The Report of the Board of Directors for the period ended 30 June 2013 depicts in a true and fair manner the information that is required according to §6 of article 5 of Law 3556/2007.

Serres, 20 August 2013

Confirmed by

Chairman  
& Managing Director

Vice-Chairman

Member of the B.o.D.

Panagiotis Tsinavos  
ID AE373539

Georgios Kotsambasis  
ID AE376847

Konstantinos Sarmadakis  
ID P462316

**KRI KRI MILK INDUSTRY S.A.**  
**REPORT OF THE BOARD OF DIRECTORS**

**FOR THE PERIOD OF 1 JANUARY 2013 UNTIL 30 JUNE 2013**

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Dear shareholders,

the present report aims to provide a concise description of the financial information of the Group and the parent Company "KRI-KRI MILK INDUSTRY S.A." for the first half of the fiscal year, the major events that took place during the period under examination and their impact on the interim consolidated financial statements, the main risks and uncertainties to which the Group and the parent Company may be exposed to in the second half of the fiscal year and the transactions concluded between the Group and related parties.

**GENERAL INFORMATION**

KRI-KRI MILK INDUSTRY S.A. operates in the dairy industry. Our main business activities is the production of ice-cream and yogurt. Our distribution network is panhellenic and comprises of super market chains and small points of sale. We export our products to more than 10 countries abroad. The headquarters and the production facilities are located in Serres, Northern Greece and a secondary distribution centre is located in Aspropirgos region of Attica, Greece.

The group also includes a 60% subsidiary company based on Erbil, Iraq, which aims to operate a yogurt production plant and target the Middle East markets.

**I. PERFORMANCE AND FINANCIAL POSITION**

**SALES**

Group sales amounted €35,384k on the first half 2013, against €31,338k on the first half 2012 (a rise of +12.9%). In comparative measures (excluding KRI-KRI DOO KUMANOVO, which was included in the consolidated statements of the comparative period 1.1-30.6.2012, and it is not included in the current's period consolidated statements, since the whole participation of the company on KRIKRI DOO KUMANOVO was sold) the rise on sales is +15.6%.

Ice-cream sales present a marginal reduction of 0.7% and reached €14,457k against €14,557k in the previous comparative period. Yogurt sales present a rise of +23.4% and reached €20,591k against €16,685k in the previous comparative period, showing high growth at all markets. Finally, exports reached 16.2% of total turnover, presenting a rise of 10.2%.

**PROFITABILITY**

Group's profit before tax amounted €4,774k on the first half 2013, against €4,782k on the first half 2012 (a marginal reduction of -0.2%), whereas group's net profit after tax attributable to parent's shareholders reached €4,177k, against €4,154k on the first half 2012.

Respectively, EBITDA amounted €5,895k against €6,067k on the previous comparative period (a drop of -2.8%).

As far as the parent company is concerned, profit before tax reached €4,781k, against €4,645k on the previous comparative period (a rise of +2.9%).

Profitability measures were negatively affected by the rise in the prices of raw materials, that appeared especially during the second quarter of the fiscal year and led to a reduction of the yogurt's gross margin by 2.5 points, and also by increased promotional and advertising costs.

## LOANS

We seek to maintain low gearing. In order to finance our previous investment projects, we have entered into two long-term non-convertible bonds. As of 30.6.2013, the outstanding balance of the loans amounts €2,573k, thus having a net cash position.

## **II. SIGNIFICANT EVENTS OF THE FIRST HALF OF THE FISCAL YEAR**

### MARKET POSITION

In the ice-cream sector, where sales present a marginal reduction of 0.7%, we actively promoted the expansion of our sales network in Greece, while reconstructed our sales network in FYROM and Bulgaria. In addition, we continued the brand building of our main ice-cream brands through advertising and by promoting the “made in Greece” feature of our ice-creams, in order to address the recent turn of Greek consumers to Greek-made products.

In the yogurt sector, due to bad economic conditions, we maintain our competitive pricing strategy. Besides, we aggressively promoted the exclusive use of 100% Greek milk, coming from the local region of Serres, which is a distinctive feature of our products. Furthermore, consistent to our export-oriented strategy, we emphasize on strengthening our presence on Western Europe’s markets. A recent example is the entry to UK’s Greek yogurt market, by launching a trade agreement with Waitrose, a British supermarket chain. As a result, yogurt sales increased by 23.4% year on year.

### INVESTMENTS

As far as our investing activity is concerned, the state subsidized investing plan for ice-cream is complete by more than 50% of its total budget. On its full completion, the company will receive €3,388k subsidy, that is 40% of the total investment.

Besides, the rising market shares in the yogurt market of Greece, combined with the increasing demand for Greek yogurt from abroad, led KRI-KRI’s management to revise company’s investment plan for yogurt. The revised plan of €8m aims to further increase yogurt’s production capacity, by the summer of 2014.

### DIVIDEND – CAPITAL RETURN

For the fiscal year 2012, the Board of Directors decided to propose to the General Meeting not to distribute dividend. The Board proposal was accepted by the Annual General Meeting of 18.6.2013.

Furthermore, the Annual General Meeting of 18.6.2013 decided a share capital reduction, by reducing the nominal value of each share, and cash payment in the form of special dividend. The total amount of the capital reduction amounted €1,983,908.16 or €0.06 per share. The capital reduction intends to compensate for the non-payment of dividend.

## **III. MAJOR RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF THE FISCAL YEAR**

### SUPPLIERS – INVENTORY

Inventory management seeks to address meeting customers’ orders for ready products and production demand for raw materials, without excessive liquidity reservation. The company is exposed to risk of revenue loss, in cases of sudden changes in prices of raw materials, due to its difficulty of direct pass of the increased costs to selling prices. Finally, the company does not have any significant dependence on certain suppliers as no purchases from any supplier are more than 10% of total purchases.

#### CUSTOMERS - CREDIT

Company's customers base is widely dispersed and as a result there are no substantial risks of dependence to certain customers group. However, the rise on the yogurt sales in the domestic market, increases the credit risk exposure to the major domestic super market chains. Regarding the domestic market, the company applies strict credit policy and, also, holds personal guarantees from its main distributors. Respectively, all exporting activity is credit insured.

#### LOANS – INTEREST RATES

As far as finance is concerned, the company works with all major Greek banks. Its approved credit lines are adequate and the pricing reflects its sound financial position. It is our policy to maintain our loans in local currency (€) with variable interest rate. Such a policy bears the risk of cash outflows in times of rising interest rates.

#### PERSONNEL

The management team consists of experienced and highly capable people, who have deep knowledge of the business and the market conditions. Cooperation in work groups is harmonious and the company lacks of any labour-related pending issues. A potential disruption in the good working climate or in the relations of working staff with top management may disrupt the smoothness of company's operations. Finally, replacement of leaving employees is not expected to have a significant impact on company's operations and there is, also, provision for the succession of key executives.

#### IV. RELATED PARTY TRANSACTIONS

During the first half of the 2013 fiscal year there were no related party transactions and there are no outstanding receivables or payables balances with related parties as of 30.6.2013.

##### *Compensation of key management personnel*

	<u>Group</u>		<u>Company</u>	
	<u>1.1-30.6.2013</u>	<u>1.1-30.6.2012</u>	<u>1.1-30.6.2013</u>	<u>1.1-30.6.2012</u>
BoD members remuneration	141,000	129,000	141,000	129,000
BoD members' salaries	143,506	143,557	143,506	116,481
<b>Total</b>	<b>284,506</b>	<b>272,557</b>	<b>284,506</b>	<b>245,481</b>

##### *Other transactions with key management personnel*

	<u>30.6.2013</u>	
	<u>Group</u>	<u>Company</u>
Transactions with key management personnel	10,025	10,025
Receivables from key management personnel	0	0
Payables to key management personnel	83,585	83,585

Serres, 20 August 2013

## **REVIEW REPORT ON INTERIM FINANCIAL INFORMATION**

### **To the Shareholders of the Company “KRI – KRI MILK INDUSTRY AE”**

#### **Introduction**

We have reviewed the accompanying separate and consolidated statement of financial position of the Company “KRI – KRI MILK INDUSTRY AE” as at 30 June 2013 and the relative separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the explanatory notes, that constitute the interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the company “KRI – KRI MILK INDUSTRY AE” and of its subsidiary as at 30 June 2013 and their financial performance and their cash flows for the

period then ended in accordance with International Financial Reporting Standards, adopted by the European Union.

### **Report on Other Legal and Regulatory Requirements**

Our review did not identify any inconsistency or mismatching of the other data of the provided by the article 5 of L. 3556/2007 six-month financial report with the accompanying interim financial information.

Athens, 23 August 2013

STYLIANOS M. XENAKIS

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 11541



Associated Certified Public Accountants s.a.  
member of Crowe Horwath International  
3, Fok. Negri Street – 112 57 Athens, Greece  
Institute of CPA (SOEL) Reg. No. 125





**KRI KRI MILK INDUSTRY S.A.**  
**Figures and information for the period of 1 January 2013 until 30 June 2013**

The figures and information given below aim to offer summary information about the financial position of KRI KRI MILK INDUSTRY S.A. The reader, who intends to have a complete insight of the company's financial position and results, should access the annual financial statements prepared according to International Financial Reporting Standards, as well as the audit reports of the certified auditors, wherever it is required. Indicatively, the reader can visit the company's web site ([www.krikri.gr](http://www.krikri.gr)), where the above statements are presented.

Head office: 3rd Km Serres-Drama, Serres 62125  
Company's registration number: 30276/06/β/93/12  
Date of approval of financial statements: 20/8/2013  
Company's web site: [www.krikri.gr](http://www.krikri.gr)

Certified Auditor: Stylianos M. Xenakis (reg no 11541)  
Auditing firm: SOL S.A. (reg no 125)  
Type of review report: Unqualified

