



**ANNOUNCEMENT 23/05/2016: APPROVAL OF THE INTERIM MANAGEMENT
STATEMENT FOR THE PERIOD 01/01/2016 – 22/05/2016**

Mitsides Public Company Ltd (the Company) announces that on 23May 2016, the Company's Board of Directors met and approved the unaudited Interim management Statement 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 22 May 2016. The Interim Management Statement, 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 22 May 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.

The most significant events and transactions that took place during the above reporting period, as well as their impact, where applicable, on the consolidated financial statements of the Group, are presented below:

1. The Group's turnover during the reporting period has registered a decrease of 5%, compared to the corresponding period of last year. The decrease was mainly due to decreased sales in the Flour and Bakery Sectors of the Serbian subsidiary Mitsides Point D.o.o.
2. Despite the decrease in turnover, the Group's profitability has increased, compared to the corresponding period of last year.
3. The ongoing adverse economic climate in Cyprus, continues to adversely affect the financial market, as well as the real economy, creating an extended credit crunch. As a result, this Management Report is issued during a period of continuous market uncertainty, which may adversely influence the Financial Results of the Group in the future.
4. It should be taken into consideration that it is not possible to predict whether or not the above trend is to continue until the end of the current year. The Group's financial results depend to a large extent on the cost of raw materials and particularly on international prices of grains.
5. No other significant events and transactions influencing the Group's financial results took place during the reporting period.