



ANNUAL FINANCIAL REPORT

FOR THE YEAR 2015
(1/1/2015-31/12/2015)

In accordance with article 4 pursuant to Law 3556/2007 and pursuant to the resolutions by the Board of Directors of the Capital Market Committee under the authority of this Law

**TWO
CENTURIES
OF
PASSIONATE
MILLING**



www.loulismills.gr

LOULIS MILLS SA
GEMI (General Commercial Register) No: 50675444000
(formerly SA Register No: 10344/06/B/86/131)
Loulis Harbour, 370 08, Sourpi Magnesia Municipal District



LOULIS
mills

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Financial Statement & Information for the Year 2015

STATEMENTS OF REPRESENTATIVES OF THE BOARD OF DIRECTORS

(Pursuant to article 4, par. 2 of Law 3556/2007)

The herein below members of the Board of Directors of LOULIS MILLS SA:

1. Mr Nikolaos K. Loulis - Chairman of the Board of Directors
2. Mr Nikolaos S. Fotopoulos - Vice- Chairman of the Board of Directors & CEO
3. Mr Konstantinos N. Dimopoulos - Member of the Board of Directors, specifically appointed as per decision of the Company's Board of Directors (30 March 2016),

DO HEREBY DECLARE THAT

To the best of our knowledge:

- a. The attached Annual Financial Statements for the Company and the Group, which have been prepared in accordance with the applicable Accounting Standards, fairly represent the information in the assets and liabilities, the equity and the statement of income and operating results for LOULIS MILLS SA, as well as of the companies included in the consolidation as a whole; and
- b. The Annual Report of the Board of Directors fairly represents the development, performance and position of LOULIS MILLS SA, as well as the companies in the consolidation as a whole, inclusive of the description of the main risks and uncertainties that they are facing.

The Chairman of the BoD

The Vice-Chairman of the BoD &
CEO

The BoD Member

NIKOLAOS K. LOULIS

NIKOLAOS S. FOTOPOULOS

KONSTANTINOS N. DIMOPOULOS

LOULIS MILLS SA
ANNUAL REPORT OF THE BOARD OF DIRECTORS
For the fiscal year from 1st January to 31st December 2015
(Pursuant to Law 3556/2007 and the applicable Hellenic Capital Market Commission provisions)

This report of the Board of Directors of LOULIS MILLS SA (hereinafter referred to as the "Company") has been prepared in accordance with current legislation and applicable Hellenic Capital Market Commission provisions and is referred to the Annual Financial Statements (Consolidated and Separate) of December 31, 2015 and for the year then ended. LOULIS MILLS Group (hereinafter the "Group"), beyond the Company includes subsidiaries which the Company controls directly or indirectly. Consolidated and Separate Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

This report contains the financial report from January 1, 2015 to December 31, 2015, the planned growth and development, the important events that took place in 2015, the description of the principal risks and uncertainties for the next fiscal year, the Corporate Governance Statement, the Group's and Company's significant transactions with their connected parts, and the most important events that have been occurred until the issue date of financial statements.

A. Financial Review 2015

The Group's **Turnover (Sales)** for the fiscal year 2015 amounted to €104.96 million, increased by 19.27% compared to €88.01 million in 2014. At the same time the Company's turnover amounted to €101.37 million compared to €88.01 million in 2014, which is an increase of 15.19%.

The Group performed increased sales in relation to the Company due to the turnover of its newly established subsidiary. Similarly, during the fiscal year 2014, the Group had the same figures with the company because only the parent company had a production activity.

Regarding the sales per segment, we recognize a decrease of 4.41% to the sold quantities of consumer products, which accounted for the current year to 21.605 tonnes, while last year they were 22.602 tonnes. This reduction occurred with a decrease in consumer sales products by 6.61%. On the contrary, there has been an increase of 18.16% in the quantities of products for professionals sold during the first half of 2015, compared to the corresponding period, due to the increase of sales to small industry clients, industrial customers and exports. This increase led to a rise in industrial product sales by 19.43%. Eventually the sales of mixings for bakery and pastry, which is a new activity for the Group, had total sales of € 3.94 million.

The Group's **Cost of Sales** amounted to € 84.98 million, increased by 24.03% compared to € 68.52 million in 2014. At the same time the Company's cost of sales amounted to €82.17 million compared to € 68.52 million in 2014, which is an increase of 19.92%. This increase is attributed on one hand to the increase of the acquisition cost of direct and indirect raw materials and packaging materials and on the other hand to the

increase of the quantities sold. Subsequently, the Group's **Gross Profit** amounted to €19.98 million, increased by 2.53% compared to € 19.49 million in 2014 and the Company's gross profit amounted to € 19.20 million reduced by 1.45% compared to €19.49 million in 2014. While the ratio of cost of sales to sales amounted to 22.14% for 2014 for both the Group and the Company, it decreased to 19.03% for 2015 for the Group and to 18.94% for 2015 for the Company. The reduction of that ratio resulted from an increase of cost of direct and indirect raw materials and packaging materials and an increase in quantities sold while keeping prices unchanged.

The Group's **Administrative Expenses and Distribution Costs** amounted to € 17.78 million increased by 5.26% compared to the last year's corresponding period. During 2015, the group's administrative expenses and distribution costs as a percentage of sales amounted to 13.91%, while the same ratio for 2014 amounted to 15.68%. At the same time, the Company's administrative expenses and distribution costs amounted to € 17.06 million increased by 2.55% compared to € 16.63 million for 2014. During 2015, the Company's ratio of administrative expenses and distribution costs to sales decreased to 14,04% for 2015, in contrast to 15,68% for 2014. The stabilization of operating costs and product transport costs at low levels as of the previous year, (since the percentage of sales remained slightly above 5% for both years), verifies the continuous efforts of the company to maintain at low levels its operating costs.

The Group's **Finance Result** (expenses-income) amounted to € -2.16 million, increased by 8.48% compared to €-1.99 million in the respective year 2014, and decreased as a percentage of sales from 2.26% in 2014 to 2.06% for 2015. Correspondingly, the financial results of the Company amounted to € -2.19 million increased by 3.95% compared to the respective year 2014. The increase in financial expenses is mainly due to the increase of the total Group and Company debt in relation to the previous year and also due to the retaining of high cash balances because of the particular conditions of 2015, in economic terms.

The Group's **Total Depreciation** amounted to € 3.756 million decreased by 3.23% compared to €3.882 million for 2014. Similarly, the Company's total depreciation amounted to € 3.754 million decreased by 3.29% compared to € 3.882 million for 2014. As a percentage of sales the Group's total depreciation decreased from 4.41% for 2014 to 3.58% for 2015 and the Company's from 4.41% for 2014 to 3.70% for 2015.

The Group's **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)** amounted to €9.17 million reduced by 1.68% compared to €9.33 million in 2014 and also decreased as a percentage of sales from 10.60% to 8.74%. At Company level EBITDA amounted to €9.06 million reduced by 5.56% compared to €9.59 million for 2014, and decreased as a percentage of sales from 10.90% to 8.93%.

Considering all the above, the Group's **Net Profit Profit before Tax** amounted to €3.15 million compared to €3.56 million for 2014, which is a decrease of 11.52%. As a percentage of sales it amounted to 3.00% from 4.05%. The Company's net profit before tax amounted to €3.01 million compared to €3.71 million in 2014, showing a decrease of 18.84%. Similarly they are reduced as a percentage of sales from 4.22% in 2014 to 2.97% in 2015.

Income tax for the Group amounted to € 2.58 million compared to € 0.21 million for 2014 and for the Company amounted to € 2.43 million compared to € 0.21 million for 2014, mainly, due to the increase of amount of € 1.42 million resulted from the recalculation of the deferred tax position of both the Group and the Company as a result of the change of tax rate in Greece from 26% to 29% for the year 2015.

Following the above, the Group's **Net Income Statement after tax** amounted to € 0.58 million compared to € 3.35 million for 2014 and as a percentage of sales it amounted to 3.81% compared to 0.55% for 2015. Similarly, the Company's net profit after tax amounted to €0.59 million compared to €3.50 million in 2014, and as a percentage of sales it amounted to 3.98% compared to 0.58% in 2015.

The Group's loss attributable to **non-controlling interests** for the year 2015 amounted to €0.047 million compared to loss €0.010 million for 2014.

As a result of all the above, Group's **Net Profit Profit after Taxes** to return to the Company's shareholders in 2015 amounted to a profit of € 0.62 million over profit € 3.36 in the previous year.

For the fiscal year 2015, **operating cash flows** for the Group and the Company amounted to € 7.35 million and € 8.50 million, respectively, while the previous it amounted to € -3.18 million for the Group and € 3.43 million for the Company. The increase for the Group and the Company is primarily due to the positive changes in working capital and the reduction of income tax payments.

The **Investment Program** for both the Group and the Company for 2015 amounted to €2.52 million and €1.76 million, respectively, compared to € 1.18 million for both the Group and the Company for 2014. This increase is mainly due to the new investment of the company for the establishment of a new packaging line of consumer' products in the Industrial Unit in Sourpi Magnesia and the acquisition, by the Group's subsidiary NUTRIBAKES A.E., of the «KENFOOD» trademark.

The Group's **Total Bank Loans** on December 31, 2015 amounted to €35.63 million compared to € 35.28 million on December 31, 2014, i.e. increase of 1%, while the Company's total borrowings on December 31, 2015 amounted to €34.42 million compared to €35.28 million 31 December 2014, decreased by 2.44%.

In summary, the financial results of the Group and the Company for the years 2015, 2014 and 2013 are reflected through some key financial ratios and are compared against objectives set by the Company's management, based on the size of the company, the sector in which it operates, the conditions prevailing in the market and the average figures of the sector where data are available, as follows:

Basic Group's Ratios

		01.01.2015 31.12.2015		01.01.2014 31.12.2014		01.01.2013 31.12.2013		Target
1	Total Bank Borrowings EBITDA	<u>35,631,400</u> 9,170,069	3.89	<u>35,277,381</u> 9,326,606	3.78	<u>29,651,505</u> 8,822,290	3.36	(≤4.00)
2	EBITDA Interest Paid	<u>9,170,069</u> 2,224,203	4.12	<u>9,326,606</u> 2,089,233	4.46	<u>8,822,290</u> 2,416,688	3.65	(≥4.00)
3	Non-Current Assets Total Bank Borrowings	<u>99,207,707</u> 35,631,400	2.78	<u>101,389,263</u> 35,277,381	2.87	<u>104,006,078</u> 29,651,505	3.51	(≥2.50)
4	Total Bank Borrowings Total Equity	<u>35,631,400</u> 88,731,884	0.40	<u>35,277,381</u> 90,292,344	0.39	<u>29,651,505</u> 86,899,072	0.34	(≤0.60)
5	Total Current Assets Total Current Liabilities	<u>67,223,561</u> 52,727,414	1.27	<u>62,736,696</u> 47,041,015	1.33	<u>52,858,729</u> 35,557,799	1.49	(≥1.00)
6	Total Liabilities Total Equity	<u>77,699,384</u> 88,731,884	0.88	<u>73,833,615</u> 90,292,344	0.82	<u>69,965,735</u> 86,899,072	0.81	(≤1.00)
7	Inventory Turnover Ratio	94		109		97		(~80)
8	Supplier's Turnover Ratio (days)	46		51		70		(~75)
9	Customer's Turnover Ratio (days)	110		120		101		(≤120)

Basic Company's Ratios

		01.01.2015 31.12.2015		01.01.2014 31.12.2014		01.01.2013 31.12.2013		Target
1	Total Bank Borrowings EBITDA	<u>34,416,173</u> 9,055,417	3.80	<u>35,277,381</u> 9,588,604	3.68	<u>29,651,505</u> 8,851,324	3.35	(≤4.00)
2	EBITDA Interest Paid	<u>9,055,417</u> 2,181,235	4.15	<u>9,588,604</u> 2,087,461	4.59	<u>8,851,324</u> 2,411,522	3.67	(≥4.00)
3	Total Non-Current Assets Total Bank Borrowings	<u>100,000,316</u> 34,416,173	2.91	<u>101,625,694</u> 35,277,381	2.88	<u>104,242,509</u> 29,651,505	3.52	(≥2.50)
4	Total Bank Borrowings Total Equity	<u>34,416,173</u> 84,267,570	0.41	<u>35,277,381</u> 85,977,157	0.41	<u>29,651,505</u> 82,432,704	0.36	(≤0.60)
5	Total Current Assets Total Current Liabilities	<u>61,805,454</u> 50,938,748	1.21	<u>59,677,418</u> 46,850,355	1.27	<u>49,760,043</u> 35,478,912	1.40	(≥1.00)
6	Total Liabilities Total Equity	<u>77,538,200</u> 84,267,570	0.92	<u>75,325,955</u> 85,977,157	0.88	<u>71,569,848</u> 82,432,704	0.87	(≤1.00)
7	Inventory Turnover Ratio	97		109		97		(~80)
8	Supplier's Turnover Ratio (days)	47		51		70		(~75)
9	Customer's Turnover Ratio (days)	112		120		101		(≤120)

B. Prospects and Development

Management's goal is the Company's development through investment and innovation, setting the goal of high quality products, excellent customer service and producing value for our people, partners, shareholders and society. Having set this as a strategic objective, in previous years, the Company has carried out significant investments in equipment and human resource, and lastly it developed its production process in order to produce products of the highest quality with respect and responsibility to the environment and the consumer.