STATEMENT OF FINANCIAL POSITION (Amounts in €)				STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)				
ASSETS		COMPANY		GROUP		GROUP		
	30/6/2013	31/12/2012	30/6/2013	31/12/2012	1/1-30/6/2013	1/1-30/6/2012	1/4-30/6/2013	1/4-30/6/2012
<b>Fixed assets</b>								
Property, plant and equipment	20.133.345	18.567.316	20.131.761	18.565.529	36.384.208	31.338.573	23.796.838	21.622.798
Investment properties	122.768	124.112	122.768	124.112	13.198.508	12.509.504	9.387.941	9.157.968
Intangible assets	66.093	78.331	66.093	78.331	4.743.273	4.742.400	4.378.418	4.813.360
Investment in subsidiaries	0	0	4.260	4.260	4.774.152	4.781.860	4.377.372	4.639.573
Investment in associates	0	0	0	0	4.174.438	4.121.675	3.943.158	3.960.965
Other long-term assets	69.378	70.360	69.378	70.360				
<b>TOTAL FIXED ASSETS</b>	<b>20.391.584</b>	<b>18.840.118</b>	<b>20.394.260</b>	<b>18.842.585</b>				
<b>Current assets</b>								
Inventories	9.577.603	5.803.612	9.577.603	5.803.612	4.177.273	4.153.871	3.943.175	3.953.438
Trade accounts receivable	29.334.133	16.598.006	29.334.133	16.598.006	(2.835)	(32.195)	(17)	7.526
Cash and cash equivalents	3.243.383	7.353.467	3.241.783	7.351.849	4.174.438	4.121.875	3.943.168	3.960.965
<b>TOTAL CURRENT ASSETS</b>	<b>42.155.119</b>	<b>29.755.086</b>	<b>42.163.519</b>	<b>29.753.467</b>		41	3	(350)
<b>TOTAL ASSETS</b>	<b>62.546.703</b>	<b>48.595.204</b>	<b>62.547.779</b>	<b>48.596.053</b>				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
<b>Liabilities</b>								
<b>Long-term liabilities</b>								
Loans	1.502.168	1.988.250	1.502.168	1.988.250	4.177.198	4.153.806	3.943.177	3.953.138
Provisions for pensions and similar obligations	804.891	749.607	804.891	749.607	(2.885)	(32.090)	(16)	7.476
Deferred income taxes	666.711	581.410	683.081	597.780	4.174.313	4.121.716	3.943.161	3.960.614
Other provisions	60.000	60.000	60.000	60.000				
State subsidies	4.089.398	4.460.853	4.089.398	4.460.853				
<b>Total long-term liabilities</b>	<b>7.123.168</b>	<b>7.840.120</b>	<b>7.139.538</b>	<b>7.856.490</b>				
<b>Short-term liabilities</b>								
Loans	1.070.648	963.378	1.070.648	963.378	0	0	0	0
Trade accounts payable	15.677.596	6.294.032	15.670.610	6.294.032	4.181.526	3.982.366	3.943.200	3.662.218
Tax liabilities	2.032.698	1.029.394	2.032.698	1.029.394	0	0	0	0
<b>Total short-term liabilities</b>	<b>18.780.942</b>	<b>8.286.804</b>	<b>18.773.957</b>	<b>8.286.804</b>				
<b>TOTAL LIABILITIES</b>	<b>26.904.110</b>	<b>16.126.924</b>	<b>26.913.495</b>	<b>16.143.294</b>				
Share capital	10.911.495	10.911.495	10.911.495	10.911.495	4.181.526	3.982.366	3.943.200	3.662.218
Legal reserves	14.103.675	11.810.054	14.103.675	11.810.054	4.181.526	3.982.366	3.943.200	3.662.218
Retained earnings	11.628.943	9.745.366	11.619.114	9.731.209	0	0	0	0
<b>Equity excluding minority interest</b>	<b>36.642.592</b>	<b>32.466.915</b>	<b>36.634.284</b>	<b>32.452.758</b>				
Minority interest	(1.521)	1.365	0	0	0	0	0	0
<b>Equity including minority interest</b>	<b>36.642.592</b>	<b>32.468.280</b>	<b>36.634.284</b>	<b>32.452.758</b>				
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>62.546.703</b>	<b>48.595.204</b>	<b>62.547.779</b>	<b>48.596.053</b>				

STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)				
SALES		COMPANY		
	1/1-30/6/2013	1/1-30/6/2012	1/4-30/6/2013	1/4-30/6/2012
<b>Sales</b>	36.384.208	31.338.573	23.796.838	21.622.798
<b>Gross profit on sales</b>	13.198.508	12.509.504	9.387.941	9.157.968
<b>Earnings before taxes, financial and investment income</b>	4.743.273	4.742.400	4.378.418	4.813.360
<b>Earnings before taxes</b>	4.774.152	4.781.860	4.377.372	4.639.573
<b>Net earnings for the period (A)</b>	4.174.438	4.121.675	3.943.158	3.960.965
<b>Attributable to:</b>				
Shareholders	4.177.273	4.153.871	3.943.175	3.953.438
Minority interest	(2.835)	(32.195)	(17)	7.526
<b>Total</b>	<b>4.174.438</b>	<b>4.121.875</b>	<b>3.943.168</b>	<b>3.960.965</b>
<b>Other comprehensive income after tax (B)</b>				
<b>Total comprehensive income after tax (A+B)</b>	<b>4.174.313</b>	<b>4.121.716</b>	<b>3.943.161</b>	<b>3.960.614</b>
<b>Attributable to:</b>				
Shareholders	4.177.198	4.153.806	3.943.177	3.953.138
Minority interest	(2.885)	(32.090)	(16)	7.476
<b>Total</b>	<b>4.174.313</b>	<b>4.121.716</b>	<b>3.943.161</b>	<b>3.960.614</b>
<b>Net profit per share - basic (in €)</b>	<b>0,1263</b>	<b>0,1256</b>	<b>0,1193</b>	<b>0,1196</b>
<b>Earnings before taxes, financial and investment income and depreciation</b>	<b>5.895.216</b>	<b>6.067.243</b>	<b>4.972.870</b>	<b>5.290.870</b>

STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)				
SALES		COMPANY		
	1/1-30/6/2013	1/1-30/6/2012	1/4-30/6/2013	1/4-30/6/2012
<b>Sales</b>	36.384.208	30.605.750	23.796.838	21.176.629
<b>Gross profit on sales</b>	13.198.508	12.224.989	9.387.941	8.939.547
<b>Earnings before taxes, financial and investment income</b>	4.750.361	4.859.616	4.378.460	4.579.470
<b>Earnings before taxes</b>	4.781.241	4.644.723	4.377.415	4.340.084
<b>Net earnings for the period (A)</b>	4.181.526	3.982.366	3.943.200	3.662.218
<b>Attributable to:</b>				
Shareholders	4.181.526	3.982.366	3.943.200	3.662.218
Minority interest	0	0	0	0
<b>Total</b>	<b>4.181.526</b>	<b>3.982.366</b>	<b>3.943.200</b>	<b>3.662.218</b>
<b>Other comprehensive income after tax (B)</b>				
<b>Total comprehensive income after tax (A+B)</b>	<b>4.181.526</b>	<b>3.982.366</b>	<b>3.943.200</b>	<b>3.662.218</b>
<b>Attributable to:</b>				
Shareholders	4.181.526	3.982.366	3.943.200	3.662.218
Minority interest	0	0	0	0
<b>Total</b>	<b>4.181.526</b>	<b>3.982.366</b>	<b>3.943.200</b>	<b>3.662.218</b>
<b>Net profit per share - basic (in €)</b>	<b>0,1265</b>	<b>0,1204</b>	<b>0,1193</b>	<b>0,0825</b>
<b>Earnings before taxes, financial and investment income and depreciation</b>	<b>5.902.118</b>	<b>6.127.541</b>	<b>4.972.911</b>	<b>5.228.172</b>

**CASH FLOWS STATEMENT  
(Amounts in €)**

OPERATING ACTIVITIES		GROUP		COMPANY	
	1/1-30/6/2013	1/1-30/6/2012	1/1-30/6/2013	1/1-30/6/2012	
Profit before taxes	4.774.152	4.781.860	4.781.241	4.644.723	
<b>Adjustments for:</b>					
Depreciation	1.440.604	1.534.478	1.440.418	1.477.560	
Provisions	36.869	125.247	36.869	125.247	
Foreign exchange differences, net	(77)	1.863	26	1.020	
Miscellaneous items	(361.874)	(295.571)	(361.874)	(295.571)	
Investment income	(92.407)	(148.378)	(92.407)	118.140	
Interest and related expenses	5.797.268	5.998.500	5.604.273	6.070.120	
Less:	57.850	90.725	57.850	81.662	
Changes in working capital:					
Decrease / (Increase) in inventories	(3.755.576)	(2.646.249)	(3.755.576)	(2.693.357)	
Decrease / (Increase) in receivables	(12.174.175)	(10.181.782)	(12.174.175)	(10.917.789)	
(Decrease) / Increase in payables (except banks)	8.239.054	5.694.236	8.232.068	8.317.702	
Less:					
Interest and related expenses paid	(55.579)	(91.048)	(55.579)	(81.869)	
Taxes paid	(9.121)	(39.556)	(9.121)	(39.556)	
<b>Cash flow from operating activities (a)</b>	<b>(1.900.279)</b>	<b>(1.175.152)</b>	<b>(1.900.280)</b>	<b>(1.263.087)</b>	
<b>INVESTING ACTIVITIES</b>					
Purchase of tangible and intangible assets	(1.939.192)	(457.677)	(1.939.192)	(457.677)	
Proceeds from sales of intangibles and property, plant and equipment	21.740	(704)	21.740	34.525	
Interest received	88.729	138.583	88.729	138.469	
<b>Cash flow from investing activities (b)</b>	<b>(1.828.723)</b>	<b>(319.799)</b>	<b>(1.828.723)</b>	<b>(284.684)</b>	
<b>FINANCING ACTIVITIES</b>					
Repayments of loans	(381.082)	(631.082)	(381.082)	(591.082)	
<b>Cash flow from financing activities (c)</b>	<b>(381.082)</b>	<b>(631.082)</b>	<b>(381.082)</b>	<b>(591.082)</b>	
<b>Change in cash and equivalents (a+b+c)</b>	<b>(4.110.084)</b>	<b>(2.128.033)</b>	<b>(4.110.066)</b>	<b>(2.138.853)</b>	
<b>Cash and equivalents at beginning of period</b>	<b>7.353.467</b>	<b>6.143.636</b>	<b>7.351.849</b>	<b>6.130.500</b>	
<b>Cash and equivalents at end of period</b>	<b>3.243.383</b>	<b>4.017.604</b>	<b>3.241.783</b>	<b>3.991.197</b>	

**ADDITIONAL DATA AND INFORMATION**

1. The companies that are included in the consolidated financial statements and their respective location and percentage of ownership are:

COMPANY NAME	COUNTRY	% OF SHARE
KRI KRI DLBA MIDDLE EAST (full consolidation)	Iraq	60,00%
KRI KRI BULGARIA A.D (equity method)	Bulgaria	49,25%

The companies of KRI-KRI Group, their respective locations, the percentage of group participation in their share capital and their consolidation method are comprehensively presented in note 12 of the group interim financial statements. KRI-KRI DOO KUMANOVO, which was included in the consolidated statements of the comparative period 1/1-30/6/2012, it is not included in the current's period consolidated statements, since the whole participation of the company on KRI-KRI DOO KUMANOVO was sold. On February 2013, the associate company KRKRI BULGARIA A.D., where KRKRI holds a 49,25% participation, was sold on liquidation state.

2. Tax audit have not been conducted for KRI KRI S.A for the fiscal years 2009-2010.

3. There are no pending judicial cases or court decisions which may have material impact on group's financial operations.

4. There are no pledges on fixed assets.

5. Number of personnel on 30/6/2013, Company and also Group: 291 and on 30/6/2012, Company: 261, Group: 305

6. The amounts of the Company's sales and purchases, towards and from affiliated companies (according to IAS 24) cumulatively from the beginning of the period and the balance of the Company's receivables and liabilities with its affiliated companies (according to IAS 24) at the end of the current period are:

	GROUP	COMPANY
	30/6/2013	30/6/2013
a) Sales of goods and services	0	0
b) Purchases of goods and services	0	0
c) Receivables from related parties	0	0
d) Liabilities to related parties	0	0
e) Key management compensations	294.531	294.531
f) Receivables from key management	0	0
g) Payables to key management	83.585	83.585

7. The group and the parent company provisions are analyzed below:

	GROUP	COMPANY
	30/6/2013	30/6/2013
Provisions for litigation matters	0	0
Provisions for unaudited tax years	60.000	60.000
Other provisions	3.518.434	3.518.434

The amount of other provisions is for doubtful debts, employee benefits and destruction of non-saleable inventory.

