



ANNOUNCEMENT 2/9/2016: APPROVAL OF THE INTERIM SIX MONTHLY FINANCIAL RESULTS AND THE INTERIM MANAGEMENT REPORT FOR THE PERIOD 01/01/2016 – 30/06/2016

Mitsides Public Company Ltd (the Company) announces that on 2 September 2016, the Company's Board of Directors met and approved the unaudited Interim six monthly Financial Results and the Interim Management Report of the Company and its subsidiaries Blue Azul Investments Ltd, Larnaca Zenon Flourmills Ltd and Mitsides Point D.o.o. Serbia (the Group), for the period from 1 January 2016 to 30 June 2016. The Interim Management Report, which has been prepared in accordance with article 11 of the Transparency Requirements Law 190(I) 2007, and has not been audited by the Company's External Auditors, is presented below.

During the period from 1 January 2016 to 30 June 2016, the main activities of the Company, which are the production and trading of flour and pasta, the import and trading of bakery and confectionery raw materials, the import and trading of grains, as well as the production of bakery items by Mitsides Point D.o.o. in Serbia, has remained unchanged.

1. (a) The Group's turnover during the period under review amounted to €17.560.983, compared to €18.161.163 for the corresponding period last year, showing a decrease of 3,3%.
- (b) Gross Profit during the period under review stood at 24,68% compared to 21,9% during the corresponding period last year. The improvement is mainly due to an increase in the gross profit margin in the Group's Flour and Pasta Departments.
- (c) Selling, marketing and administration expenses for the reporting period amounted to €4.366.666 (24,86% of sales), compared to €4.283.234 (23,40% of sales) in the corresponding period of last year.
- (d) Operating loss before financing costs for the first half of 2016 amounted to €203.124, compared to a loss of €229.890 for last year's corresponding period.
- (e) Net financing costs during the first half of 2016 amounted to €504.101, compared to €469.167 in the corresponding period of 2015. This increase is due to an exchange rate loss of €119.000, compared to an exchange rate profit of €46.000 during last year's corresponding period.
- (f) The loss before tax in the first half of 2016 amounted to €300.977, compared to a loss of €699.057 in the corresponding period of last year.

- (g) The loss after tax for the first half of 2016 amounted to €339.254, compared to a loss of €665.838 in the corresponding period of last year.
2. The Group's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently what effect, if any, these might have on the Group's future financial performance, cash flows and financial position.
 3. It should be taken into account that it is not possible to predict whether the above trend will continue for the rest of the year. The Group's financial results depend to a large extent on the purchase cost of raw materials and particularly on international grain prices.
 4. There are no other material events and transactions that occurred during the period, which had an impact on the financial results of the company.
 5. The Interim Consolidated Financial Statements will not be mailed to shareholders but will be posted on the company's website at www.mitsidesgroup.com, while a sufficient number of copies will also be available at the company Head Offices at 16 Tefkrou Anthia, Dhali Industrial Zone, 2540 Dali.