Therefore, the objectives for the years to come, remain high. In economic terms, the Management will continue to work with a view to maintaining the leading position of the company and preserve the positive results of recent years. Specifically, the goal for the next year is to further strengthen the company's position in the market by consolidating its existing market shares and also increasing the targeted ones. In addition, the purpose of the Management for 2016 is both to achieve business objectives and lay the foundations for long-term course, placing particular emphasis on the further development of the group in purchasing of mixtures and raw materials for bakery and pastry making and in using effectively synergies with the goal of better controlling the operating expenses and the cost of materials.

Main keystones and actions for 2016:

- Position in the market. Securing and maintaining its leading position in the market for flour and further development in the market of mixings.
- Operation and cost effectiveness. Ongoing making use of synergies to enhance the efficiency, effectiveness and cost savings.
- Human resource. Implementation of procedures that will promote the common working company culture in the new group's members and the continuation of the training of human resources.
- Management of quality and control. Maintaining high quality in production and continuation of the upgrading of the quality of management and control systems.

To sum up the goals for the next year and the long-term objectives also, we consider that they are based on the triptych "maintaining, development, servicing". We want to retain our fundamental economic sizes, our creditworthiness and relationship with our suppliers stable at high levels like all these years avoiding making any discount in the quality of produced products.

At the same time we are making use of the expertise and collaborations to develop and to offer our quality products to as many people as possible while at the same time develop and new that will meet their needs. "Our vision is to be champions with respect to the values, tradition, in human and in the environment."

C. Significant Events that took place during the 2015

The major events that took place during the year 2015 are as follows:

Establishment of a subsidiary called "NUTRIBAKES LIMITED COMMERCIAL PRODUCTION OF MIXTURES OF BAKERY AND PASTRY"

On January 27, 2015 Loulis Mills S.A. established a 100% subsidiary company under the name NutriBakeS S.A., in order to come to an agreement with the company KENFOOD Trofognosia SA, which included in particular: a) The future acquisition by our subsidiary company of the "KENFOOD" trademark, b) The future commercial cooperation agreement by virtue of which our subsidiary company shall undertake commercial activities on an exclusive basis under the "KENFOOD" trademark, c) The future acquisition by our subsidiary company of the total shares of KENFOOD Trofognosia SA and d) The future participation of the latter's company shareholders in the share capital of our subsidiary company.

KENFOOD Trofognosia SA is a Greek company, known to the public for its finest quality and know – how, incorporating since 1996 in producing and marketing of mixings and raw materials for bakery and pastry. The aforementioned cooperation strengthens the Group's presence in the field of bakery and pastry and makes it the unique company in Greece that can provide complete solutions to every professional of bakery and pastry. At the same time, it offers the Group a diversification in the activity, which helps to reduce the business risk.

During the first semester 2015, the Group's subsidiary NUTRIBAKES S.A. acquired the brand "KENFOOD" and took on exclusively the commercial activity under the acquired signal in order to maintain and expand its sales network in Greece and abroad. The newly established subsidiary already holds an important position in the Greek market of bakery mixtures and food raw materials, which is reflected in the Consolidated Financial Statements of the current period.

Also by decision of 27th May 2015 Extraordinary General Meeting of Shareholders of Group's subsidiary NUTRIBAKES SA, the share capital increased through cash payments and cancellation of the preemptive right of the existing shareholder in favor of the new shareholders (shareholders of KENFOOD Trofognosia SA). Their entrance was made in the context of the aforementioned agreement and was deemed appropriate as it is considered that the new shareholders will contribute to the implementation of the business plans of the subsidiary of the group with positive impact and value added in the future course of considering the 20-year experience in the production and selling of raw materials for bakery and pastry, their specialized knowledge in food technology and creation of strong economic foundation for further development. In addition, reinforcing the liquidity of the Group's subsidiary, NUTRIBAKES SA acquired sufficient working capital for the future growth of its activities both in Greece and abroad. After the above, the Company's participation in the share capital of NUTRIBAKES SA decreased from 100% to 70%.

Establishment of a subsidiary called "GREEK BAKERY SCHOOL – CENTER OF LIFELONG LEARNING LEVEL ONE SA"

On April 03, 2015 a subsidiary was established called "GREEK BAKERY SCHOOL - CENTRE FOR LIFELONG LEARNING - LEVEL ONE SA" with 99.67% participation of the Company. The Company operating as part of an ongoing development and improvement of efforts and always being on the side of the professional baker and pastry-maker, combined with the lack of intense professional seminars on issues of bakery and pastry in Greece, led to the creation of this school. The GREEK BAKERY SCHOOL housed in a specially designed room that has been established on the company premises in Keratsini and is expected to be staffed by education professionals in order to provide the best possible level of education to its prospective students. The GREEK BAKERY SCHOOL program is expected to start in September 2016 and the lessons that will be taught fall into three basic categories: Bakery and Pastry Technique, Food Technology, Bakery Business Administration. The school's attendants will consist of all direct and indirect employees of the bakery and pastry industry. The school's mission is to enhance the education of professionals. The character of the school will not be profitable as the 50% of the profits will be given to charitable purposes and the remaining 50% will be reinvested in improving school facilities and services.

Contract farming program 2015-2016

Within continuation of contract farming program and until the first half of the year 2016, the company made new arrangements for the period 2015-2016, with 180 Greek producers on the program about farming 17.300 wheat & durum acres (biological and/or conventional cultivation), as two-grain wheat (triticum dicoccum) and Dinkel wheat (triticum spelta). Through the participation of the company in contract farming projects, the followings have been achieved:

a) Ensuring the quality of the wheat produced while ensuring the high quality of the produced products, b) The enhancing of distribution of wheat from the producer to the company as well as c) Creating trusting relationships with the Greek farmers.

At the same time, the company contributes actively to the support and further development of the Greek agricultural economy. The two-grain wheat (triticum dicoccum) and Dinkel wheat (triticum spelta) are the raw materials for the production of high quality whole wheat flour and are available: a) under the name "HEALTHY LIVING WHOLEMEAL FLOUR FROM DICOCCUM WHEAT FROM PETROMYLOS MILL" to businesses and consumers and b) under the name "DINKEL FLOUR WHOLEMEAL" to businesses and consumers.

New Packaging Line of consumer products to industrial unit Sourpis at Magnisia

On July 2015 the installation of equipment has been completed for the operation of a new line of innovative consumer product packaging in the industrial unit Sourpis at Magnesia. The equipment was acquired by leasing from the company ALPHA LEASING SA. The relevant investment is expected to improve the overall performance of existing packaging equipment.

Developments regarding the Group's investment in the Indian market

Following the announcement on January 16, 2015, LOULI MILLS SA shall communicate the decision of the company GRINCO HOLDINGS LIMITED, in which participates the group's company LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd through its subsidiary LAFCO LEADER ASIAN FOOD COMPANY Ltd and its subsidiary CHIPITA, CHIPITA PARTICIPATIONS LIMITED, to enter the Indian market with a smaller investment of € 1 million instead of the original plan to invest about € 15 million. This decision is the result of original research in the Indian market which showed that creating a flourmill does not appear advisable in this period. Given the above, it was considered jointly as appropriate solution that at this period the LOULIS MILLS SA should proceed independently in smaller investment with a view to a thorough survey of the local market of India and then decide for further steps which still include the possibility of a greater joint investment with the group of CHIPITA. In this context, LOULIS MILLS SA discloses the purchase of 40% of GRINCO HOLDINGS Ltd, for €40.000 from CHIPITA PARTICIPATIONS LIMITED.

Decisions of the Extraordinary General Meeting of Shareholders on 8th January 2015

At the extraordinary general meeting of shareholders the 08th January 2015, was adopted, the increase of the company's share capital by €1.541.255,58 with an increase of the nominal value of each share at €0.09 (from €0.94 per share to €1.03) with capitalization of the reserve "Difference From Share Issue Premium" and subsequently the simultaneous equal reduction of the share capital of the company at €1.541.255,58, with reduction of the nominal value of each share at €0.09 (by €1.03 per share to €0.94) with the purpose of the capital return in cash to shareholders. Beneficiaries of the capital return are the shareholders that will be registered in the intangible Securities System of the Company at the 3rd February 2015 (Record Date) for the concerned listed company. The start date for the payment of the capital return was designated the 09th February 2015 and will be performed through ALPHA BANK SA.

Furthermore, during the same extraordinary general meeting of shareholders has been approved, and the Board of Directors at its meeting of 15 January 2015 defined the details of the own share buy-back program, in accordance with article 16 of Law 2190/1920, as amended and in force, Law 3604/2007 which amended the relevant provisions of Law 2190/20, Regulation 2273/2003 of the Committee of European Communities and decision 1/503/13.3.2009 of HCMC, at a rate of up to 10% of total shares, which is up to 1.712.506 shares of the company. The purchase price range determined by a (1) to five (5) million. The duration of the own share buy-back program, which will not exceed 24 months, has its opening date 08th January 2015, date of approval of the

program by the extraordinary general meeting of shareholders, and the expiration date is on 07th January 2017. At least 90% of the own shares to be purchased (i.e. 9% of existing shares) will be cancelled and the remaining 10% may be distributed to staff by decision of the Board of Directors of the company.

Decisions of the Annual General Meeting of Shareholders on 23rd June 2015

Further, at the annual general meeting of shareholders on 23 June 2015, were approved the financial statements of the company and the consolidated financial statements in accordance with international financial reporting standards, for the fiscal year 01.01.2014 to 31.12.2014. At the same general meeting it was decided by percentage of 75.40% of share capital, not to distribute dividends to shareholders due to the general economic instability and uncertainty prevailing in the European zone, but also in the world, as well as for the Company's cash flow

Bond Issuance

On 17 March 2015, the company proceeded to the issue of a Common Bond of € 6 million in order to refinance its existing short-term bank loans. The loan has a two-year duration and the issue was made in cooperation with ALPHA BANK SA.

D. Principal risks and uncertainties for the next year

The Group's activities generate a number of financial risks, including interest rate risk, credit risk and liquidity risk. The overall risk management program focuses on the Group's fluctuations of financial markets and seeks to minimise potential adverse effects by such fluctuations on its financial performance. The group does not perform speculative transactions or transactions not related to trade, investment or borrowing activities.

The financial products used by the Group mainly consist of deposits at banks, contract loans, overdraft bank accounts, accounts receivable and accounts payable, dividends payable and liabilities arising from leasing contracts as well as financial derivatives.