8. "Other comprehensive income after tax" on the Group Statement of Comprehensive Income as of 30/6/2013, amount €(125) refers to foreign exchange differences.

9. There are no other affiliated companies, according to IAS 24, with the group of KRI KRI.

10. The Shareholders' Annual General Meeting as of 18/6/2013 took resolutions for:

a) increase of share capital by amount € 3.637.164,96 by capitalization of reserves and issuance of 11.021.712 common shares (bonus) of nominal value € 0,33 each

b) increase of the nominal value of each share from € 0,33 to € 0,44 by reducing shares total number from 44.086.848 common shares to 33.065.136 common shares (reverse split)

c) decrease of share capital by amount € 1.983.908,16 by reducing the nominal value of shares from € 0,44 to € 0,38 and cash payment of € 0,06 per share.

Therefore, company's share capital amounts € 12.564.751,68, divided to 33.065.136 common shares of nominal value € 0,38 each.

11. There are no other important post balance sheet events that should modify the reported statements.

Series, 20 August 2013

<b>CHAIRMAN AND MANAGING DIRECTOR</b>	<b>VICE-PRESIDENT</b>	<b>FINANCIAL DIRECTOR</b>	<b>CHIEF ACCOUNTANT</b>
PANAYIOTIS TSANAVOS ID no AE376539	GEORGIOS KOTSAMPASIS ID no AE376847	KONSTANTINOS SARRADAKIS ID no P482316	EVANGELOS KARAGIANNIS ID no 121520



**KRI-KRI MILK INDUSTRY S.A.**  
**Reg. No.: 30276/06/B/93/12**  
**General Commercial Registry No.: 113772252000**

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD**  
**1.1.2013 – 30.6.2013**

**IN ACCORDANCE WITH IFRS (IAS 34)**

**KRI-KRI MILK INDUSTRY S.A.**  
**Interim Financial Statements as of 30 June 2013**  
(Amounts in €)

**Statement of comprehensive income**

	<u>Note</u>	<u>Group</u>			
		<u>1.1-30.6.2013</u>	<u>1.1-30.6.2012</u>	<u>1.4-30.6.2013</u>	<u>1.4-30.6.2012</u>
Sales		35,384,208	31,338,573	23,796,838	21,622,798
Cost of sales		<u>-22,185,702</u>	<u>-18,829,068</u>	<u>-14,408,896</u>	<u>-12,464,831</u>
<b>Gross profit</b>		<b>13,198,506</b>	<b>12,509,504</b>	<b>9,387,942</b>	<b>9,157,966</b>
Distribution expenses	18	-7,528,292	-6,744,214	-4,493,517	-4,038,095
Administration expenses	18	-1,059,058	-1,085,590	-542,236	-537,148
Other income - expenses (net)	19	<u>132,118</u>	<u>62,699</u>	<u>26,230</u>	<u>30,636</u>
<b>Profit before taxes, financial and investment income</b>		<b>4,743,273</b>	<b>4,742,400</b>	<b>4,378,418</b>	<b>4,613,360</b>
Investment income (net)	20	0	-6,884	0	-256
Financial income (net)	21	<u>30,879</u>	<u>46,344</u>	<u>-1,046</u>	<u>26,469</u>
<b>Profit before taxes</b>		<b>4,774,152</b>	<b>4,781,860</b>	<b>4,377,372</b>	<b>4,639,573</b>
Income tax	22	<u>-599,715</u>	<u>-660,185</u>	<u>-434,215</u>	<u>-678,608</u>
<b>Net profit for the period (A)</b>		<b><u>4,174,438</u></b>	<b><u>4,121,675</u></b>	<b><u>3,943,158</u></b>	<b><u>3,960,965</u></b>
<b>Attributable to:</b>					
Shareholders		4,177,273	4,153,871	3,943,175	3,953,439
Minority interest		<u>-2,835</u>	<u>-32,195</u>	<u>-17</u>	<u>7,527</u>
		<b><u>4,174,438</u></b>	<b><u>4,121,675</u></b>	<b><u>3,943,158</u></b>	<b><u>3,960,965</u></b>
<b>Other comprehensive income after tax (B)</b>		<b>-125</b>	<b>41</b>	<b>4</b>	<b>-350</b>
<b>Total comprehensive income after tax (A+B)</b>		<b><u>4,174,313</u></b>	<b><u>4,121,716</u></b>	<b><u>3,943,162</u></b>	<b><u>3,960,615</u></b>
<b>Attributable to:</b>					
Shareholders		4,177,198	4,153,806	3,943,177	3,953,138
Minority interest		<u>-2,885</u>	<u>-32,090</u>	<u>-15</u>	<u>7,476</u>
		<b><u>4,174,313</u></b>	<b><u>4,121,716</u></b>	<b><u>3,943,162</u></b>	<b><u>3,960,615</u></b>
Earnings before taxes, financial and investment income and depreciation		<u>5,895,216</u>	<u>6,067,243</u>	<u>4,972,870</u>	<u>5,290,870</u>
<b>Net profit per share</b>					
<b>-Basic (in €)</b>	23	<b><u>0.1263</u></b>	<b><u>0.1256</u></b>	<b><u>0.1193</u></b>	<b><u>0.1196</u></b>

The accompanying notes are an integral part of these financial statements.

**KRI-KRI MILK INDUSTRY S.A.**  
**Interim Financial Statements as of 30 June 2013**  
**(Amounts in €)**

**Statement of comprehensive income**

	<u>Note</u>	<u>Company</u>			
		<u>1.1-30.6.2013</u>	<u>1.1-30.6.2012</u>	<u>1.4-30.6.2013</u>	<u>1.4-30.6.2012</u>
Sales		35,384,208	30,605,750	23,796,838	21,176,629
Cost of sales		<u>-22,185,702</u>	<u>-18,380,761</u>	<u>-14,408,896</u>	<u>-12,237,082</u>
<b>Gross profit</b>		<b>13,198,506</b>	<b>12,224,989</b>	<b>9,387,942</b>	<b>8,939,547</b>
Distribution expenses	18	-7,528,292	-6,450,184	-4,493,517	-3,918,100
Administration expenses	18	-1,051,970	-971,652	-542,193	-470,279
Other income - expenses (net)	19	<u>132,118</u>	<u>56,462</u>	<u>26,230</u>	<u>28,301</u>
<b>Profit before taxes, financial and investment income</b>		<b>4,750,361</b>	<b>4,859,616</b>	<b>4,378,461</b>	<b>4,579,470</b>
Investment income (net)	20	0	-273,402	0	-273,402
Financial income (net)	21	<u>30,879</u>	<u>58,509</u>	<u>-1,046</u>	<u>34,016</u>
<b>Profit before taxes</b>		<b>4,781,241</b>	<b>4,644,723</b>	<b>4,377,416</b>	<b>4,340,084</b>
Income tax	22	<u>-599,715</u>	<u>-662,356</u>	<u>-434,215</u>	<u>-677,864</u>
<b>Net profit for the period (A)</b>		<b><u>4,181,526</u></b>	<b><u>3,982,366</u></b>	<b><u>3,943,201</u></b>	<b><u>3,662,218</u></b>
<b>Attributable to:</b>					
Shareholders		4,181,526	3,982,366	3,943,201	3,662,218
Minority interest		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<b><u>4,181,526</u></b>	<b><u>3,982,366</u></b>	<b><u>3,943,201</u></b>	<b><u>3,662,218</u></b>
<b>Other comprehensive income after tax (B)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income after tax (A+B)</b>		<b><u>4,181,526</u></b>	<b><u>3,982,366</u></b>	<b><u>3,943,201</u></b>	<b><u>3,662,218</u></b>
<b>Attributable to:</b>					
Shareholders		4,181,526	3,982,366	3,943,201	3,662,218
Minority interest		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<b><u>4,181,526</u></b>	<b><u>3,982,366</u></b>	<b><u>3,943,201</u></b>	<b><u>3,662,218</u></b>
Earnings before taxes, financial and investment income and depreciation		<u>5,902,118</u>	<u>6,127,541</u>	<u>4,972,911</u>	<u>5,228,172</u>
<b>Net profit per share</b>					
-Basic (in €)	23	<b><u>0.1265</u></b>	<b><u>0.1204</u></b>	<b><u>0.1193</u></b>	<b><u>0.1108</u></b>

The accompanying notes are an integral part of these financial statements.

**KRI-KRI MILK INDUSTRY S.A.**  
**Interim Financial Statements as of 30 June 2013**  
(Amounts in €)

**Statement of financial position**

	Note	<u>Group</u>		<u>Company</u>	
		<u>30.6.2013</u>	<u>31.12.2012</u>	<u>30.6.2013</u>	<u>31.12.2012</u>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	<b>1</b>	20,133,345	18,567,316	20,131,761	18,565,523
Investment property	<b>2</b>	122,768	124,112	122,768	124,112
Intangible assets	<b>3</b>	66,093	78,331	66,093	78,331
Investments in subsidiaries	<b>4</b>	0	0	4,260	4,260
Investments in associates	<b>5</b>	0	0	0	0
Other non-current assets		<u>69,378</u>	<u>70,360</u>	<u>69,378</u>	<u>70,360</u>
		<u>20,391,584</u>	<u>18,840,118</u>	<u>20,394,260</u>	<u>18,842,585</u>
<b>Current assets</b>					
Inventories	<b>6</b>	9,577,603	5,803,612	9,577,603	5,803,612
Trade and other receivables	<b>7</b>	29,334,133	16,598,006	29,334,133	16,598,006
Cash and cash equivalents	<b>8</b>	<u>3,243,383</u>	<u>7,353,467</u>	<u>3,241,783</u>	<u>7,351,849</u>
		<u>42,155,119</u>	<u>29,755,086</u>	<u>42,153,519</u>	<u>29,753,467</u>
<b>Total assets</b>		<b><u>62,546,703</u></b>	<b><u>48,595,204</u></b>	<b><u>62,547,779</u></b>	<b><u>48,596,053</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	<b>9</b>	10,911,495	10,911,495	10,911,495	10,911,495
Legal reserves	<b>10</b>	14,103,675	11,810,054	14,103,675	11,810,054
Retained earnings		<u>11,628,943</u>	<u>9,745,366</u>	<u>11,619,114</u>	<u>9,731,209</u>
<b>Equity excluding minority interest (a)</b>		36,644,113	32,466,915	36,634,284	32,452,758
Minority interest (b)		-1,521	1,365	0	0
<b>Total equity (c) = (a) + (b)</b>		<u>36,642,592</u>	<u>32,468,280</u>	<u>36,634,284</u>	<u>32,452,758</u>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	<b>11</b>	1,502,168	1,988,250	1,502,168	1,988,250
Provision for retirement benefit obligation	<b>12</b>	804,891	749,607	804,891	749,607
Deferred tax liabilities	<b>13</b>	666,711	581,410	683,081	597,780
Provisions / Other non-current liabilities	<b>14</b>	60,000	60,000	60,000	60,000
State subsidies	<b>15</b>	<u>4,089,398</u>	<u>4,460,853</u>	<u>4,089,398</u>	<u>4,460,853</u>
		<u>7,123,168</u>	<u>7,840,120</u>	<u>7,139,538</u>	<u>7,856,490</u>
<b>Current liabilities</b>					
Borrowings	<b>11</b>	1,070,648	963,378	1,070,648	963,378
Trade and other payables	<b>16</b>	15,677,596	6,294,032	15,670,610	6,294,032
Current tax liabilities	<b>17</b>	<u>2,032,698</u>	<u>1,029,394</u>	<u>2,032,698</u>	<u>1,029,394</u>
		<u>18,780,942</u>	<u>8,286,804</u>	<u>18,773,957</u>	<u>8,286,804</u>
<b>Total liabilities (d)</b>		<u>25,904,111</u>	<u>16,126,925</u>	<u>25,913,495</u>	<u>16,143,294</u>
<b>Total equity and liabilities (c) + (d)</b>		<b><u>62,546,703</u></b>	<b><u>48,595,204</u></b>	<b><u>62,547,779</u></b>	<b><u>48,596,053</u></b>

The accompanying notes are an integral part of these financial statements.