So far, the global financial crisis has affected at the least possible the activity of the company, though because of the intensity of the phenomenon, the inability to estimate the duration of this and the general state of suffocation and lack of liquidity in the market, it is likely to occur further reducing in consumer demand that adversely could affect sales and profit margins in the industry. The fact that our products cover basic necessities, the company's minor financial exposure as well as the important qualitative and our product differentiation are the main tools it has to minimize the negative effects of the economic crisis.

The usual financial and other risks to which the company is exposed are market risks (*interest rates, liquidity risk, market prices, credit risk, inventories risk, risk of a reduction in demand due to a more general consumer depression*).

Exchange Rate Risk

All transactions and balances of the Company are in euros. The company's management constantly monitors exchange rate risks that may arise and evaluates the need for such measures, however that risk does not currently exist.

Interest Rate Risk

The Company's Management constantly monitors the trends of interest rates and the company's financing needs. Limited risk of the change in rates comes mainly from long-term and short-term borrowings. The Group's policy is to keep the total of loans at variable interest rates. Since the company's borrowings are linked with the Euribor index, the significant reduction of the latter has a direct positive impact on financial cost of the Company.

Sensitivity analysis on interest rate changes

	Interest Rate Volatility	Impact on EBT Company	Effect on the Group's profit before tax
Amounts 2015	1.00%	-344,162	-356,314
	-1.00%	344,162	356,314
Amounts 2014	1.00%	-352,774	-352,774
	-1.00%	352,774	352,774

Credit Risk

The Company is not exposed to significant credit risk towards its counterparties due to the wide-spread allocation of the Company's Customers (4.500 clients). Also there is no client that represents more than 7% on the Company's turnover.

The Group companies have adopted and are applying credit control procedures aimed at minimizing doubtful receivables, monitoring on a daily basis, the size of credit provision, and the credit limits of the customers.

Sales are made to customers with adequately evaluated sales history and the Company's customer base is spread over a large number of small clients leading to a low credit risk.

Moreover the company has adopted insurance policy towards credit risk which covers approximately 80% of the receivables. The Insurance Contract is non-negotiable and non-transferable. Specialized software applications are used by the relevant departments of the Company, in order to constantly monitor the credits given to customers, whereas the group companies proceed in additional credit insurance, when applicable. In case a possibility of non-collection of a receivable does arise the Company forms a provision for the relevant doubtful account.

Liquidity Risk

The company has a strong capital structure and high liquidity ratio. The general liquidity of the company is high. Suggestively, we mention that the general liquidity ratio (current assets to current liabilities) is 1.21 for the company.

With the appropriate combination of cash by operating cash flow and bank approved credit limits is achieved the prudent and sound management of liquidity. The companies of the group, constantly monitor the coverage needs of total liabilities and the composition and maturity of the liabilities, by ensuring that secured bank credits are always available and ready to use, as well as to have sufficient cash as of prudent use of working capital. These unused, available and approved credits to the companies of the group, are sufficient to cope with a possible cash shortage.

Risk of Inventory Impairment

The Group always ensure the all necessary measures have been taken in order to minimize the risk and potential damage due to inventory loss from natural disasters. At the same time, due to the high inventory turnover ratio (94 days for the Group and 97 days for the Company) and at the same time due to the inventory's long duration (expiry date), the risk of their depreciation is highly limited.

Decrease in demand due to the general consumer recession

The Group belongs to the food industry and the demand in this industry has a smaller reduction than others the Greek economy. However, the risk ahead and general conditions are expected to affect the Group's performances as the decline in demand is expected to intensify, if the general conditions of economic recession continue with the same intensity.

Risk of increases in the prices of raw materials

The dramatic fluctuations in prices of both imported and domestic raw materials for the last five years as well as the general economic crisis leads us to consider that this fluctuation will continue to exist in the price of the raw materials. Therefore, exposure to this risk is assessed high and for this reason the Group's Management has therefore taken the appropriate measures in order to limit exposure to this risk through special agreements with its suppliers, on the one hand, and by timely and corresponding adjusting of its pricing and commercial policy, on the other hand.

Risks from the impose of capital controls in Greece

In the context of the economic environment created by the imposition of capital controls in Greece on 28th June 2015, risks arise the most important of which is related with the liquidity of the financial system and the collection of receivables, the asset impairment, the revenue recognition, the serving its existing debt liabilities and/or to satisfy these terms and financial ratios, in recoverability of deferred tax benefits, in valuation of their financial instruments, to the adequacy of predictions and continued unrestricted business activity.

The Group's activities in Greece continues without interruption. However, the management is not able to accurately predict possible developments in the Greek economy and the effect it will have on the Group's activities. Despite this, based on the management's estimation and assuming that capital controls would be lifted within the second half of 2016 and that the agreed terms and conditions of the third rescue program will be implemented, no significant negative impact is expected in the activities of Group in Greece over the medium to longer term. Therefore, the management has concluded that no additional impairment provisions of financial and non-financial assets of the Group are needed at 31 December 2015.

In this uncertain economic environment, the management constantly evaluates the conditions and potential future impacts, in order to ensure that all necessary actions and initiatives for minimizing any impact on domestic activities of the group have been made.

E. Corporate Governance Statement

Introduction

LOULIS MILLS SA is committed and adhere to standards of corporate governance. Within this context, the Company has implemented the principles set out by the Corporate Governance Code introduced by the Hellenic Federation of Enterprises (SEV) with some exceptions, but always in accordance with the current legislation. The code can be found at the following Web address:

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

1. Internal Audit and Risk Management

1.1 Main features of Internal Audit

Internal audit is performed by the independent Internal Auditing department, which follows written operation regulations (the Internal Auditing Charter).

Please note that the audit on which basis the relevant report is prepared and carried out within the regulatory framework in line with Law 3016/2002, as in force, is specifically in accordance with articles 7 and 8 of the same Law, and also based upon the provisions of the Resolution 5/204/2000 of the Board of Directors of the Hellenic Capital Market Commission (HCMC), as amended by HCMC Board of Directors decision Nr. 3/348/19.7.2005.

During the audit procedure, the internal audit department is informed about all the Company's necessary journals, documents, files, bank accounts and portfolios and requests Manager's absolute and continual cooperation, in order to get provided with all the requested information and data for the purpose of receiving a reasonable assurance on management's part in order to prepare a Report that is free of essential misstatements with respect to the information and conclusions contained therein. The internal audit does not contain any assessment regarding the suitability of the accounting policies that were implemented, as well as the reasonableness of the assessments that were made by Management, since these constitute objective of the audit carried out by the Company's statutory auditor.

Internal Audit has to assess the general level and the operating procedures contained in the internal audit system. Certain audit areas – fields are selected during every audit period, while the audit and the examination of the operation and organisation of the Company's Board of Directors and the operation of the 2 main Departments that are operating on the basis of the provisions pursuant to Law 3016/2002, namely the Department for Servicing Shareholders and the Corporate Announcements Department are being conducted on a fixed and permanent basis.

1.2 Managing the company's risks in relation to the procedure for preparing the Financial Statements

The company has developed and applies policies and procedures in the preparation of the financial statements to ensure their credibility and compliance with legislation and regulations that govern their preparation and disclosure.

These procedures are related to the proper audit and recording of revenue and expenditure, as well as monitoring of the situation and the value of its assets. The policies and procedures that have been implemented, are evaluated and readjusted in case they are inadequate or where it is necessary due to changes in the current legislation.

At the end of each accounting period, the company's accounting department undertakes the actions that are required for the preparation of the financial statements according to the law.

The policies and procedures implemented, which relate to the preparation of the Financial Statements, are:

- Procedures for closing periods that include the time limits for submission, competencies, classification and analysis of the accounts and updates for the necessary disclosures;
- Agreement between the balances in the Customers and Suppliers accounts, as well as the Company's sundry receivables and liabilities, at regular intervals;
- Procedures that ensure that the transactions are recognised in accordance with the International Financial Reporting Standards;
- Agreement between the bank accounts and borrowing accounts kept by the Company at approved Banks on a monthly basis;
- Audit and agreement between cheques receivable and cheques payable;
- Carrying out forecasts on the Company's receivables and liabilities in cases where the supporting documents have not yet been produced;
- Carrying out a physical inventory and auditing of the imports – exports on a monthly basis;
- Procedure for auditing the agreement between sales and the documents issued;
- The existence of policies and procedures for sectors such as significant purchases, payment and collection procedures, managing inventories, etc.
- The implementation of procedures for entries being made by various people within the context of segregation of duties;
- Approvals and procedures for the correct entry of the Company's Expenses into the accounts of the applied accounting plan and the correct cost centre;

- Procedures for approving purchases, entering and monitoring assets and carrying out the proper depreciation;
- Procedures for monitoring and managing staff and the liabilities arising from the payroll;
- Procedures that ensure the proper use of the accounting policies implemented by the Company and that assessments and changes made to it through the Company's information system are only carried out by authorised users in specific areas of responsibility.

The information system that is used by the Company is continually being developed and upgraded in close cooperation with a recognised IT Company, so that it is adapted to its continuously growing and specialised needs for the purpose of supporting the Company's Non-Current goals and prospects.

2 General Meeting of Shareholders

2.1 General Meeting and its main authorities:

The General Meeting is the supreme body of the Company, and may decide for each corporate case and rule on all matters submitted to it. The role, powers, convening, participation, the ordinary and extraordinary quorum and majority of runners, the Bureau, the agenda and the general operation of the General Meeting of Shareholders of the Company are described in the statutes of the company, as it has been updated on the basis of the provisions of law 2190/1920, as amended (having integrated the Law 3884/2010 concerning minority rights).

In particular, the General Meeting is exclusively responsible to decide on:

- a) Amendments to the Articles of Association, as they considered, however, the increases or reductions in the capital. The amending statute decisions are valid, if not prohibited by an explicit provision of the Statute,
- b) Electing Board members and Auditors,
- c) Approval of the company's balance sheet,
- d) Distribution of annual profits,
- e) Merge, split, convert, revival, extension of duration, or dissolution of the company and
- f) Appointing liquidators.

Within the provisions of the aforementioned paragraph the followings are not included: a) increases decided in accordance with paragraphs 1 and 14 of article 13 of codified law 2190/1920 by the Board of Directors, as well as increases imposed by provisions of other laws, b) the amendment of the statutes of the Board of Directors in accordance with paragraph 5 of article 11, paragraph 2 of article 13 and paragraph 13 of

article 13 and paragraph 4 of article 17B of codified law 2190/1920, c) the appointment of the first Statute Governing Board, d) the election against the Statute, in accordance with paragraph 7 of article 18 of codified law 2190/1920, replacing the resigned ones, deceased or apwlesantwn their property in any other way, e) absorption of according to article 78 of law 2190/1920 limited company from another company that owns 100% of its shares and f) possibility of profit distribution or optional provisions within the current fiscal year by decision of the Board, if it has no authorization of the General Meeting.

The decisions of the General Meeting are binding for the shareholders who are absent or disagree.

The General Meeting of Shareholders shall be convened by the Board of Directors at all times and regularly convenes at the registered office of the Company or to another district of Municipality within the county of the registered office of the Company or other adjacent municipality of the registered office of the Company, at least once per fiscal year and always within the first six months of the end of each fiscal year. The General Meeting can meet and at the district of the municipality where it is located the headquarters of the Athens Stock Exchange.

The Board of Directors may convene an extraordinary meeting of the General Meeting of shareholders when appropriate or if requested by shareholders representing over law and the statutes required percentage.

The General Meeting, with the exception of repetitive meetings and those assimilated, convened at least twenty (20) days before the date set for the meeting. It is clarified that non-working days are also counted. The day of publication of the invitation and the day of the meeting are not counted.

At the invitation of the shareholders in General Meeting, should be determined the date, the hour and the venue where the Meeting will be held, the agenda issues, shareholders who are entitled to participate, as well as precise instructions about the procedure in which shareholders will be able to participate in the meeting and to exercise their rights in person or through a representative or possibly remotely.

The convocation at shareholders meeting is not required when present or represented shareholders represent the entire share capital and none of them counters in actuality and in decision-making.

The General Meeting is to meet quorum and valid for agenda topics when they are present or are represented in that shareholders representing one fifth (1/5) of the paid-up share capital.

If this quorum is not reached the General Meeting shall meet and meet again within twenty (20) days from the day of the meeting that was aborted after invited shareholders before ten (10) days. Repeat this Meeting meets valid for threads of the original agenda for any part of the subscribed capital represented therein.

The decisions of the General Meeting are taken by absolute majority of votes represented therein.

In the case of decisions taken by the General Meeting concerning restrictively: a) change of nationality of the company, b) extend, merge, split, convert, revival or dissolution of the company, c) change of the object (purpose) of the company, d) increase of the share capital, which is not provided in the Statute, in accordance with paragraphs 1 and 2 of article 13 of codified law 2190/1920 unless required by law or is made by the capitalization of reserves, e) reduction of share capital, unless made in accordance with paragraph 6 of article 16 of law 2190/1920, f) change the way of distribution of profits, g) increase the liabilities of the shareholders, h) conversion of registered shares of the company in anonymous or anonymous nominal, i) provision or renewal of authority to the Board of Directors to increase the share capital in accordance with article 13 paragraph 1 of law 2190/1920, the General Meeting shall form quorum, meet valid and can take legitimate decisions on the agenda when present or represented in that shareholders up to two thirds (2/3) of the paid-up share capital.

The General Meeting is chaired temporarily, and until the election of president by the General Meeting, the Chairman of the Board of Directors or his Deputy, or they are not presented, by another member of the Board of Directors, or if not attend any Board Member, a person who is elected from the Meeting. The interim President shall appoint a temporary secretary who will count the votes. After the declaration of the list of the shareholders present as final, the General Meeting will proceed to the election of a President and a secretary, who will count the votes.

The discussions and decisions of the General Meeting are limited to matters which are on the agenda. Procedures for hearing and decision of the General Meeting are recorded in summary form in a special minute book and shall be signed by the Chairman and the secretary. The President of the General Meeting, on request of the shareholders, is obliged to record an accurate summary of the opinions expressed by those shareholders on the Company's record. The minutes should also include the list of shareholders who were present or represented at the meeting, as well as the number of shareholders and their vote. In case one (1) only shareholder is present at General Meeting, it is mandatory the presence of a notary, who subscribes to the minutes of the meeting.

2.2 Rights of the shareholders and method for exercising these rights

2.2.1 Rights of participating and voting

The shareholders shall only exercise their rights, in relation to the Company's management, at the General Assemblies and in accordance with the provisions of the law and the Articles of Association. Every share represents one vote at the General Meeting, subject to the provisions of the article 16 pursuant to Codified Law 2190/1920, as in force.

Anyone that appears as a shareholder on the records of the intangible Securities System of the Company that is managed by the "Hellenic Exchange SA" (HESA), which keeps the Company's securities (shares), may participate at the General Meeting. The verification of the shareholder status is made with the submission of the relevant written certification that is issued by the hereinabove body or alternatively through the direct online connection between the Company and the records of the mentioned above body. The shareholder's capacity must exist upon the record date, namely at the beginning of the fifth (5th) day prior to the convening of the General Meeting, and the relevant certification or online certification regarding the shareholder capacity must have been received by the Company at the latest on the third (3rd) day prior to the convening of the General Meeting.

For the Company, the right to participate and vote at the General Meeting is only exercised by the person holding the shareholder's capacity upon the corresponding record date. In case of non-compliance with the provisions under article 28 (a) pursuant to Codified Law 2190/1920, the aforementioned shareholder may only participate in the General Assemble after it has received its permission.

It is noted that the exercise of the mentioned above rights (participation and voting) does not require the blocking of the holder's shares or the application of any other equivalent procedure, which restricts the capacity to sell and transfer these shares during the intervening period between the record date and the date of the General Meeting.

The shareholders may participate and vote at the General Meeting in person or via representatives. Every shareholder may appoint up to three (3) representatives. Legal entities may participate in the General Assemble by appointing up to three (3) natural persons as their representatives. Nevertheless, if the shareholder holds the Company's shares, which appear on more than one security accounts, this restriction does not prevent the shareholder from appointing different representatives for the shares that appear on each securities account in relating to the General Meeting. A representative that is acting for more than one shareholder may vote differently for each shareholder. The shareholder's representative is required to notify the Company prior to the commencement of the General Meeting about every specific event that may be useful for the shareholders to evaluate the risk of the representative serving other interests apart from the interests of the represented shareholder. Within the definition of this paragraph, a conflict of interest may arise specifically where the representative:

a) Is a shareholder that is exercising control over the Company or another legal person or entity that is controlled by that shareholder;

b) Is a member of the Board of Directors or the Company's general management or a shareholder exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;

c) Is the Company's employee or Chartered Auditor or a shareholder that is exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;

d) Is the spouse or a relative of 1st degree to one of the natural persons that subject to cases (a) to (c).

The appointment and revocation of the shareholder's representative shall be made in writing and communicated to the Company in the same way at least three (3) days prior to the date of the General Meeting.

2.2.2 Other rights of the shareholders

Ten (10) days prior to the Regular General Meeting every shareholder may receive copies of the Company's annual financial statements and reports by the Board of Directors and the Auditors. These documents must have been timely submitted in the Company's offices by the Board of Directors.

On request of the shareholders that represent one-twentieth (1/20th) of the paid up share capital the Board of Directors is obliged to convene an Extraordinary General Assemble of the shareholders, by appointing its meeting date, which cannot be later than forty-five (45) days after the date upon which the request was submitted upon the Chairman of the Board of Directors. The application shall contain the objective of the agenda. Where the General Meeting is not convened by the Board of Directors within twenty (20) days from the submission of the relevant request, the meeting shall be convened by the petitioning shareholders at the Company's expense, by a resolution of the Single Member Court of First Instance where the Company's registered offices are based, which shall be issued under the interim relief proceedings. This decision shall specify the place and time for the meeting, as well as the agenda.

An application by shareholders that represent one-twentieth (1/20th) of the paid up share capital shall compel the Board of Directors to enter additional matters on the agenda for the General Assemble that has already been convened, where the relevant application is received by the Board of Directors at least fifteen (15) days prior to the General Assemble. The additional matters must be disclosed or notified at the responsibility of the Board of Directors in accordance with article 26 pursuant to Codified Law 2190/1920, at least seven (7) days prior to the General Assemble. Where these matters are not disclosed, the petitioning shareholders are entitled to request the adjournment of the General Assemble in accordance with paragraph 3 under article 39 pursuant to Codified Law 2190/1920 and to personally proceed with the publication in accordance with the determinations in the previous section, at the Company's expense.

An application by shareholders that represent one-twentieth ($1/20^{\text{th}}$) of the paid up share capital shall compel the Board of Directors to make available to the shareholders, in accordance with the determinations under article 27, paragraph 3 pursuant to Codified Law 2190/1920, at least six (6) days prior to the date of the General Meeting, drafts of resolutions on matters that have been included in the initial or the revised agenda, where the relevant application has been received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

Further to an application by any whatsoever shareholder that is submitted to the Company at least five (5) clear days prior to the General Meeting, the Board of Directors is required to provide the General Meeting with the required specific information concerning the affairs of the Company, to the extent that this is useful for making an actual assessment of the matters on the agenda.

An application by shareholder/s that represent one-twentieth ($1/20^{\text{th}}$) of the paid up share capital shall compel the Chairman of the Meeting to defer the passing of resolutions on only one occasion on all or specific matters by the Extraordinary or Regular General Meeting, by appointing a date for continuing the meeting for passing those resolutions that are specified in the application by the shareholders, which cannot however be greater than thirty (30) days after the date of adjournment. The General Meeting after an adjournment constitutes a continuation of the previous meeting and it is not necessary to repeat the formalities for publishing the invitation to the shareholders, wherein new shareholders may also participate therein in observation of the provisions under articles 27, paragraph 2 and 28 pursuant to Codified Law 2190/1920.

An application by shareholders that represent one-twentieth ($1/20^{\text{th}}$) of the paid up share capital, which must be submitted to the Company five (5) clear days prior to the regular General Meeting, shall compel the Board of Directors to disclose to the General Meeting the amounts that have been paid under any whatsoever causes by the Company over the last two-year period to members of the Board of Directors or Managers or its other employees, as well as every other agreement that has been concluded by the Company under any whatsoever reasons with the same persons. Furthermore, an application by any whatsoever shareholder that is submitted in accordance with the hereinabove shall compel the Board of Directors to provide specific information that is requested offered in relation to the Company's affairs to the extent that this is useful for actually assessing the matters on the agenda. The Board of Directors may refuse to provide the information that is requested from it upon reasonable causes, by recording the relevant justification in the Minutes. Such grounds may in accordance with the circumstances be the representation of the petitioning shareholders on the Board of Directors, in accordance with paragraphs 3 or 6 under article 18 pursuant to Codified Law 2190/1920.

At request by the shareholders that represent one-fifth ($1/5^{\text{th}}$) of the paid up share capital, which must be submitted to the Company within the time limit under the mentioned in the previous paragraph, the Board of Directors shall compel to provide information to the General Meeting in relation to the course of the corporate affairs and the Company's assets position. The Board of Directors may refuse to provide the information that is requested from it upon reasonable causes, by recording the relevant justification in the Minutes. Such grounds may in accordance with the circumstances be the representation of the petitioning shareholders on the Board of

Directors, in accordance with paragraphs 3 or 6 under article 18 pursuant to Codified Law 2190/1920, where the corresponding members of the Board of Directors have received the relevant information in an adequate manner.

In the case of an application by shareholders that represent one-twentieth ($1/20^{\text{th}}$) of the paid up share capital, resolutions upon any whatsoever matter on the agenda of the General Meeting shall be passed with a roll call.

The Company's shareholders that represent one-twentieth ($1/20^{\text{th}}$) of the paid up share capital have the right to request an audit of the Company from the Single Member Court of First Instance in the region where the Company is based, which shall adjudicate the matter on the basis of ex parte proceedings. The Audit shall be ordered where actions are conjectured that violate the provisions in the law or the Articles of Association or the resolutions by the General Assemble.

The Company's shareholders that represent one-fifth ($1/5^{\text{th}}$) of the paid up share capital have the right to request an audit of the Company from the competent Court in the previous paragraph, where it is believed from the whole course of the corporate affairs that the Management of the corporate affairs is not being carried out as dictated by sound and prudent Management. This provision shall not be implemented on those occasions where the minority requesting the Audit is represented on the Company's Board of Directors.

3 Board of Directors

The Board of Directors manage the Company as a collective body, taking its decisions in accordance with the current SA legislation, the stock exchange legislation, the regulatory provisions of the ASE and the supervising authorities. The members of the Board of Directors shall acquire all relevant information regarding the operation of the Company. Moreover they must exercise the general administration and management of corporate affairs, to best interests of the company and its shareholders.

The Board of Directors (BoD) shall primarily formulate the strategy and development policy, and also supervise and control the management of the Company's assets. The composition and properties of the members of the Board of Directors shall be determined by the Law and the Company's Articles of Association. The foremost obligation and duty of the members is to constantly reinforce the Company's long-term economic value and to promote the general corporate interest.

3.1 Composition and function of the Board of Directors

According to article 17 of Articles of Association Company's BoD in accordance with article 17 in its Articles of Association shall be comprised of five (5) to seven (7) members that are natural or legal persons, which are elected by the General Assemble of the shareholders by an absolute majority of the votes that are represented at the General Assemble. The members of the Board of Directors may be re-elected and freely revoked.

The term of the members on the Board of Directors shall be for a period of 4 years commencing from the meeting date of the General Assemble that elected the board and shall be extended until the expiry of the time limit, within which the immediately next regular General Assemble must convene. The specific article in the Articles of Association has been amended and the term for the members of the Board of Directors shall be for four years.