**KRI-KRI MILK INDUSTRY S.A.**  
**Interim Financial Statements as of 30 June 2013**  
(Amounts in €)

**Statement of changes in shareholders' equity**

**Group**

	Share capital	General reserve	Special reserves	Other reserves	Retained earnings	Non- controlling interest	Total
<b>Balance at 1.1.2012</b>	<b>12,564,752</b>	<b>1,057,080</b>	<b>8,608,009</b>	<b>38,275</b>	<b>6,738,942</b>	<b>107,804</b>	<b>29,114,860</b>
Transfer to reserves		130,467	1,976,224		-2,106,691		0
Foreign exchange differences					-65	106	41
Profit for the period					4,153,871	-32,195	4,121,675
<b>Balance at 30.6.2012</b>	<b>12,564,752</b>	<b>1,187,547</b>	<b>10,584,233</b>	<b>38,275</b>	<b>8,786,057</b>	<b>75,714</b>	<b>33,236,576</b>
<b>Balance at 1.1.2013</b>	<b>10,911,495</b>	<b>1,187,547</b>	<b>10,584,233</b>	<b>38,275</b>	<b>9,745,366</b>	<b>1,365</b>	<b>32,468,280</b>
Transfer to reserves		200,541	2,093,080		-2,293,621		0
Foreign exchange differences					-75	-50	-125
Profit for the period					4,177,273	-2,835	4,174,438
<b>Balance at 30.6.2013</b>	<b>10,911,495</b>	<b>1,388,087</b>	<b>12,677,313</b>	<b>38,275</b>	<b>11,628,943</b>	<b>-1,521</b>	<b>36,642,592</b>

The accompanying notes are an integral part of these financial statements.

**KRI-KRI MILK INDUSTRY S.A.**  
**Interim Financial Statements as of 30 June 2013**  
(Amounts in €)

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**Statement of changes in shareholders' equity**

**Company**

	Share capital	General reserve	Special reserves	Other reserves	Retained earnings	Total
<b>Balance at 1.1.2012</b>	<b>12,564,752</b>	<b>1,057,080</b>	<b>8,608,009</b>	<b>38,275</b>	<b>7,372,163</b>	<b>29,640,277</b>
Transfer to reserves		130,467	1,976,224		-2,106,691	0
Profit for the period					3,982,366	3,982,366
<b>Balance at 30.6.2012</b>	<b>12,564,752</b>	<b>1,187,547</b>	<b>10,584,233</b>	<b>38,275</b>	<b>9,247,838</b>	<b>33,622,644</b>
<b>Balance at 1.1.2013</b>	<b>10,911,495</b>	<b>1,187,547</b>	<b>10,584,233</b>	<b>38,275</b>	<b>9,731,209</b>	<b>32,452,758</b>
Transfer to reserves		200,541	2,093,080		-2,293,621	0
Profit for the period					4,181,526	4,181,526
<b>Balance at 30.6.2013</b>	<b>10,911,495</b>	<b>1,388,087</b>	<b>12,677,313</b>	<b>38,275</b>	<b>11,619,114</b>	<b>36,634,284</b>

The accompanying notes are an integral part of these financial statements.

**KRI-KRI MILK INDUSTRY S.A.**  
**Interim Financial Statements as of 30 June 2013**  
(Amounts in €)

**Cash flow statement**

*Indirect method*

	<u>Group</u>		<u>Company</u>	
	<u>1.1-30.6.2013</u>	<u>1.1-30.6.2012</u>	<u>1.1-30.6.2013</u>	<u>1.1-30.6.2012</u>
<b><u>OPERATING ACTIVITIES</u></b>				
Profit before taxes	4,774,152	4,781,860	4,781,241	4,644,723
<b>Adjustments for:</b>				
Depreciation	1,440,604	1,534,478	1,440,418	1,477,560
Provisions	36,869	125,247	36,869	125,247
Foreign exchange differences, net	-77	1,863	26	1,020
Miscellaneous items	-361,874	-296,571	-361,874	-296,571
Investment income	-92,407	-148,378	-92,407	118,140
	<b>5,797,268</b>	<b>5,998,500</b>	<b>5,804,273</b>	<b>6,070,120</b>
Interest and related expenses	57,850	90,725	57,850	81,662
<b>Changes in working capital:</b>				
Decrease / (Increase) in inventories	-3,755,576	-2,646,249	-3,755,576	-2,693,357
Decrease / (Increase) in receivables	-12,174,175	-10,181,762	-12,174,175	-10,917,789
(Decrease) / Increase in payables (except banks)	8,239,054	5,694,236	8,232,068	6,317,702
Less:				
Interest and related expenses paid	-55,579	-91,046	-55,579	-81,869
Taxes paid	-9,121	-39,556	-9,121	-39,556
<b>Cash flow from operating activities (a)</b>	<b>-1,900,279</b>	<b>-1,175,152</b>	<b>-1,900,260</b>	<b>-1,263,087</b>
<b><u>INVESTING ACTIVITIES</u></b>				
Purchase of tangible and intangible assets	-1,939,192	-457,677	-1,939,192	-457,677
Proceeds from sales of intangibles and property, plant and equipment	21,740	-704	21,740	34,525
Interest received	88,729	138,583	88,729	138,469
<b>Cash flow from investing activities (b)</b>	<b>-1,828,723</b>	<b>-319,799</b>	<b>-1,828,723</b>	<b>-284,684</b>
<b><u>FINANCING ACTIVITIES</u></b>				
Repayments of loans	-381,082	-631,082	-381,082	-591,082
<b>Cash flow from financing activities (c)</b>	<b>-381,082</b>	<b>-631,082</b>	<b>-381,082</b>	<b>-591,082</b>
<b>Change in cash and equivalents (a+b+c)</b>	<b>-4,110,084</b>	<b>-2,126,032</b>	<b>-4,110,066</b>	<b>-2,138,853</b>
<b>Cash and equivalents at beginning of period</b>	<b>7,353,467</b>	<b>6,143,636</b>	<b>7,351,849</b>	<b>6,130,050</b>
<b>Cash and equivalents at end of period</b>	<b>3,243,383</b>	<b>4,017,604</b>	<b>3,241,783</b>	<b>3,991,197</b>

The accompanying notes are an integral part of these financial statements.



## **A. General information**

KRI-KRI MILK INDUSTRY S.A. operates in the dairy industry. Its main business activities is the production of ice-cream and yogurt. The group also includes a 60% subsidiary KRI KRI DLBA MIDDLE EAST and a 49,29% associate company KRI KRI BULGARIA AD.

The headquarters are located in 3<sup>rd</sup> km Serres-Drama, 62125, Serres, Greece, its website is [www.krikri.gr](http://www.krikri.gr) and its shares are listed on Athens Stock Exchange (Food sector).

These financial statements have been approved by the Board of Directors on 20.8.2013.

## **B. Significant accounting policies**

### **B.1 Basis of preparation**

These financial statements covering the period from 1.1.2013 to 30.6.2013, have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, the going concern principle, the accounting time period assumption, the principle of consistency and the principle of materiality, and are in conformity with International Financial Reporting Standards (IFRS) including the International Accounting Standards (IAS) and issued interpretations by International Financial Reporting Interpretations Committee (IFRIC) as they have been adopted by the European Union.

The accounting principles set out below have been applied on all presented periods. The preparation of financial statements, in conformity with IFRS requires the use of critical accounting estimates and assumptions that can affect the balance of the accounts presented on the statement of financial position or on the statement of comprehensive income. Even though the critical accounting estimates are based on management's best judgement, actual results may, at the end, differ from these estimates.

### **New standards, interpretations and amendments to published standards:**

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

## Standards and Interpretations effective for the current financial year

### IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012)

The amendment requires 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 is not expected to have a significant effect to the Group's financial statements.

### 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 pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. This amendment is not expected to have an effect to the Group's financial statements.

## B.2 Consolidation

### (a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the following companies:

<u>Company name</u>	<u>Country of incorporation</u>	<u>Business activity</u>	<u>% of investment</u>	<u>Consolidation method</u>
KRI-KRI MILK INDUSTRY S.A.	Greece	Ice-cream, yogurt	Parent	Full
KRI KRI DLBA MIDDLE EAST	Iraq	Yogurt	60.00%	Full
KRI KRI BULGARIA AD	Bulgaria	Ice-cream	49.29%	Equity

KRIKRI DOO KUMANOVO, which was incorporated in the consolidated statements of the comparative period 1.1-30.6.2012, is not incorporated in the current's period consolidated statements, since the whole participation of the company on KRIKRI DOO KUMANOVO was sold.

### (b) Subsidiaries

Subsidiaries are the companies under the direct or indirect control of the parent Company. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the

Group in exchange for control of the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. It is generally assumed that the Group has significant influence on an entity by holding between 20% and 50% of its voting rights, and therefore, in such a case, that entity is deemed to be an associate. The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group. When necessary, adjustments are made to the financial statements of associates to bring their accounting policies into line with those used by other members of the Group.

**B.3 Foreign currency translation**

The consolidated financial statements are presented in Euros, which is the functional and presentation currency of the Company and the presentation currency of the Group. Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. Foreign currency

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transactions are translated into the functional currency using the exchange rates (i.e. spot rates) prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the end of each reporting period exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The operating results and financial position of the entity that is incorporated in the consolidated financial statements (which does not operate in a hyperinflationary economy) and has a functional currency different from the presentation currency are translated into the presentation currency as follows: Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet; Income and expenses for each income statement are translated at average exchange rates. All exchange differences resulting from the above are recognised in other comprehensive income and accumulated in equity.

#### **B.4 Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, except for land, which is shown at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are charged to the income statement for the period as incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	40 years
Plant and machinery	5-20 years
Motor vehicles	5-10 years
Office equipment furniture and fittings	4-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount, charging the income statement. Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

#### **B.5 Investment properties**

Investment property is property held for long-term rental yields or for capital appreciation or both and that is not owner-occupied. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied property from investment property. Investment property is measured

initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and impairment losses, except for land, which is shown at cost less impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Buildings	40 years
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If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Since both investment properties and property, plant and equipment are valued at historical cost less accumulated depreciation, any transfer of an item between them does not affect its valuation. Investment properties are derecognised when they have been disposed. Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

#### **B.6 Intangible assets**

##### *Computer software*

Computer software, acquired separately, is measured on initial recognition at cost. Cost includes expenditure that is necessary to bring to use the specific software. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Group's computer software has a finite useful life of 5.5 years and it is amortized using the straight line method.