The Board of Directors shall meet upon every occasion required under the law, the Articles of Association or the Company's needs, further to an invitation by its Chairman or his/her deputy at the Company's registered offices or the Company's branch at Keratsini (1 Spetson Street). The invitation must necessarily State with clarity the matters on the agenda, alternatively the passing of resolutions shall only be permitted where all of the members on the Board of Directors are present or represented and no one has objected to the passing of resolutions.

The Board of Directors may validly convene outside its registered offices in any other domestic or foreign location, where all its members are present or represented at that meeting and no one has objected to holding the meeting and passing resolutions.

The Board of Directors may convene via teleconferencing. In that case the invitation to the members on the Board of Director shall include the necessary information regarding their participation at the meeting. The Chairman or his/her lawful deputy shall chair the meetings by the Board of Directors.

The Board of Directors shall be in quorum and validly convened where one half plus one of the directors are present or represented, however the number of the directors present can under no circumstances be less than three (3).

An absolute majority of the directors present and represented is required for the valid passing of resolutions by the Board of Directors.

A director that is absent may be represented by another director through a simple letter or Telegraph that is addressed to the Chairman of the Board of Directors. Every director may only represent one other director and it is furthermore necessary that at least three members are present at every meeting.

The discussions and resolutions by the Board of Directors shall be entered in a précis form into a special Journal that may also be kept on a computerised system. Further to an application by the member of the Board of Directors, the Chairman is required to enter a precise summary of his/her opinion in the Minutes. A list of the members of the Board of Directors that were present or represented at the meeting shall also be entered into this Journal. The minutes of the Board of Directors shall be signed by the Chairman or Vice- Chairman (where one has been elected) or where a Vice- Chairman has not been elected then by the Managing Director. Copies of the Minutes shall be officially issued by these persons, without requiring any other ratification.

The Board of Directors has the right to transfer its authorities on every occasion by its specific resolution, which shall be entered into the Minutes, (excluding those in the forest that require collective action) on specific

and individually determined matters to one or more members of the Board of Directors or to other persons that shall act alone or collectively. The Board of Directors may also assign the Company's internal audit to one or more persons that are not its members and to members of the Board of Directors where it is not prohibited by the law. These persons may further assign the exercise of the authorities that have been assigned to them or a section thereof to other members or third parties, where this is provided in the resolutions of the Board of Directors.

a) Where a director's position is vacated due to death, resignation or under any whatsoever other cause, the remaining members on the Board of Directors, which must be at least three (3), may elect a replacement director. The term of the replacement director shall expire upon the date that the term of the director being replaced would have expired. The resolution with the election shall be submitted to the publication requirements under article 7 (b) pursuant to Codified Law 2190/1920 and shall be announced by the Board of Directors at the immediately next General Assemble, which may replace the elected members, even where the relevant matter has not been entered on the agenda.

b) In the hereinabove case of resignation, death, or loss of the capacity as a member of the Board of Directors in any whatsoever manner, the remaining members may continue managing and representing the Company without replacing the missing members in accordance with the hereinabove upon the condition that their number exceeds one half of the members that were prior to the onset of the above events. In every case, these members are not permitted to be less than three (3).

c) In every case, the remaining members of the Board of Directors, regardless of their number, may proceed with convening a General Assemble for the exclusive purpose of electing a new Board of Directors.

3.2 Information concerning the members of the Board of Directors

The Company's current Board of Directors is comprised of six (6) members, in respect of which three (3) are executive, two (2) are non-executive and independent, while one (1) member is non-executive and dependent and their term is for a period of four years (4 years) that end of 28/06/2017.

Specifically:

Mr Nikolaos, son of Konstantinos Loulis, Chairman of the Board of Directors – Executive Member
Mr Nikolaos, son of Spyridon Fotopoulos, Vice- Chairman of the Board of Directors and Managing Director – Executive Member
Mr Konstantinos, son of Nikolaos Dimopoulos, Member of the Board of Directors – Executive Member
Mr Khedaim Abdulla Saeed Faris Alderei, son of Abdulla, Member of the Board of Directors – Non-Executive Member
Mr Georgios, son of Apostolos Mourelatos, Member of the Board of Directors – Independent Non-Executive Member
Mr Christos, son of Georgios Tsitsigiannis, Member of the Board of Directors – Independent Non-Executive Member

The Board of Directors was convened on twenty-two (22) occasions during 2015 and after having confirmed the legal quorum had been attained members were present in person or represented at the meetings.

Brief resumes of the members of the Board of Directors are presented below:

Mr Nikolaos, son of Konstantinos Loulis, Chairman of the Board of Directors – Executive Member

Born in 1986 at Volos; Studied at the Business Administration Department of the Boston College where he majored in accounting, costing and the financial sector; graduated in 2008; since August 2009 he has studied at the Special School for Technical Mills in Switzerland from where he received his diploma in February 2010; speaks English and German.

Mr Nikolaos, son of Spyridon Fotopoulos, Vice- Chairman of the Board of Directors and Managing Director – Executive Member

Born in 1960; Graduated in 1983 from the Tertiary Faculty of Economics and Commercial Sciences in Athens and holds an MBA from Universitaet Mannheim in Germany (1986). In 1992 he was appointed as the Officer in Charge of the Athens branch at the "KYLINDROMYLOS LOULI SA" Company and in 1986 he became the Chief Financial Officer of that Company. Between 1999 and 2004 he served as the Chairman \ and Managing Director of the "SAINT GEORGE MILLS SA" Company (a subsidiary of "LOULIS MILLS SA").

Mr Konstantinos, son of Nikolaos Dimopoulos, Member of the Board of Directors – Executive Member

Born in 1929; held various positions between 1954 and 1988 at the "SAINT GEORGE MILLS SA" Company (1967-1974: Manager of the Thessaloniki branch, 1974-1982: Athens Sales Manager, 1982-1988: Attica Sales Manager). Between 1991 and 2004 he was a member of the Board of Directors for "SAINT GEORGE MILLS SA"

Mr Khedaim Abdulla Saeed Faris Alderei, the son of Abdulla, Member of the Board of Directors – Non-Executive Member

Is a member of the Royal family and government of the United Arab Emirates; he has studied in the USA and Lebanon; He has served as the Deputy Foreign Minister for the United Arab Emirates and has held other senior government positions; he was also the Managing Director of the A/Y Sheikh Hamdan Bin Zayed Al Nahyan Enterprises.

Mr Georgios, son of Apostolos Mourelatos, Member of the Board of Directors – Independent Non-Executive Member

He was born in Patras in 1954; he studied Political and Economic Sciences in Athens; during his career to date in both the Banking and the Food Sector, he has served in middle management and senior positions of responsibility as the Senior Officer of the Central Treasury Management in the Banking Sector, General Manager

at SAINT GEORGE MILLS as well as the General Manager of LOULIS GROUP of Companies. He is currently employed as a consultant – internal associate at Eurobank.

Mr Christos, son of Georgios Tsitsigiannis, Member of the Board of Directors – Independent Non-Executive Member

He was born in Volos in 1969. He is a graduate of the Faculty of Technical Mills in Braunschweig Germany (1988 until 1990). He has managed the G. Tsitsigiannis & Associates G.P. Kyindromyloi Enterprise since 1992.

4. Audit Committee

The Company in full compliant of the Provisions and requirements under Law 3693/2008, appointed the Audit Committee at the annual Regular General Assemble of the shareholders that took place on 26 June 2014, which is comprised of the following non-executive members on the Company's Board of Directors:

1) **Mr Georgios, son of Apostolos Mourelatos**, Independent Non-Executive Member of the Company's Board of Directors

2) **Mr Khedaim Abdulla Saeed Faris Alderei, son of Abdulla**, Non-Executive Member of the Company's Board of Directors

3) **Mr Christos, son of Georgios Tsitsigiannis**, Independent Non-Executive Member of the Company's Board of Directors.

The responsibilities and duties of the Audit Committee consist of:

- a) Monitoring the financial reporting processes;
- b) Monitoring the effective operation of the internal audit system and the risk management system, as well as monitoring the proper functioning of the Company's internal auditing department;
- c) Monitoring the course of the statutory audit in respect of the Company's financial statements; and
- d) Reviewing and monitoring issues relating to the existence and maintenance of objectivity and independence by the statutory auditor or auditing firm, especially in relation to the provision of other services by the statutory auditor or auditing firm to the Company.

The recommendation by the Company's Management Body to the General Assemble regarding the appointment of the statutory auditor or auditing firm occurs further to the recommendation by the Audit Committee.

The mission of the Audit Committee is to ensure the effectiveness and efficiency of the corporate operations, auditing the credibility of the financial reporting that is provided to investors and the Company's

shareholders, the Company's compliance to the current legislative and regulatory framework, safeguarding the Company's investments and assets and identifying and addressing the most significant risks.

It is clarified that the Company's Statutory Auditor that carries out the audit of the annual and interim financial statements does not provide other types of non-auditing services to the Company and is not associated in any whatsoever other way to the Company, which accordingly ensures the objectivity, impartiality, and independence of his/her services.

4.1 Audit Committee Activities

4.1.1 Meetings and participation

The Committee convened on five (5) occasions during 2015. These meetings were scheduled to coincide with the procedures of publishing the Company's Financial Statements.

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

4.1.2 Overview of financial results

The Audit Committee supervises and evaluates the procedures for preparing the Company's periodical and annual Financial Statements in accordance with the applicable accounting standards and examines the reports by the external auditors in relation to deviations from the current accounting practices and audit standards. The Audit Committee specifically re-examined the main evaluations and judgements that significantly affect the financial results, the main issues pertaining to disclosure and presentation, in order to ensure the completeness, clarity and adequacy of the information disclosed in the Financial Statements, prior to their submission to the Board of Directors.

4.1.3 External audit

Independence

The Audit Committee is responsible for developing, implementing and auditing the Company's procedures in relation to the external audit. These procedures have been designed with a view to ensuring the independence and objectivity of the external auditors and regulating the appropriate framework for the movement of staff from the Auditing Company to the Company's branches. They also define the actions required where non-auditing services are employed by the external auditor.

In principal, the external auditors are precluded from providing consulting services and cannot be employed at LOULIS MILLS SA in a non-auditing capacity, unless there are compelling reasons. Any whatsoever recommendation for engaging external auditors in non-auditing activities must be approved by the Audit Committee prior to their placement

The Audit Committee annually receives a confirmation from the statutory auditor in relation to the independence and objectivity of the external auditors, as required on the basis of the professional standards and regulatory provisions, as well as confirmation regarding senior Management's compliance with the Company's instructions regarding the engagement of former external auditors by the Company or their employment in non-auditing projects.

Effectiveness and redefining

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

A. The review and approval of the auditing planned by the statutory auditor regarding the financial statements for the 2014 Management Year, the conditions contained in the auditing agreement and the preferred auditing fees;

B. Conducting interviews with Management and other management executives, as well as the statutory auditor with respect to ensuring the independence, objectivity and integrity of the external auditors and defining the strategic audit and cooperation with the Company; and

C. Receiving information that is provided by the statutory auditor with respect to their procedures that ensure their independence and the quality of the audit.

In relation to the recommendation to the Board of Directors for renewing the cooperation for one year with the statutory auditor, the Audit Committee took his term as an auditor into account and examined the need to conduct a full bidding process. There were no contractual obligations that would restrict the decision by the Audit Committee in relation to the selection of the external auditors.

4.1.4 Internal audit

During 2015 the Audit Committee:

A. Reviewed the results of the audits that were carried out by the Internal Audit Department and examined Management's responses on the issues that were highlighted, which inter alia also included the implementation of any recommendations made by it;

B. Reviewed and approved the internal audit plan for 2016, inclusive of the proposed audit approach, the covering and allocation of resources;

C. Reviewed the effectiveness of the internal audit, by taking the views of the Board of Directors into account and by senior management executives on issues such as independence, adequacy of resources and vocational training, strategy, planning and the methodology for the internal audit; and

D. Reviewed the regular reports that relate to audit system issues of major significance, as well as the details for any remedial action that has been taken.