##### *Trademarks*

Trademarks are stated at cost less accumulated amortization. Group's trademarks have a finite useful life of 10 years and they are amortized using the straight line method.

#### **B.7 Impairment of tangible and intangible assets (other than goodwill)**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Whenever an asset's book value, exceeds its recoverable amount, the impairment loss is recognized in the Group's income statement. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the

time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Tangible and intangible assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of an impairment loss is recognized immediately in the income statement.

**B.8 Investments in subsidiaries-associates**

Investments in subsidiaries and associates, at the company's non-consolidated financial statements, are recognized at cost less any impairment loss.

**B.9 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Appropriate allowance is made for damaged, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

**B.10 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. When there is evidence of impairment of receivables, the carrying value is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the initial effective interest rate. Then, the interest is calculated at the same rate on the impaired (new book) value.

**B.11 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, as well other short-term high liquidity and low risk investments.

**B.12 Share capital**

Ordinary shares are classified as equity. Direct costs incurred for increases in share capital are recorded, net of related income taxes against the share premium reserve.

**B.13 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are measured at amortised cost using the effective interest method.

**B.14 Government grants**

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic basis over the useful lives of the related assets.

**B.15 Taxation (current and deferred)**

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The tax currently payable is based on taxable profit for the year. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**B.16 Employee benefits**

The liability recognized in the statement of financial position in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The expense recognized in the statement of comprehensive income is the present value of the defined benefit obligation of the period, the interest of the future cash outflows, the past service cost and the adjustments for actuarial gains/losses.

**B.17 Revenue and expense recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services stated net of

value-added tax, rebates and discounts. All intra-group income is eliminated in full on consolidation. Revenue recognition is as following:

*(a) Sale of goods*

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer (usually upon delivery and customer acceptance) and the realization of the related receivable is reasonably assured.

*(b) Sale of services*

Revenue arising from services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

*(c) Interest income*

Interest income is recognised using the effective interest method.

*(d) Dividend income*

Dividend income is recognised when the right to receive the payment is established.

*(e) Expenses*

Expenses are recognized in the income statement on an accrual basis. Interest expenses are recognized on an accrual basis.

**B.18 Earnings per share**

Basic and diluted earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding, excluding any holding of own shares.

**B.19 Distribution of dividends**

Dividend to the Company's shareholders is recognized in the financial statements in the period in which the Board of Directors' proposed dividend is ratified at the Shareholders' Annual General Meeting.

**B.20 Leasing – the Group as a lessee**

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the



remaining balance of the liability for each period. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

**B.21 Risks and uncertainties**

Due to the nature of its operations, the Group is exposed to various financial risks such as, market risk (fluctuations of exchange rates, interest rates and of production costs), credit risk and liquidity risk. The Group's overall risk management programme focuses on financial market unpredictability and aims to minimize the potential negative impact on the Group's financial performance.

**(a) Market risk**

**Foreign currency risk**

The main bulk of the Group's operations are conducted within the Euro zone so there is a limited exposure to the foreign currency risk.

**Interest rate risk**

Given that the Group's assets do not include significant interest generating items, the impact of interest rate fluctuations on cash inflows is essentially small. The Group does not use interest rate derivatives for hedging. Loans with floating rates expose the Group to cash flow risk, whereas loans with fixed rates expose the Group to the risk of fair value variation.

**Sensitivity analysis of Group's Borrowings due to interest rate changes**

<i>(Amounts in €)</i>		Interest rate variation	Effect on profit before tax
<b>1.1-30.6.2013</b>	<b>EUR</b>	+1%	-13,566
		-1%	13,566
<b>1.1-30.6.2012</b>	<b>EUR</b>	+1%	-21,220
		-1%	21,220

Note: Table above excludes the positive impact of interest received from deposits.

**(b) Credit risk**

The Group has established and implements a credit control system aiming to minimize bad debt.

Receivables are widely dispersed to a large customer base, which provides the necessary diversification for credit risk reduction. Customers credit history is examined upfront. The credit control department sets credit limits and terms of payment, according to specific guidelines. Finally, in certain circumstances, additional collateral is requested for providing credit.

**(c) Liquidity risk**

The Group manages liquidity risk by maintaining adequate cash reserves and credit lines from banks. At present, available overdraft can adequately cover any immediate cash requirement.

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The table below shows present liabilities into groups by due date (non-discounted):

**Group**

(Amounts in €)

<b>30 June 2013</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5+ years</b>
Loans	1,021,016	991,649	536,592	0
Trade and other payables	15,677,596	0	0	0
<b>31 December 2012</b>				
Loans	1,035,403	1,006,170	1,028,664	0
Trade and other payables	6,294,032	0	0	0

**Company**

(Amounts in €)

<b>30 June 2013</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5+ years</b>
Loans	1,021,016	991,649	536,592	0
Trade and other payables	15,670,610	0	0	0
<b>31 December 2012</b>				
Loans	1,035,403	1,006,170	1,028,664	0
Trade and other payables	6,294,032	0	0	0

**B.22 Fair value determination**

The fair values of financial assets, which are traded on active liquid markets (derivatives, stocks, bonds, mutual funds), are determined with reference to the quoted market prices at each reporting date.

The fair values of other financial assets (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis, using the applicable yield curve derived from quoted interest rates.

The nominal value of trade receivables, less provisions for bad debt, is estimated to approximate their fair value. The fair values of financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis, using the applicable yield curve derived from quoted interest rates.

**B.23 Critical accounting estimations and judgements**

The preparation of the financial statements requires management to make estimations and judgments that affect the reported disclosures. These management's estimations and assumptions form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and

are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**B.24 Comparative information**

In accordance with IAS 1 comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements, both face of financial statements and notes, unless another Standard requires otherwise. Differences may arise between the amounts stated in the financial statements and the amounts stated in the notes, as a result of numbers rounding.

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**C. Notes to the financial statements**

**1. Property, plant and equipment**

Group

	Land	Buildings	Plant & equipment	Motor vehicles	Assets under construction	Total
<b>Group – Cost</b>						
<b>Balance at 1 January 2012</b>	<b>1,264,672</b>	<b>8,277,534</b>	<b>35,167,345</b>	<b>1,857,348</b>	<b>4,926</b>	<b>46,571,826</b>
Additions	0	188,739	1,456,848	55,431	0	1,701,018
Subsidiary disposal	0	-371,319	-1,507,780	-430,176	-4,926	-2,314,201
Disposals/ Write-offs/ Transfers	0	-14	-85,710	-186,137	0	-271,861
<b>Balance at 31 December 2012</b>	<b>1,264,672</b>	<b>8,094,940</b>	<b>35,030,703</b>	<b>1,296,466</b>	<b>0</b>	<b>45,686,783</b>

**Accumulated depreciation**

<b>Balance at 1 January 2012</b>	<b>0</b>	<b>-2,006,589</b>	<b>-22,393,583</b>	<b>-1,503,307</b>	<b>0</b>	<b>-25,903,478</b>
Depreciation expense	0	-258,321	-2,566,533	-76,190	0	-2,901,044
Subsidiary disposal	0	109,763	1,102,479	237,347	0	1,449,589
Disposals/ Write-offs/ Transfers	0	-654	72,944	163,176	0	235,467
<b>Balance at 31 December 2012</b>	<b>0</b>	<b>-2,155,800</b>	<b>-23,784,693</b>	<b>-1,178,974</b>	<b>0</b>	<b>-27,119,467</b>
<b>Net book value at 31 December 2012</b>	<b>1,264,672</b>	<b>5,939,140</b>	<b>11,246,010</b>	<b>117,493</b>	<b>0</b>	<b>18,567,316</b>

**Group – Cost**

<b>Balance at 1 January 2013</b>	<b>1,264,672</b>	<b>8,094,940</b>	<b>35,030,703</b>	<b>1,296,466</b>	<b>0</b>	<b>45,686,782</b>
Foreign currency exchange differences	0	0	-22	0	0	-22
Additions	0	360,313	2,654,059	5,163	0	3,019,535
Disposals/ Write-offs/ Transfers	0	0	-72,305	-41,050	0	-113,354
<b>Balance at 30 June 2013</b>	<b>1,264,672</b>	<b>8,455,253</b>	<b>37,612,436</b>	<b>1,260,579</b>	<b>0</b>	<b>48,592,940</b>

**Accumulated depreciation**

<b>Balance at 1 January 2013</b>	<b>0</b>	<b>-2,155,800</b>	<b>-23,784,693</b>	<b>-1,178,974</b>	<b>0</b>	<b>-27,119,467</b>
Foreign currency exchange differences	0	0	-1	0	0	-1
Depreciation expense	0	-132,179	-1,269,450	-24,209	0	-1,425,837
Disposals/ Write-offs/ Transfers	0	0	50,923	34,787	0	85,710
<b>Balance at 30 June 2013</b>	<b>0</b>	<b>-2,287,979</b>	<b>-25,003,221</b>	<b>-1,168,395</b>	<b>0</b>	<b>-28,459,595</b>
<b>Net book value at 30 June 2013</b>	<b>1,264,672</b>	<b>6,167,275</b>	<b>12,609,214</b>	<b>92,184</b>	<b>0</b>	<b>20,133,345</b>

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**Company**

	Land	Buildings	Plant & equipment	Motor vehicles	Fixtures & equipment	Total
<b>Company – Cost</b>						
<b>Balance at 1 January 2012</b>	<b>1,210,032</b>	<b>7,960,820</b>	<b>30,186,832</b>	<b>1,427,152</b>	<b>3,472,790</b>	<b>44,257,626</b>
Additions	0	188,739	1,381,522	55,431	73,422	1,699,114
Disposals/ Write-offs/ Transfers	0	-14	-85,710	-186,137	0	-271,861
<b>Balance at 31 December 2012</b>	<b>1,210,032</b>	<b>8,149,546</b>	<b>31,482,644</b>	<b>1,296,446</b>	<b>3,546,211</b>	<b>45,684,879</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 January 2012</b>	<b>0</b>	<b>-1,896,823</b>	<b>-18,500,373</b>	<b>-1,265,950</b>	<b>-2,790,742</b>	<b>-24,453,889</b>
Depreciation expense	0	-258,321	-2,270,350	-76,190	-296,072	-2,900,933
Disposals/ Write-offs/ Transfers	0	-654	72,944	163,176	0	235,467
<b>Balance at 31 December 2012</b>	<b>0</b>	<b>-2,155,798</b>	<b>-20,697,779</b>	<b>-1,178,964</b>	<b>-3,086,815</b>	<b>-27,119,356</b>
<b>Net book value at 31 December 2012</b>	<b>1,210,032</b>	<b>5,993,748</b>	<b>10,784,864</b>	<b>117,482</b>	<b>459,397</b>	<b>18,565,523</b>
<b>Company – Cost</b>						
<b>Balance at 1 January 2013</b>	<b>1,210,032</b>	<b>8,149,546</b>	<b>31,482,644</b>	<b>1,296,446</b>	<b>3,546,211</b>	<b>45,684,879</b>
Additions	0	360,313	2,450,129	5,163	203,929	3,019,534
Disposals/ Write-offs/ Transfers	0	0	-72,305	-41,050	0	-113,354
<b>Balance at 30 June 2013</b>	<b>1,210,032</b>	<b>8,509,859</b>	<b>33,860,468</b>	<b>1,260,559</b>	<b>3,750,141</b>	<b>48,591,058</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 January 2013</b>	<b>0</b>	<b>-2,155,798</b>	<b>-20,697,779</b>	<b>-1,178,964</b>	<b>-3,086,815</b>	<b>-27,119,356</b>
Depreciation expense	0	-132,179	-1,142,075	-24,209	-127,189	-1,425,652
Disposals/ Write-offs/ Transfers	0	0	50,923	34,787	0	85,710
<b>Balance at 30 June 2013</b>	<b>0</b>	<b>-2,287,976</b>	<b>-21,788,931</b>	<b>-1,168,386</b>	<b>-3,214,004</b>	<b>-28,459,297</b>
<b>Net book value at 30 June 2013</b>	<b>1,210,032</b>	<b>6,221,883</b>	<b>12,071,537</b>	<b>92,173</b>	<b>536,136</b>	<b>20,131,761</b>

There are no pledges on fixed assets.

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**2. Investment properties**

Group - Company	Land	Buildings	Total
<b>Cost</b>			
Balance at 1 January 2012	56,561	76,629	133,190
Balance at 31 December 2012	<u>56,561</u>	<u>76,629</u>	<u>133,190</u>
<b>Accumulated depreciation</b>			
Balance at 1 January 2012	0	-6,391	-6,391
Depreciation expense	0	-2,687	-2,687
Balance at 31 December 2012	<u>0</u>	<u>-9,079</u>	<u>-9,079</u>
Net book value at 31 December 2012	<u>56,561</u>	<u>67,551</u>	<u>124,112</u>
<b>Cost</b>			
Balance at 1 January 2013	56,561	76,629	133,190
Balance at 30 June 2013	<u>56,561</u>	<u>76,629</u>	<u>133,190</u>
<b>Accumulated depreciation</b>			
Balance at 1 January 2013	0	-9,079	-9,079
Depreciation expense	0	-1,344	-1,344
Balance at 30 June 2013	<u>0</u>	<u>-10,422</u>	<u>-10,422</u>
Net book value at 30 June 2013	<u>56,561</u>	<u>66,207</u>	<u>122,768</u>

Management estimates the fair value of investment properties at approximately €220,000.

**3. Intangible assets**

Computer software and trademarks are recognized as intangible assets. Amortization is recognized on a straight-line basis over their estimated useful lives (5.5 for computer software and 10 years for trademarks).

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**Group - Company**

	Software licenses	Trademarks	Total
<b>Cost</b>			
<b>Balance at 1 January 2012</b>	366,219	38,405	404,624
Additions	12,078	0	12,078
<b>Balance at 31 December 2012</b>	<b>378,296</b>	<b>38,405</b>	<b>416,701</b>
<b>Accumulated depreciation</b>			
<b>Balance at 1 January 2012</b>	-305,292	-6,401	-311,693
Amortization expense	-22,837	-3,841	-26,677
<b>Balance at 31 December 2012</b>	<b>-328,129</b>	<b>-10,241</b>	<b>-338,370</b>
<b>Net book value at 31 December 2012</b>	<b>50,167</b>	<b>28,164</b>	<b>78,331</b>
<b>Cost</b>			
<b>Balance at 1 January 2013</b>	378,296	38,405	416,701
Additions	1,184	0	1,184
<b>Balance at 30 June 2013</b>	<b>379,480</b>	<b>38,405</b>	<b>417,885</b>
<b>Accumulated depreciation</b>			
<b>Balance at 1 January 2013</b>	-328,129	-10,241	-338,370
Amortization expense	-11,502	-1,920	-13,422
<b>Balance at 30 June 2013</b>	<b>-339,631</b>	<b>-12,162</b>	<b>-351,792</b>
<b>Net book value at 30 June 2013</b>	<b>39,850</b>	<b>26,244</b>	<b>66,093</b>

**4. Investment in subsidiaries**

	Company	
	30.6.2013	31.12.2012
Opening balance	4,260	527,077
Disposals	0	-522,817
<b>Ending balance</b>	<b>4,260</b>	<b>4,260</b>

On 26.11.2012 the whole participation of the company on its subsidiary KRIKRI DOO KUMANOVO was sold. From the transaction, a loss of €422,817.31 for the company and €81,396.07 for the group was charged to income statement of fiscal year 2012.  
Shareholding in subsidiaries:

<u>Name of subsidiary</u>	<u>Acquisition cost</u>	<u>Impairment</u>	<u>Net book value</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Proportion of ownership</u>
KRI KRI DLBA MIDDLE EAST	4,260	-	4,260	Iraq	Yogurt	60.00%

**5. Investment in associates**

In company's non-consolidated financial statements, investments in associates are recognized at cost less any impairment loss. In consolidated financial statements the

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results and assets and liabilities of associates are incorporated using the equity method of accounting.

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2013</b>	<b>31.12.2012</b>
Investment in associates	0	0	0	0

	<b>Όμιλος</b>		<b>Εταιρεία</b>	
	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2013</b>	<b>31.12.2012</b>
Opening balance	0	24,669	0	416,711
Impairment	0	0	0	-416,711
Consolidation using equity method	0	-24,669	0	0
Ending balance	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Shareholding in associates:

<u>Name of associate</u>	<u>Acquisition cost</u>	<u>Impairment</u>	<u>Net book value</u>	<u>Country of incorporation</u>	<u>Proportion of ownership</u>
KRI KRI BULGARIA AD	416,711	-416,711	-	Bulgaria	49.29%

On February 2013, the associate company KRIKRI BULGARIA A.D., where KRIKRI holds a 49,29% participation, was set on liquidation state.

There are no significant limitations to the associates for transferring funds to the parent company in the form of dividends, loan payments or payments in advance.

#### **Impairment loss review**

Regarding the financial statements of fiscal year 2012, an estimation of the recoverable amount of the investment on KRIKRI BULGARIA A.D. was carried out, due to indications of impairment loss. Recoverable amount was estimated to be nil and therefore an impairment loss of €416,711 was recognized.

#### **6. Inventories**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2013</b>	<b>31.12.2012</b>
Merchandise	1,035,791	406,562	1,035,791	406,562
Finished goods	3,315,788	1,287,286	3,315,788	1,287,286
Raw materials	5,470,374	4,372,529	5,470,374	4,372,529
<u>Less: Provisions for obsolete inventory</u>	-244,350	-262,764	-244,350	-262,764
<b>Total</b>	<b>9,577,603</b>	<b>5,803,612</b>	<b>9,577,603</b>	<b>5,803,612</b>



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**7. Trade receivables**

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Trade receivables	15,230,471	7,161,038	15,230,471	7,161,038
Promissory notes receivables	1,949,465	1,948,394	1,949,465	1,948,394
Cheques receivables	12,060,057	7,765,435	12,060,057	7,765,435
Less: Allowance for doubtful debts	-2,469,193	-2,469,193	-2,469,193	-2,469,193
	<b>26,770,800</b>	<b>14,405,675</b>	<b>26,770,800</b>	<b>14,405,675</b>
Creditors advances	1,350,584	1,067,440	1,350,584	1,067,440
Other receivables	1,212,749	1,124,891	1,212,749	1,124,891
<b>Total</b>	<b>29,334,133</b>	<b>16,598,006</b>	<b>29,334,133</b>	<b>16,598,006</b>

The ageing analysis of trade receivables is as follows:

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Neither past due nor impaired	21,692,319	12,344,607	21,692,319	12,344,607
Past due but not impaired				
<30 days	3,757,789	908,180	3,757,789	908,180
30-120 days	934,108	469,260	934,108	469,260
>120 days	386,584	683,628	386,584	683,628
<b>Total</b>	<b>26,770,800</b>	<b>14,405,675</b>	<b>26,770,800</b>	<b>14,405,675</b>

Trade receivables are non-interest bearing and are normally settled on: Group 0-150 day's terms, Company 0-150 day's terms.

Allowance for doubtful debtors analysis:

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Opening balance	2,469,193	1,200,977	2,469,193	1,122,317
Change for the year	0	1,346,876	0	1,346,876
Subsidiary disposal	0	-78,660	0	0
Ending balance	<b>2,469,193</b>	<b>2,469,193</b>	<b>2,469,193</b>	<b>2,469,193</b>

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

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**8. Cash and cash equivalents**

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Cash at bank and in hand	2,239,883	1,640,363	2,238,283	1,638,745
Short-term bank deposits	1,003,500	5,713,104	1,003,500	5,713,104
<b>Total</b>	<b>3,243,383</b>	<b>7,353,467</b>	<b>3,241,783</b>	<b>7,351,849</b>

**9. Issued capital**

Issued capital on 30.6.2013 amounts €10,911,494.88 and comprises of 33,065,136 fully paid ordinary shares, which have a par value of €0.33.

	<u>No ordinary shares</u>	<u>Par value</u>	<u>Share capital</u>	<u>Total</u>
<b>31-Dec-12</b>	<u>33,065,136</u>	<u>0.33 €</u>	<u>10,911,495</u>	<u>10,911,495</u>
<b>30-Jun-13</b>	<u>33,065,136</u>	<u>0.33 €</u>	<u>10,911,495</u>	<u>10,911,495</u>

The Shareholders' Annual General Meeting as of 18.6.2013 took resolutions for:

- a) increase of share capital by amount €3,637,164.96 by capitalization of reserves and issuance of 11,021,712 ordinary shares (bonus) of par value €0.33 each.
- b) increase of the par value of each share from €0.33 to €0.44 by reducing shares total number from 44,086,848 ordinary shares to 33,065,136 ordinary shares (reverse split)
- c) decrease of share capital by amount €1,983,908.16 by reducing the par value of shares from €0.44 to €0.38 and cash payment of €0.06 per share.

Therefore, company's share capital amounts €12,564,751.68, divided to 33,065,136 ordinary shares of par value €0.38.

**10. Reserves**

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Legal reserve	1,388,087	1,187,547	1,388,087	1,187,547
Contingency reserve	38,275	38,275	38,275	38,275
Tax exempt reserve L.2238/94	8,680	8,680	8,680	8,680
Tax exempt reserve L.2601/98	4,791,174	4,791,174	4,791,174	4,791,174
Tax exempt reserve L.3299/04	7,485,622	5,416,017	7,485,622	5,416,017
Tax exempt reserve from tax exempt revenues	297,855	274,380	297,855	274,380
Tax exempt reserve from revenues specially taxed	93,982	93,982	93,982	93,982
<b>Total</b>	<b>14,103,675</b>	<b>11,810,054</b>	<b>14,103,675</b>	<b>11,810,054</b>

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**11. Borrowings**

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
<b>Non-current</b>				
Bond loans	1,502,168	1,988,250	1,502,168	1,988,250
<b>Total non-current borrowings</b>	<b>1,502,168</b>	<b>1,988,250</b>	<b>1,502,168</b>	<b>1,988,250</b>
<b>Current</b>				
Current liability of non-current loans	1,070,648	963,378	1,070,648	963,378
<b>Total current borrowings</b>	<b>1,070,648</b>	<b>963,378</b>	<b>1,070,648</b>	<b>963,378</b>
<b>Total borrowings</b>	<b>2,572,816</b>	<b>2,951,628</b>	<b>2,572,816</b>	<b>2,951,628</b>

Maturity of non-current bank borrowings:

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Between 1 to 2 years	972,164	972,164	972,164	972,164
Between 2 to 5 years	530,004	1,016,086	530,004	1,016,086
	<b>1,502,168</b>	<b>1,988,250</b>	<b>1,502,168</b>	<b>1,988,250</b>

Effective interest rate of borrowings:

	Group		Company	
	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012
Borrowings	2.59%	3.27%	2.59%	3.06%

**12. Retirement and termination benefit obligations**

Greek labor legislation requires that the payment of retirement and termination indemnities be based on the number of years of service to the Company by the employees and taking into consideration their final remuneration. The liabilities arising from such obligations are actuarially valued by an independent firm of actuaries.