The Internal Audit Department constitutes an independent operation that ensures that all operations at the Company are carried out in accordance with the corporate objectives, the policies and procedures. More specifically, the Internal Audit aims to ensure the credibility and stability of the internal systems for financial audit throughout the entire spectrum of the Company's activities.

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

F. Significant transactions between the Company and Related Parties

The cumulative amounts for sales and purchases from the beginning of the fiscal year and the balances of the company's receivables and liabilities at the end of the current year, which have resulted from its transactions with related parties, as per IAS 24, are as follows:

	Group	Company
	<i>31.12.2015</i>	<i>31.12.2015</i>
a) Revenue	0	0
b) Expenses	0	0
c) Receivables	125.347	324.465
d) Liabilities	0	1.683.001
e) Remuneration of senior executives and members of management	745.160	655.981
f) Receivables of senior executives and members of management	1.502	0
g) Liabilities of senior executives and members of management	0	0

There are no other significant transactions with the associated companies for 2015.

G. Events that have occurred up to the date of preparing the Financial Statements

The major events that took place subsequently on 31 December 2015, are as follows:

New Packaging Line of products for professionals in Sourpi industrial unit at Magnisia

On February 2016, the installation of equipment for the operation of a new packaging line of products for professionals in Sourpi industrial unit at Magnisia has been completed. The equipment acquired through leasing agreement with the company ALPHA LEASING.

Establishment of a subsidiary called "LOULISMEL – BULGARIA EAD"

On February 23, 2016, a subsidiary company was established in Bulgaria called "LOULISMEL BULGARIA EAD."

The 100% of the share capital of that company, owns the company "INTERNATIONAL ENTERPRISES FOODS LOULIS BULGARIA Ltd.", which is a 100% subsidiary of the company "LOULIS MILLS SA". The main purpose of the newly formed company is the collection and selling of cereals.

There are no other significant events subsequent to 31 December 2015 and up to the date of the financial statements, which must be disclosed in these financial statements.

H. Information pursuant to Article 16 of Law 2190/1920 for acquired own shares (treasury shares)

The company, in accordance with the article 16 of Law 2190/1920 as amended and applies, to perform decisions of the extraordinary general Meeting of shareholders dated 8 January 2015 and of its Board of Directors (meeting of 15 January 2015), proceeded, in 2015, in the purchase of 4.782 own shares through the member A.S.E., PIRAEUS SECURITIES with average purchase price € 1.90 per share. The total price for all the 4.782 own shares purchased totalled a € 9.089.

As a result of the above, the total number of own shares held by the company on 31 December 2015 were 4.782 shares at an average cost of € 1.90 representing 0.03% of the share capital.

I. Corporate Social Responsibility

Loulis Mills is an integral part of the Greek economy and society for many years so it should and must contribute positively in long-term basis.

The social action started in 1782 until today, but at present we recognised the necessity these actions to be more structured and focused on the community. So in 2013 the Company created the Corporate Responsibility Department.

The results from the first year of operation was extraordinary as we managed to organise -with vision and strategy- actions to address specific social and environmental issues.

Consequently, the 1st Corporate Responsibility Report of Loulis Mills has been published, covering the business activities of the company in Greece in all operating units.

The Corporate Responsibility Report for 2014 has been evaluated in accordance with the instructions GRI G4 to conformance level "CORE" of the certified entity Sustainability Centre (CSE) and you can find it in the following link <http://bit.ly/1cZn0K8>.

We have completed all the objectives we had set the previous year 2015, and the Corporate Responsibility Department is in the process of writing the 2nd annual report, on the basis of international standards GRI G4 and will be published in June 2016. Anyone who is interested will be able to find it after its publication on our website.

For more information visit the site: www.loulisgroup.com or refer to Mrs. Olga Manou, Director of Corporate Responsibility email: csr@loulisgroup.com, Tel. 2421094545.

Sourpi, 30 March 2016

The Chairman of the Board of Directors

Nikolaos Loulis

Dear Shareholders, following the aforementioned, please approve the financial statements of the 85th Year (1 January 2015-December 31, 2015) following this report.

Sourpi, 30 March 2016

The Board of Directors

We verify that, the above report consisting of thirty (30) pages is the one referred to the Audit Report dated 30 March 2016.



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Agia Paraskevi, 30/03/2016
The Certified Public Accountant

Antonios I. Anastasopoulos
Reg.SOEL:33821

**Explanatory Report of the Board of Directors of LOULIS MILLS SA for the fiscal year 2015,
(Pursuant to article 4 par.7 & 8 of Law 3556/2007, as in force)**

This Explanatory Report of the Board of Directors to the Annual General Meeting of shareholders includes detailed information in accordance with the provisions of paragraph 1 of article 11a pursuant to Law 3371/2005 as in force.

1. Share Capital Structure. The Company's share capital amounts €16.097.558,28 , divided into 17.125.062 shares with the nominal value of €0.94. All shares are ordinary, registered, voting shares, listed for trading on the Athens Exchange and significantly in the Mid Cap class.

2. Restrictions on the transfer of Company's shares. There are no limitations in the Articles of Association regarding transferring company shares, except those provided by Law.

3. Significant direct or indirect participations according to articles 9-11 of Law 3556/2007. On settlement date 20/03/2016 Mr. Loulis Nicholas holds 48,46%, Ms Evangelia Louli holds 6.86%, and AGRICULTURE DAHRA AL SPAIN SLU 20% of the share capital of the company. There is no other natural or legal person that owns more than 5% of the share capital.

4. Holders any type of share granting special rights of control. There are no holders of shares, pursuant to provisions in the Articles of the Association, granting special control rights.

5. Restrictions on voting rights. There are no limitations in the Articles of Association regarding voting rights and the deadlines to exercise the right to vote, except those provided by Law.

6. Agreements between Company shareholders. The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of its shares or the exercise of voting rights.

7. Rules of appointment and replacement of members of the Board of Directors and amendment of Articles of Association which are differentiated from the ones stipulated in Codified Law 2190/1920. The rules provided for by the Company Association regarding the appointment and replacement of its Board members as well as the amendment of its Articles do not differ from the provisions of Codified Law 2190/1920 and its amendments.

8. Responsibility of the Board of Directors or specific Board members to issue new shares or purchase own shares. According to the provisions of article 6 of Company's Articles of Association, by decision of General Meeting, in accordance to publicity formalities of Article 7b of Law 2190/1920, as applicable, may be assigned to the Board of Directors may, with the decision that will be taken by a majority of two thirds (2/3) of all members, to increase the share capital by issuing new shares. The amount of the increases cannot exceed the amount of the share capital paid at the date of the relevant decision of the General Meeting.

In accordance with the provisions of Article 16 of Codified Law 2190/1920 and its amendments, the Boards of companies listed on the Athens Stock Exchange may only be authorised to increase company capital through the issue of new shares and to acquire up to 10% of their total number of shares through the Athens Stock Exchange for a specific time period following a decision of the General Assembly of their shareholders. The Company Charter does not make any provisions for this matter that differ from pertinent legislation. The competence of the Board of directors or some of its members to issue new shares or buying back shares.

9. Important agreements made by the Company, which will come into effect, be amended or expire upon any changes in the Company's control following a public offer and the results of this agreement. There are no such agreements outstanding.

10. Agreements that the Company has entered with its Board members or its personnel, providing for compensation in case of resignation or release from duties without substantiated reason or in case of termination of their term or employment due to a public offer. There are no agreements between the Company and members of its Board of Directors or its personnel, which provide for the payment of compensation in the event of resignation or termination of employment without reasonable grounds, or termination of term of office, or employment due to takeover bid, except as provided by Law.

AUDIT REPORT BY INDEPENDENT CERTIFIED AUDITOR

To the shareholders of "LOULIS MILLS S.A."

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of "LOULIS MILLS S.A.", which comprise the separate and consolidated statement of financial position as at December 31, 2015, and the separate and consolidated statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility of the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separated and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "LOULIS MILLS S.A." and its subsidiaries as at December 31, 2015, and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

- a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by Paragraph 3d of Article 43a of Codified Law 2190/1920.
- b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the attached separate and consolidated Financial Statements, in the scope of the requirements of Articles 43a (paragraph 3a), 108 and 37 of Codified Law 2190/1920.



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Agia Paraskevi, 30/03/2016
The Certified Public Accountant

Antonios I. Anastasopoulos
Reg.SOEL:33821

ANNUAL FINANCIAL STATEMENTS

1. STATEMENT OF FINANCIAL POSITION

(Amount in €)

		GROUP		COMPANY	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
ASSETS	NOTE				
Non-current Assets					
Property, Plant and Equipment	7.1	97,864,097	100,645,144	97,817,467	100,645,144
Investment Property	7.1	248,396	197,268	248,396	197,268
Other Intangible Assets	7.2	861,159	241,724	152,149	241,724
Investments in Subsidiaries	7.3	0	0	1,548,249	236,431
Other Non Current Receivables	7.4	234,055	305,127	234,055	305,127
		99,207,707	101,389,263	100,000,316	101,625,694
Non-Current Assets					
Inventories	7.5	21,622,079	22,144,690	21,556,537	22,144,690
Trade Receivables	4.7	33,451,684	31,949,837	31,962,427	31,949,837
Derivative Financial Assets	4.8	10,520	161,560	10,520	161,560
Cash and Cash Equivalents	4.8	5,768,701	2,066,486	4,464,626	1,542,071
Other Current Assets	4.8	6,370,577	6,414,123	3,811,344	3,879,260
		67,223,561	62,736,696	61,805,454	59,677,418
TOTAL ASSETS		166,431,268	164,125,959	161,805,770	161,303,112
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital		16,097,558	16,097,558	16,097,558	16,097,558
Share premium account		35,630,886	38,061,004	35,630,886	38,061,004
Purchased own shares		(9,089)	0	(9,089)	0
Other Reserves	4.9	36,544,720	36,142,031	32,548,215	31,818,595
Equity attributable to equity holders of the parent		88,264,075	90,300,593	84,267,570	85,977,157
Non-controlling interest		467,809	(8249)	0	0
Total Equity		88,731,884	90,292,344	84,267,570	85,977,157
Non - Current Liabilities					
Non - Current Loans and Borrowings	7.10	6,000,000	9,500,000	6,000,000	9,500,000
Deferred Tax Liabilities	7.11	13,721,092	12,393,876	13,687,188	12,393,876
Provisions for Retirement Benefits	7.13	738,885	637,418	717,271	637,418
Other Non - Current Liabilities	7.12	4,511,993	4,261,306	6,194,993	5,944,306
		24,971,970	26,792,600	26,599,452	28,475,600
Current Liabilities					
Trade Payables	7.14	14,554,227	8,748,910	14,307,734	8,748,910
Loans and Borrowings	7.15	29,631,400	25,777,381	28,416,173	25,777,381
Financial Liabilities	7.17	840	0	840	0
Tax Payable	7.16	1,149,888	2,253,624	1,012,854	2,191,111
Other Current Liabilities	7.17	7,391,059	10,261,100	7,201,147	10,132,953
		52,727,414	47,041,015	50,938,748	46,850,355
Total Equity and Liabilities		166,431,268	164,125,959	161,805,770	161,303,112

2. STATEMENT of COMPREHENSIVE INCOME

(Amounts in €)