**Group - Company**

	30.6.2013	31.12.2012	30.6.2012
<b>Liabilities recognized in the statement of financial position:</b>			
Retirement and termination benefit obligations	804,891	749,607	709,746
<b>Total</b>	<b>804,891</b>	<b>749,607</b>	<b>709,746</b>

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	<b>1.1-30.6.2013</b>	<b>1.1-31.12.2012</b>	<b>1.1-30.6.2012</b>
<b>Charges in statement of comprehensive income:</b>			
Retirement and termination benefit obligations	55,284	110,567	55,284
Less: Benefits paid during the period	0	-19,317	-3,895
<b>Total</b>	<b>55,284</b>	<b>91,250</b>	<b>51,389</b>

The amounts included in the statement of financial position:

**Group - Company**

	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2012</b>
Present value of unfunded benefit obligations	670,270	614,987	575,126
Actuarial gains/(losses) not recognised	134,621	134,621	134,621
<b>Liability recognized in the statement of financial position</b>	<b>804,891</b>	<b>749,607</b>	<b>709,746</b>

The amounts included in the statement of comprehensive income:

**Group - Company**

	<b>1.1-30.6.2013</b>	<b>1.1-31.12.2012</b>	<b>1.1-30.6.2012</b>
Current service cost	39,109	78,218	39,109
Interest cost	16,175	32,350	16,175
<b>Total expense</b>	<b>55,284</b>	<b>110,567</b>	<b>55,284</b>
Less: Benefits paid during the period	0	-19,317	-3,895
<b>Total charges in statement of comprehensive income</b>	<b>55,284</b>	<b>91,250</b>	<b>51,389</b>

Liabilities' movement recognized in the statement of financial position:

**Group - Company**

	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2012</b>
Opening balance	749,607	658,358	658,358
Amounts charged in statement of comprehensive income	55,284	91,250	51,389
<b>Ending balance</b>	<b>804,891</b>	<b>749,607</b>	<b>709,746</b>

The principal actuarial assumptions used are:

Discount rate	4.50% on 31.12.2010
	5.00% on 31.12.2011
Future salary increases	6.10%

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**13. Deferred income taxes**

Deferred tax assets are offset against deferred tax liabilities when there is legal right for such offsetting and both relate to the same tax authority jurisdiction.

The movement on the deferred income tax account after set-offs is as follows:

	Group		Company	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Opening balance, net deferred liability	-581,410	-901,884	-597,780	-919,883
Charge in income statement	-85,302	320,475	-85,302	322,103
<b>Closing balance, net deferred liability</b>	<b>-666,711</b>	<b>-581,410</b>	<b>-683,081</b>	<b>-597,780</b>

**Movement of deferred tax liabilities (before set - offs):**

	Property, plant and equipment	
	Group	Company
<b>On 1 January 2012</b>	<b>-1,799,580</b>	<b>-1,799,580</b>
Charge in income statement	5,648	5,648
<b>On 31 December 2012</b>	<b>-1,793,933</b>	<b>-1,793,933</b>
Charge in income statement	-463,181	-463,181
<b>On 30 June 2013</b>	<b>-2,257,114</b>	<b>-2,257,114</b>

**Movement of deferred tax liabilities (before set - offs):**

**Group**

	Intangible assets	Retirement and termination benefits	Allowance for doubtful debts	Property, plant and equipment	Other	Total
<b>On 1 January 2012</b>	<b>307.091</b>	<b>183.213</b>	<b>161.607</b>	<b>0</b>	<b>245.786</b>	<b>897.696</b>
Charge in income statement	0	22.113	239.673	46.693	6.348	314.827
<b>On 31 December 2012</b>	<b>307.091</b>	<b>205.326</b>	<b>401.280</b>	<b>46.693</b>	<b>252.133</b>	<b>1.212.523</b>
Charge in income statement	92.127	75.972	120.384	14.008	75.389	377.880
<b>On 30 June 2013</b>	<b>399.218</b>	<b>281.297</b>	<b>521.664</b>	<b>60.701</b>	<b>327.522</b>	<b>1.590.403</b>

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**Company**

	Intangible assets	Retirement and termination benefits	Allowance for doubtful debts	Property, plant and equipment	Other	Total
<b>On 1 January 2012</b>	<b>307,091</b>	<b>183,213</b>	<b>161,607</b>	<b>0</b>	<b>227,788</b>	<b>879,698</b>
Charge in income statement	0	22,113	239,673	46,693	7,976	316,455
<b>On 31 December 2012</b>	<b>307,091</b>	<b>205,326</b>	<b>401,280</b>	<b>46,693</b>	<b>235,764</b>	<b>1,196,153</b>
Charge in income statement	92,127	75,972	120,384	14,008	75,389	377,880
<b>On 30 June 2013</b>	<b>399,218</b>	<b>281,297</b>	<b>521,664</b>	<b>60,701</b>	<b>311,153</b>	<b>1,574,033</b>

**14. Provisions**

	<b>Group - Company</b>	
	<b>30.6.2013</b>	<b>31.12.2012</b>
Non-current provisions	60,000	60,000
<b>Total</b>	<b>60,000</b>	<b>60,000</b>

Movement of non-current provisions:

**Group - Company**

	Balance 1 January 2013	Charge for the period	Unused amounts reversed	Utilised	Balance 30 June 2013
Provisions for litigation matters	0	0	0	0	0
Provisions for unaudited tax years	60,000	0	0	0	60,000
<b>Total</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,000</b>

The provision for unaudited tax years is expected to be utilized within the next 4 years.

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**15. Government grants**

Movement of government grants relating to capital expenses:

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2013</b>	<b>31.12.2012</b>
Opening balance	4,460,853	3,820,140	4,460,853	3,820,140
Recognitions / Receipts during the period	0	1,724,783	0	1,724,783
Amortization	-371,455	-1,084,069	-371,455	-1,084,069
<b>Closing balance</b>	<b>4,089,398</b>	<b>4,460,853</b>	<b>4,089,398</b>	<b>4,460,853</b>

**16. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2013</b>	<b>31.12.2012</b>
Trade payables	6,890,030	3,145,095	6,883,044	3,145,095
Cheques payables	7,371,602	2,002,321	7,371,602	2,002,321
Social security	202,324	341,378	202,324	341,378
Other payables	1,213,641	805,239	1,213,641	805,239
<b>Total</b>	<b>15,677,596</b>	<b>6,294,032</b>	<b>15,670,610</b>	<b>6,294,032</b>

**17. Tax liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30.6.2013</b>	<b>31.12.2012</b>	<b>30.6.2013</b>	<b>31.12.2012</b>
Payroll taxes	43,327	72,590	43,327	72,590
Income tax	514,413	896,132	514,413	896,132
Other taxes	1,474,958	60,672	1,474,958	60,672
<b>Total</b>	<b>2,032,698</b>	<b>1,029,394</b>	<b>2,032,698</b>	<b>1,029,394</b>

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**18. Expenses by type**

<b>1.1-30.6.2013</b>		
<b>Group</b>	<b>Distribution expenses</b>	<b>Administration expenses</b>
Staff costs	2,011,649	467,924
Depreciation	683,984	106,058
Maintenance	309,213	32,918
Advertising/marketing	2,258,458	13,810
Transport & trips	1,129,888	11,643
Other	1,135,101	426,705
<b>Total</b>	<b>7,528,292</b>	<b>1,059,058</b>

<b>1.1-30.6.2012</b>		
<b>Group</b>	<b>Distribution expenses</b>	<b>Administration expenses</b>
Staff costs	1,914,467	455,415
Depreciation	773,451	84,528
Maintenance	215,078	37,570
Advertising/marketing	1,800,568	6,666
Transport & trips	1,023,545	9,792
Other	1,017,106	491,619
<b>Total</b>	<b>6,744,214</b>	<b>1,085,590</b>

<b>1.1-30.6.2013</b>		
<b>Company</b>	<b>Distribution expenses</b>	<b>Administration expenses</b>
Staff costs	2,011,649	464,098
Depreciation	683,984	105,873
Maintenance	309,213	32,918
Advertising/marketing	2,258,458	13,810
Transport & trips	1,129,888	11,643
Other	1,135,101	423,628
<b>Total</b>	<b>7,528,292</b>	<b>1,051,970</b>



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<b>1.1-30.6.2012</b>		
<b>Company</b>	<b>Distribution expenses</b>	<b>Administration expenses</b>
Staff costs	1,863,321	434,187
Depreciation	727,031	78,584
Maintenance	207,119	34,565
Advertising/marketing	1,787,477	4,392
Transport & trips	1,021,433	7,908
Other	843,804	412,016
<b>Total</b>	<b>6,450,184</b>	<b>971,652</b>

**19. Other income - expenses**

<b>Other income</b>	<b>Group</b>	<b>1.1-30.6.2013</b>	<b>1.1-30.6.2012</b>
Income from subsidies		29,313	23,475
Income from services		1,807	141
Rental income		4,652	52,950
Amortization of government grants relating to capital expenses		371,455	296,571
Gains on disposal of property, plant and equipment		3,677	15,090
Reversal of non-utilized provisions		18,414	3,895
Foreign currency exchange differences		404	267
Other income		67,535	20,195
<b>Total</b>		<b>497,258</b>	<b>412,585</b>

<b>Other expenses</b>	<b>Group</b>	<b>1.1-30.6.2013</b>	<b>1.1-30.6.2012</b>
Losses on disposal of obsolete inventory		349,563	252,836
Losses on disposal of property, plant and equipment		9,582	1,995
Tax related fines and penalties		532	552
Provisions for obsolete inventory		0	73,858
Foreign currency exchange differences		429	1,288
Other expenses		5,034	19,357
<b>Total</b>		<b>365,140</b>	<b>349,886</b>
<b>Other income - expenses (net)</b>		<b>132,118</b>	<b>62,699</b>

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<b>Other income</b>	<b>Company</b>	<b>1.1-30.6.2013</b>	<b>1.1-30.6.2012</b>
Income from subsidies		29,313	23,475
Income from services		1,807	141
Rental income		4,652	52,950
Amortization of government grants relating to capital expenses		371,455	296,571
Gains on disposal of property, plant and equipment		3,677	15,090
Reversal of non-utilized provisions		18,414	3,895
Foreign currency exchange differences		404	267
Other income		67,535	13,958
<b>Total</b>		<b>497,258</b>	<b>406,348</b>

<b>Other expenses</b>	<b>Company</b>	<b>1.1-30.6.2013</b>	<b>1.1-30.6.2012</b>
Losses on disposal of obsolete inventory		349,563	252,836
Losses on disposal of property, plant and equipment		9,582	1,995
Tax related fines and penalties		532	552
Provisions for obsolete inventory		0	73,858
Foreign currency exchange differences		429	1,288
Other expenses		5,034	19,357
<b>Total</b>		<b>365,140</b>	<b>349,886</b>
<b>Other income - expenses (net)</b>		<b>132,118</b>	<b>56,462</b>

**20. Investment income - expenses**

<b>Group</b>	<b>1.1-30.6.2013</b>	<b>1.1-30.6.2012</b>
<b>Investment income</b>		
Elimination/reversal of group's share on gains on disposal of property, plant and equipment of associate	0	6,928
<b>Total investment income</b>	<b>0</b>	<b>6,928</b>
<b>Investment expenses</b>		
Group's share on associate's losses	0	13,812
<b>Total investment expenses</b>	<b>0</b>	<b>13,812</b>
<b>Investment income - expenses (net)</b>	<b>0</b>	<b>-6,884</b>

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Company	1.1-30.6.2013	1.1-30.6.2012
<b>Investment expenses</b>		
Subsidiary impairment loss	0	273,402
<b>Total investment expenses</b>	<b>0</b>	<b>273,402</b>
<b>Investment income - expenses (net)</b>	<b>0</b>	<b>273,402</b>

**21. Financial income – expenses**

Group	1.1-30.6.2013	1.1-30.6.2012
<b>Financial income</b>		
Interest income	83,911	134,354
Other financial income	4,818	5,931
<b>Total financial income</b>	<b>88,729</b>	<b>140,285</b>

<b>Financial expenses</b>		
Interest expense	35,082	69,284
Bank fees and charges	11,882	12,095
Other financial expenses	10,886	9,460
Foreign currency exchange differences	0	3,102
<b>Total financial expenses</b>	<b>57,850</b>	<b>93,941</b>
<b>Financial income - expenses (net)</b>	<b>30,879</b>	<b>46,344</b>

Company	1.1-30.6.2013	1.1-30.6.2012
<b>Financial income</b>		
Interest income	83,911	134,240
Other financial income	4,818	5,931
<b>Total financial income</b>	<b>88,729</b>	<b>140,171</b>

<b>Financial expenses</b>		
Interest expense	35,082	60,107
Bank fees and charges	11,882	12,095
Other financial expenses	10,886	9,460
<b>Total financial expenses</b>	<b>57,850</b>	<b>81,662</b>
<b>Financial income - expenses (net)</b>	<b>30,879</b>	<b>58,509</b>

**22. Income tax expense**

	Group		Company	
	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012
Current tax	514,413	725,782	514,413	725,782
Deferred tax	85,302	-66,718	85,302	-64,547
Tax differences of prior fiscal years	0	1,121	0	1,121
<b>Total</b>	<b>599,715</b>	<b>660,185</b>	<b>599,715</b>	<b>662,356</b>

The income tax was calculated at a 26% tax rate over taxable profits for the period.

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Tax calculation analysis:

	Group		Company	
	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012
<b>Profit before tax</b>	4,774,152	4,781,860	4,781,241	4,644,723
Tax calculated at the statutory tax rate of 26% (2012:20%)	1,241,280	956,372	1,243,123	928,945
Income not subject to tax	-851,713	-327,004	-853,556	-347,180
Expenses not deductible for tax purposes	30,814	31,867	30,814	79,471
Group's share on associate's deferred tax	0	-2,171	0	0
Effect of tax rates change	179,334	0	179,334	0
Tax differences of prior fiscal years	0	1,121	0	1,121
<b>Income tax expense</b>	<b>599,715</b>	<b>660,185</b>	<b>599,715</b>	<b>662,356</b>

### 23. Net profit per share

Basic and diluted earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding, excluding any holding of own shares.

	Group		Company	
	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012
Profit attributable to KRI-KRI S.A. shareholders	4,177,273	4,153,871	4,181,526	3,982,366
Weighted average number of ordinary shares	33,065,136	33,065,136	33,065,136	33,065,136
<b>Basic and diluted earnings per share (€ per share)</b>	<b><u>0.1263</u></b>	<b><u>0.1256</u></b>	<b><u>0.1265</u></b>	<b><u>0.1204</u></b>

### 24. Operating segment information

IFRS 8 Operating Segments (in replacement of IAS 14 Segment Reporting) requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group identifies segments making an operating and geographical distinction.

Under the operating distinction the Group's reportable segments are identified as follows: ice-cream, dairy-yogurt and other.

Under the geographical distinction the Group's reportable segments are identified as follows: Greece, other EU countries and third countries.

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The Group's revenue and results, along with the Group's assets and liabilities by reportable segment are shown by the following tables:

<b>1.1-30.6.2013</b>	<b>ice-cream</b>	<b>dairy-yogurt</b>	<b>other</b>	<b>Group total</b>
Sales	14,456,669	20,590,745	336,794	35,384,208
Gross profit	7,018,068	6,183,208	-2,770	13,198,506
Profit before taxes, financial and investment income	2,816,332	2,507,659	-580,718	4,743,273
<b>1.1-30.06.2012</b>	<b>ice-cream</b>	<b>dairy-yogurt</b>	<b>other</b>	<b>Group total</b>
Sales	14,556,858	16,684,374	97,341	31,338,573
Gross profit	7,053,492	5,420,573	35,440	12,509,504
Profit before taxes, financial and investment income	2,994,311	2,487,020	-738,932	4,742,400

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Period 1.1-30.6	2013					2012				
	Greece	EU	Third countries	elimination of intra-group transactions	Group Total	Greece	EU	Third countries	elimination of intra-group transactions	Group Total
Sales to third parties	29,639,470	3,392,752	2,351,986		35,384,208	25,538,034	3,040,685	2,759,853		31,338,573
Intra-group sales								474,059	474,059	
	<i>Sales</i>	29,639,470	3,392,752	2,351,986	35,384,208	25,538,034	3,040,685	3,233,913	474,059	31,338,573
Cost of sales to third parties	17,489,739	2,775,180	1,920,784		22,185,702	14,334,750	2,445,737	2,048,582		18,829,068
Intra-group cost of sales								445,557	445,557	
	<i>Cost of sales</i>	17,489,739	2,775,180	1,920,784	22,185,702	14,334,750	2,445,737	2,494,139	445,557	18,829,068
	<i>Gross profit</i>	12,149,731	617,572	431,203	13,198,506	11,203,285	594,948	739,773	28,502	12,509,504
Distribution expenses					-7,528,292					-6,744,214
Administration expenses					-1,059,058					-1,085,590
Other income - expenses (net)					132,118					62,699
	<i>Profit before taxes, financial and investment income</i>				4,743,273					4,742,400
Investment income (net)					0					-6,884
Financial income (net)					30,879					46,344
	<i>Profit for continuing operations</i>				4,774,152					4,781,860
Profit before taxes					4,774,152					4,781,860
	<i>Income tax</i>				-599,715					-660,185
Net profit for the period					4,174,438					4,121,675
	<i>Minority interest</i>				-2,835					-32,195
	<i>Net profit attributable to parent's shareholders</i>				4,177,273					4,153,871

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	Greece		Other countries		elimination of intra-group elements		Group total	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Assets	62,547,779	48,596,053	3,184	3,412	4,260	4,260	62,546,703	48,595,204
Liabilities	25,913,495	16,143,294	6,986	0	16,370	16,370	25,904,111	16,126,925

	Greece		Other countries		Group total	
	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012
Investments	3,020,718	984,090	0	35,229	3,020,719	1,019,319

## 25. Staff costs

	Group		Company	
	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012
Salaries and wages	3,203,040	3,048,500	3,203,040	2,986,683
Social security costs	794,845	761,969	794,845	733,432
Retirement and termination benefits	55,284	55,284	55,284	55,284
Other staff costs	140,148	116,628	140,148	116,628
<b>Total</b>	<b>4,193,316</b>	<b>3,982,381</b>	<b>4,193,316</b>	<b>3,892,027</b>

Number of personnel	30.6.2013	31.12.2012	30.6.2012
Group	291	269	305
Company	291	259	261

## 26. Commitments

### *Operating lease commitments - the Group as a lessee*

The Group leases motor vehicles, properties and other equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

	Όμιλος		Εταιρεία	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012
Up to 1 year	160,462	143,520	160,462	143,520
Between 1 to 5 years	237,424	257,504	237,424	257,504
<b>Total</b>	<b>397,885</b>	<b>401,024</b>	<b>397,885</b>	<b>401,024</b>

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**27. Contingent assets – liabilities**

The company's state subsidized investing plan for ice-cream is expected to receive about €3,388,000 subsidy, that is 40% of the total investment. Following the completion by more than 50% of its total budget, the company currently holds a contingent asset of about €1,644,000.

The Group has contingent liabilities (in relation with bank and other guarantees) arisen in the ordinary course of business. These contingent liabilities are not expected to generate any material fund outflows.

**28. Related party transactions**

*Sales of goods and services*

	Company	
	1.1-30.6.2013	1.1-30.6.2012
Sales of goods and services	0	788,248

*Outstanding balances at the end of the reporting period*

	Company	
	30.6.2013	31.12.2012
Receivables from related parties	0	427,497

	Company	
	30.6.2013	31.12.2012
Payables to related parties	0	0

*Compensation of directors*

	Group		Company	
	1.1-30.6.2013	1.1-30.6.2012	1.1-30.6.2013	1.1-30.6.2012
Remuneration of the members of the Board of Directors	141,000	129,000	141,000	129,000
Salaries of the members of the Board of Directors	143,506	143,557	143,506	116,481
<b>Total</b>	<b>284,506</b>	<b>272,557</b>	<b>284,506</b>	<b>245,481</b>



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*Other transactions with the members of the Board of Directors and key management personnel*

	<b>30.6.2013</b>	
	Όμιλος	Εταιρεία
Transactions with the members of the Board of Directors and key management personnel	10,025	10,025
Receivables from the members of the Board of Directors and key management personnel	0	0
Liabilities to the members of the Board of Directors and key management personnel	83,585	83,585

**29. Additional facts and information**

There are no pending judicial cases or court decisions which may have material impact on group's financial operations.

Tax audit have not been conducted for KRI-KRI S.A for the fiscal years 2009-2010. For possible tax differences, a provision of €60,000 is recognized.

**30. Post- balance sheet events**

The Shareholders' Annual General Meeting as of 18.6.2013 took resolutions for:

- a) increase of share capital by amount €3,637,164.96 by capitalization of reserves and issuance of 11,021,712 ordinary shares (bonus) of par value €0.33 each.
- b) increase of the par value of each share from €0.33 to €0.44 by reducing shares total number from 44,086,848 ordinary shares to 33,065,136 ordinary shares (reverse split)
- c) decrease of share capital by amount €1,983,908.16 by reducing the par value of shares from €0.44 to €0.38 and cash payment of €0.06 per share.

As of 30.6.2013, the approval from the Greek Ministry of Development and Competiveness for the above corporate actions and the amendment of the company's Articles of Incorporation was pending. The procedure is estimated to be completed by 24.9.2013.

Serres, 20 August 2013

Chairman  
& Managing Director

Vice-Chairman

Financial Director

Chief Accountant

Panagiotis Tsinavos  
ID AE373539

Georgios Kotsambasis  
ID AE376847

Konstantinos Sarmadakis  
ID P462316

Evangelos Karagiannis  
ID T215570