	NOTE	GROUP		COMPANY	
		1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Revenue	7.18	104,962,287	88,006,162	101,371,750	88,006,162
Cost of sales		(84,984,325)	(68,520,479)	(82,168,915)	(68,520,479)
Gross Profit		19,977,962	19,485,683	19,202,835	19,485,683
Other Operating Income	7.19	3,524,252	3,582,110	3,462,358	3,353,062
Distribution Expenses	7.21	(14,597,470)	(13,795,758)	(14,231,770)	(13,795,758)
Administration Expenses	7.22	(3,186,062)	(3,098,713)	(2,828,976)	(2,841,428)
Other expenses	7.20	(305,020)	(728,422)	(303,088)	(494,661)
Net change in Fair Value of Hedging Instrument in Fair Value					
Hedge		(102,045)	108,710	(102,045)	108,710
Financial Income	7.23	80,449	126,302	8,898	10,218
Financial Expenses	7.23	(2,238,943)	(2,116,069)	(2,195,975)	(2,114,206)
Profits/(Losses) before taxes		3,153,123	3,563,843	3,012,237	3,711,620
Tax Expense	7.24	(2,575,171)	(213,090)	(2,426,544)	(208,186)
Profits/(Losses)		577,952	3,350,753	585,693	3,503,434
Profit for the year		577,952	3,350,753	585,693	3,503,434
Owners of the Parent Company		624,903	3,360,501	585,693	3,503,434
Non-Controlling Interests		(46,951)	(9,748)	0	0
Other Comprehensive Income					
Profit/Loss on Revaluation of property	7.26	(754,458)	0	(754,458)	0
Actuarial Profits/Losses		(46,598)	163,344	(43,965)	163,344
Income tax that relates to other comprehensive income	7.26	218,793	0	218,793	0
Items that will be Reclassified to Profit of Loss		(582,263)	163,344	(579,630)	163,344
Items that will not be Reclassified to Profit of Loss		0	0	0	0
Total Comprehensive Income For the Period		(4,311)	3,514,097	6,063	3,666,778

0

Profit Attributable to:

Owners of the Parent Company		43,430	3,523,845	6,063	3,666.778
Non-Controlling Interests		(47,741)	(9,748)	0	0
Earnings per share Attributable to Ordinary Equity Holders					
Basics	7.25	0.0365	0.1962	0.0342	0.2046
Earnings per share for Profits from Continuing Operations Attributable to the Owners of the Parent Company					
Basics		0.0365	0.1962	0.0342	0.2046
Recommended Dividend per Share		0.0000	0.0000	0.0000	0.0000
Depreciation		3,756,407	3,881,706	3,754,058	3,881,706
Profit/(loss) before taxes, financing and investment results		5,413,662	5,444,900	5,301,359	5,706,898
Earnings before Interest, Tax, Depreciation and Amortisation		9,170,069	9,326,606	9,055,417	9,588,604

3. CHANGES IN EQUITY STATEMENT

3.1 Group

	Share Capital	Share Premium	Statutory Reserves	Extraordinary Reserves	Special Reserves	Non Taxable Reserves	Reserve for Entity's Own Shares	Reserve from the Revaluation of Other Assets	Reserve from Foreign Exchange Differences	Other Reserves	Retained Earnings	Equity before non-controlling interest	Non – Controlling Interests	Equity after Non-Controlling Interests
Balance 01.01.2014	10,960,040	38,520,304	1,478,764	103,990	0	7,726,649	(0)	4,365,525	3,482,806	7,784,998	12,475,997	86,899,072	0	86,899,072
Revenue for the Period after taxes	0	0	0	0	0	0	0	0	0	0	3,360,501	3,360,501	(9,748)	3,350,753
Net Revenue/Expenses that is directly recognised in the Equity	0	0	0	0	0	0	0	0	0	0	0	0	1,500	1,500
Return of Capital to Shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	0	(122,325)	(122,325)	0	(122,325)
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	0	0	163,344	163,344	0	163,344
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement of Reserves	5,137,518	(459,300)	(190,291)	0	0	(4,468,069)	0	0	0	(19,858)	0	0	0	0
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net position 31.12.2014	16,097,558	38,061,004	1,288,473	103,990	0	3,258,580	(0)	4,365,525	3,482,806	7,765,140	15,877,517	90,300,592	(8,248)	90,292,344
Balance 1.1.2015	16,097,558	38,061,004	1,288,473	103,990	0	3,258,580	0	4,365,525	3,482,806	7,765,140	15,877,517	90,300,592	(8,248)	90,292,344
Revenue for the Period after taxes	0	0	0	0	0	0	0	(535,665)	0	0	624,903	89,238	(46,951)	42287
Net Revenue/Expenses that is directly recognised in the Equity	0	0	0	0	0	0	0	0	0	0	524,565	524,565	0	524,565
Return of Capital to Shareholders	(1,541,256)	0	0	0	0	0	0	0	0	0	0	(1,541,256)	0	(1,541,256)
Share Capital Increase	1,541,256	0	0	0	0	0	0	0	0	0	0	1,541,256	0	1,541,256
Dividends	0	0	0	0	0	0	0	0	0	0	(165,305)	(165,305)	0	(165,305)
Actuarial Profits/(Losses)	0	0	0	0	0	0	0	0	0	0	(45,808)	(45,808)	(790)	(46598)
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	(9,089)	0	0	0	0	(9,089)	0	(9089)
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement of Reserves	0	(2,430,118)	0	0	0	0	0	0	0	0	0	(2,430,118)	0	(2,430,118)
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	523,798	523,798
Net position 31.12.2015	16,097,558	35,630,886	1,288,473	103,990	0	3,258,580	(9,089)	3,829,860	3,482,806	7,765,140	16,815,872	88,264,075	467,809	88,731,884

3.2 Company

(Amount in €)

	Share Capital	Share Premium	Own Shares	Statutory Reserves	Extraordinary Reserves	Non Taxable Reserves	Reserve from the Revaluation of Assets	Reserve for Entity's Own Shares	Other Reserves	Retained Earnings	Total	Total Equity
Balance at 1st January 2014	10,960,040	38,520,304	0	1,478,764	103,990	7,676,355	4,365,525	0	6,533,794	12,793,932	82,432,704	82,432,704
Revenue for the Period after taxes	0	0	0	0	0	0	0	0	0	3,503,434	3,503,434	3,503,434
Net Revenue/Expenses that is directly recognised in the Equity	0	0	0	0	0	0	0	0	0	0	0	0
Return of Capital to Shareholders	0	0	0	0	0	0	0	0	0	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	(122,325)	(122,325)	(122,325)
Actuarial Profits / (Losses)	0	0	0	0	0	0	0	0	0	163,344	163,344	163,344
Sales / (Purchases) of Own Shares	0	0	0	0	0	0	0	0	0	0	0	0
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0	0
Movement of Reserves	5,137,518	(459,300)	0	(190,291)	0	(4,468,069)	0	0	(19,858)	0	0	0
Profit / (Losses) through the Revaluation of Property	0	0	0	0	0	0	0	0	0	0	0	0
Net Position at 31st December 2014	16,097,558	38,061,004	0	1,288,473	103,990	3,208,286	4,365,525	0	6,513,936	16,338,385	85,977,157	85,977,157
Balance at 1st January 2015	16,097,558	38,061,004	0	1,288,473	103,990	3,208,286	4,365,525	0	6,513,936	16,338,385	85,977,157	85,977,157
Revenue for the Period after taxes	0	0	0	0	0	0	0	0	0	585,693	585,693	585,693
Net Revenue/Expenses that is directly recognised in the Equity	0	0	0	0	0	0	0	0	0	888,862	888,862	888,862
Return of Capital to Shareholders	(1,541,256)	0	0	0	0	0	0	0	0	0	(1,541,256)	(1,541,256)
Share Capital Increase	1,541,256	0	0	0	0	0	0	0	0	0	1,541,256	1,541,256
Dividends	0	0	0	0	0	0	0	0	0	(165,305)	(165,305)	(165,305)
Actuarial Profits / (Losses)	0	0	0	0	0	0	0	0	0	(43,965)	(43,965)	(43,965)
Sales / (Purchases) of Own Shares	0	0	(9,089)	0	0	0	0	0	0	0	(9,089)	(9,089)
Capital Amount Returned relating to Own Shares	0	0	0	0	0	0	0	0	0	0	0	0
Movement of Reserves	0	(2,430,118)	0	0	0	0	0	0	0	0	(2,430,118)	(2,430,118)
Profit / (Losses) through the Revaluation of Property	0	0	0	0	0	0	(535,665)	0	0	0	(535,665)	(535,665)
Net Position at 31st December 2015	16,097,558	35,630,886	(9,089)	1,288,473	103,990	3,208,286	3,829,860	0	6,513,936	17,603,670	84,267,570	84,267,570

4. CASH FLOW STATEMENT

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Operating Activities				
Profit/ (Loss) before tax				
	3,153,123	3,563,843	3,012,237	3,711,620
Adjustments for:				
Depreciation	3,756,407	3,881,706	3,754,058	3,881,706
Provisions	(1,038,291)	2,578,057	(1,420,620)	2,342,777
Interest expense	2,238,943	2,116,069	2,195,975	2,114,206
Interest Income	(80,449)	(126,302)	(8,898)	(10,218)
Change in working capital				
(Increase)/decrease in inventories	512,513	(3,208,379)	588,152	(3,208,379)
(Increase)/decrease in trade and other receivables	(1,847,549)	(5,627,504)	126,399	(5,919,319)
(Decrease) / Increase in payables (excluding Loans)	3,660,831	(1,872,161)	3,215,224	(1,869,685)
Less:				
Interest paid	(2,059,659)	(2,115,821)	(2,031,934)	(2,114,206)
Income taxes paid	(943,965)	(2,373,757)	(929,726)	(2,363,100)
Net Cash from Operating Activities (a)	7,351,904	(3,184,249)	8,500,867	(3,434,598)
Cash Flows from Investing Activities				
Acquisition of associates, JVs and other investments	(40,000)	0	(1,311,818)	0
Payments for Financial Investments	0	(165,106)	0	(165,106)
Purchase of tangible and intangible assets	(2,515,649)	(1,176,842)	(1,757,660)	(1,176,842)
Proceeds from disposal of tangible and intangible Assets	18,789	12,100	18,789	12,100
Interest Received	6,323	10,218	6,256	10,218
Net Cash from Investing Activities (b)	(2,530,537)	(1,319,630)	(3,044,433)	(1,319,630)
Cash Flow from Financing Activities				
Proceeds / (Payments) from Increase / Decrease of the Share Capital	(1,341,756)	1,500	(1,541,256)	0
Disposal / (Purchase) of Own Shares	(9,089)	0	(9,089)	0
Proceeds from Bank Borrowings	5,354,019	11,875,876	4,138,792	11,875,876
Repayment of Bank Borrowings	(5,000,000)	(6,250,000)	(5,000,000)	(6,250,000)
Dividends/Fees paid of the members of the Board	(122,326)	(122,410)	(122,326)	(122,410)
Net Cash used in Financing Activities (c)	(1,119,152)	5,504,966	(2,533,879)	5,503,466
Net Increase / (Decrease) in the Cash and Cash Equivalents (a + b + c)	3,702,215	1,001,087	2,922,555	749,238
Cash and cash equivalents at beginning of the year	2,066,486	1,065,399	1,542,071	792,833
Cash and cash equivalents at the end of the year	5,768,701	2,066,486	4,464,626	1,542,071

5. SEGMENT REPORTING

5.1 Geographical Segments

The following table presents the revenue and profit & loss results relating to the Group's geographical segments for the Year ended December 31, 2015 and December 31, 2014.

	Greece		Cyprus		Consolidation deletions		Group	
2015-2014 amounts	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	105,311,032	88,006,162	0	0	(348,745)	0	104,962,287	88,006,162
Gross Profit	19,988,059	19,485,683	0	0	(10,097)	0	19,977,962	19,485,683
Earnings before tax, financial expenses, investment results, depreciation and impairments	9,347,203	9,588,604	(167,037)	(261,998)	(10,097)	0	9,170,069	9,326,606
Profit before tax	3,258,541	3,711,620	(95,321)	(147,777)	(10,097)	0	3,153,123	3,563,843
Tangible Assets	98,818,139	100,842,412	0	0	0	0	98,112,493	100,842,412
Other Assets	66,411,213	60,460,700	4,610,005	4,705,344	(3,408,089)	(1,882,497)	68,318,775	63,283,547
TOTAL ASSETS	165,229,352	161,303,112	4,610,005	4,705,344	(3,408,089)	(1,882,497)	166,431,268	164,125,959
Equity	85,842,173	85,977,157	4,411,123	4,514,684	(1,521,412)	(199,497)	88,731,884	90,292,344
Other liabilities	79,387,179	75,325,955	198,882	190,660	(1,886,677)	(1,683,000)	77,699,384	73,833,615
TOTAL EQUITY & LIABILITIES	165,229,352	161,303,112	4,610,005	4,705,344	(3,408,089)	(1,882,497)	166,431,268	164,125,959

5.2 By Product Category

The Group divides its operations into three main segments based on product category:

a) Consumer products, b) Professional products and c) Mixtures & Raw Material for Bakery & Pastry.

a) Consumer products are available through the parent company MILLS LOULI SA, packs of 1kg, ½ kg and 5 kg for retail, such as super market and grocery stores, and are addressed to consumers for domestic use.

b) Professional products are available through the parent company MILLS LOULIS SA exclusively in bulk form, packs of 50 kg, 25 kg and 10 kg, for food, bakery, biscuit industry, pasta making, food and pastry crafts and bakers, secondary processors for whom the flour is the raw material for producing bread, bread products, croissants, biscuits, pasta and other pastry making products.

c) Mixtures & Raw Material for Bakery & Pastry available through its subsidiary NUTRIBAKES SA in various professional packages of bakers, crafts and food industries for the manufacture of bakery products and other pastry products.

Management monitors all sales, operating results and profit / (loss) before taxes separately for the purpose of making decisions about allocation of funds and performance assessment of each segment.

The information regarding segments of operation are as follows:

Company

	31.12.2015			31.12.2014		
	Consumer Products	Professional Products	Total	Consumer Products	Professional Products	Total
Total Revenue from gross sales by segment	12,883,006	88,488,744	101,371,750	13,913,292	74,092,870	88,006,162
Revenue from Sales (net)	12,883,006	88,488,744	101,371,750	13,913,292	74,092,870	88,006,162
Profits/ (Losses) before Interest and Tax	486,948	4,814,411	5,301,359	789,979	4,916,919	5,706,898
Profits/ (Losses) before Tax	158,350	2,853,887	3,012,237	622,127	3,089,493	3,711,620

Group

	31.12.2015				31.12.2014			
	Consumer Products	Professional Products	Mixtures & Raw Material for Bakery & Pastry	Total	Consumer Products	Professional Products	Mixtures & Raw Material for Bakery & Pastry	Total
Total Revenue from gross sales by segment	12,883,006	88,488,744	3,939,282	105,311,032	13,913,292	74,092,870	0	88,006,162
Revenue from Sales (net)	0	(2,730)	(346,015)	(348,745)	0	0	0	0
Profits/ (Losses) before Interest and Tax	12,883,006	88,486,014	3,593,267	104,962,287	13,913,292	74,092,870	0	88,006,162
Profits/ (Losses) before Tax	462,807	4,647,566	303,289	5,413,662	748,559	4,696,341	0	5,444,900
Total Revenue from gross sales by segment	143,320	2,749,625	260,178	3,153,123	598,764	2,965,079	0	3,563,843

6. NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. General Information

Country of incorporation

The Company MILLS LOULIS SA (hereinafter referred to as "Company" or "Parent") is a Greek Societe Anonyme and is subject to the Codified Law 2190/1920 pertaining to Societies Anonymous. Founded on February 22, 1927 and is registered in the General Registry of Commerce No. 50675444000 (ex RN 10344/06 / B / 86/131). The Company's domicile is located at Municipality of Almiros, Municipal District Sourpi, Magnesia (Loulis Port), and the web address is: www.loulismills.gr

Main activities

The Company's objectives are to:

- a) Operate a Flour Mill and to generally carry out industrial and commercial enterprises pertaining to the flour industry, cereals, the manufacture of animal feed, agricultural products in general and food products, as well as agricultural supplies, fertilisers, etc.
- b) Produce, purchase and resale, import, export and general handling and trade cereal products or other land products, agricultural products in general, and food and agricultural supplies, fertilizers, etc.
- c) Construct or purchase and operate in any manner areas and facilities for storage, packaging and distributing the hereinabove products as well as exploit vehicles for transporting these products that are owned by the Company or third parties.
- d) Provide all kinds of intermediary or other services to trade and to generally distribute the hereinabove products.
- e) Produce, trade, process, operate, manufacture, maintain, and deal in all kinds of food products, the raw materials with which these are produced or their derivatives, as well as conducting all related activities.
- f) Manufacture and trade in machinery for producing and processing fillo pastry for crust, kantaifi, bakery products, pastry making and food, as well as all kinds of machines and machinery.
- g) Import and export hereinabove or associated items, raw materials and the products or by-products thereof or the materials for packaging, maintaining or handling these.
- h) Provide technical expertise and consulting services concerning the food sector.
- i) Produce and trade in electrical energy.
- j) Operate car parking areas and provide car washing services and other services for operating motor vehicles.
- k) Provide vocational education services and training and to organize training seminars, programs and courses related to the food sector.
- l) The Museum's operation and the organization of presentations, exhibitions, lectures and cultural events on the circle "wheat - flour - bread."

Branches

The sales network of LOULIS MILLS SA, which is the most complete in the Greek market, includes 3 sales branches (Athens, Thessaloniki, and Kavala) and the main branch at Sourpi / Volos that services the remaining regions.

2. Additional Information and Explanations

2.1 Basis for the preparation of the financial statements

The Annual Financial Statements for the year 2015 have been prepared in accordance with the provisions of Codified Law 2190/20, article 135 for companies preparing annual financial statements, consolidated or not, according to IAS / IFRS.

The Annual Financial Statements have been prepared in accordance with the main accounting principles that are presented herein below:

2.2 Significant Accounting Principles

The accounting principles and methods used for the preparation and presentation of financial statements are consistent with those used for the preparation of all annual financial statements of the year Group' companies ended on 31.12.2015, in accordance with IFRS.

The financial statements should be read in combination with the annual and interim consolidated financial statements of 31.12.2014 have been prepared in accordance with IFRS, thus this provides the user with comprehensive information.

There are no significant changes to the accounting principles used in relation to those used in preparing the consolidated financial statements as of 31.12.2014 according to IFRS

The significant accounting principles applied in the preparation of these consolidated financial statements are presented below. These principles have been consistently applied to the periods presented in these consolidated financial statements unless otherwise stated.

Compliance with IFRS

The Annual Financial Statements relate to the Year 2015 and cover the period from the 1st January - 31st December 2015. The consolidated and individual financial statements are in accordance with the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board (IASB) as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB that have been adopted by the European Union and are valid as at 31-12-2015.

The Group is not affected by the provisions relating to hedging portfolio deposits as set out in IAS 39 that has not been adopted by the European Union.

The date upon which IFRS were adopted by the Group is 1st July 2003. In relation to the preparation of these annual consolidated Financial Statements, in accordance with IFRS 1, LOULIS GROUP has implemented the mandatory exceptions and some of the optional exceptions from the full retrospective application of IFRS.

Exemptions from the full retrospective application that have been selected by the Group

LOULIS GROUP has chosen to implement the following optional exemptions from the full retrospective application of IFRS:

a) Exemption of business groupings

LOULIS GROUP has implemented the exemption of business groupings in IFRS 1. It has not re-established the business groupings that took place prior to the transition date on 1st July 2003.

b) Exemption of the Fair value as the deemed cost

LOULIS GROUP has chosen to assess specific assets, plant and equipment at their fair value on 1st July 2003.

c) Exemption from cumulative transactional differences

LOULIS GROUP has chosen to define the previous transactional differences at zero on 1st July 2003. This exemption has been implemented with all the foreign subsidiaries in accordance with IFRS 1.

d) Exemption of the subsidiaries' assets and liabilities

The parent Company has implemented IFRS subsequently its subsidiaries.

e) Exemption from indicating earlier recognised financial assets and liabilities.

LOULIS GROUP has undertaken to reclassify certain investments as available for sale and at fair value through profits or losses upon the transition date of 1st July 2003.

Exceptions from full retrospective implementation followed by the Group

LOULIS GROUP has implemented the following mandatory exceptions from retrospective application:

a) Exception from the de-recognition of financial Assets and Liabilities

Financial Assets and Liabilities that have been de-recognised prior to 1st July 2003 shall not be re-recognised in accordance with IFRS

b) Exception from accounting for hedging

Management has implemented accounting for hedging since 1st July 2003 and meets all the criteria for hedging in accordance with IAS 39.

c) Exception from valuations

The valuations that were carried out in accordance with IFRS on 1st July 2003, are consistent with the valuations that were carried out upon the same date in accordance with the Greek GAAP, except wherever there was proof that these valuations were wrong.

New standards, interpretations, and amendments to existing standards

Specifically new standards, amendments of standards and interpretations have been issued, which are mandatory for accounting periods beginning January 1, 2015 or after.

The estimation of the Management of the Group and the Company about the effect of the application of these new standards and interpretations is as follows:

Standards and Interpretations mandatory for the current financial year

IAS 19 Revised (Amendment) "Employee Benefits"

(effective for annual accounting periods beginning on or after 1 February 2015)

The amendment is of limited scope and is applied to employee or third party contributions in defined benefit plans, thus simplifying the accounting of contributions when these are independent of the number of years in service, for example contributions made by employees calculated as fixed percentage against the salary.

The Group currently assesses the potential effect on its financial statements.

Annual Improvements in IFRS 2012

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

The following amendments describe the most important changes in seven IFRS as result of the cycle 2010 – 2012 of the annual improvement program of IASB.

- **IFRS 2 "Share-based Payments"**: The amendment clarifies the definition of "vesting condition" and clearly defines the "performance condition" and the "service condition".
- **IFRS 3 "Business Combinations"**: The amendment clarifies how the obligation for a contingent consideration which fulfils the definition of financial asset is classified either as financial liability or as equity item according to the definitions of IAS 32 "Financial Instruments: Presentation". It also clarifies that any contingent consideration, financial and non-financial, which is not an equity item, is measured at fair value through the results.
- **IFRS 8 "Operating Segments"**: The amendment requires the disclosure of the management's estimations with regard to the aggregation of operating segments.
- **IFRS 13 "Fair value measurement"**: The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at their invoice amounts in cases where the effect of not discounting is immaterial.
- **IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"**: Both standards were amended in order to clarify the manner with which the accounting value, before depreciation, of an asset and the accumulated depreciation are treated when an economic entity applies the revaluation method.
- **IAS 24 "Related Party disclosures"**: The standard was amended in order to include as related party a company that provides key management personnel services to the economic entity or the parent company of the economic entity.

Annual Improvements in IFRS 2013

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

The following amendments describe the most important changes in three IFRS as result of the cycle 2011 – 2013 of the annual improvement program of IASB.

- **IFRS 3 "Business Combinations"**. The amendment clarifies how IFRS 3 must not be applied in the accounting for the formation of a joint arrangement, according to IFRS 11, in the financial statements of the joint arrangement itself.
- **IFRS 13 "Fair Value Measurement"**. The amendment clarifies that the exception provided by IFRS 13 for a portfolio of financial assets and liabilities is effective for all contracts (including non-financial contracts) within the scope of application of IAS 39 / IFRS 9.
- **IAS 40 "Investment Property"**. The standard was amended in order to clarify that IAS 40 and IFRS 3 are not mutually excluded.

Standards and Interpretations mandatory for subsequent periods

Certain new standards, amendments of standards and interpretations have been issued which are not mandatory for the accounting period beginning after 1st January 2015. These have not been adopted earlier and the Group currently assesses the potential effect on its financial statements.

Specifically:

IFRS 9 "Financial Instruments" and subsequent amendments in IFRS 9

(effective for annual accounting periods beginning on or after 1 January 2018)

The final version of IFRS 9 replaces the provisions of IAS 39 "Financial Instruments: Recognition and measurement" referring to the classification and measurement of financial assets and financial liabilities and also includes a single, forward-looking 'expected loss' impairment model which replaces the model of actual loss currently in effect. Furthermore, if a financial liability has been classified (according to IFRS 9) based on fair value via the results, then any change in the fair value of the particular financial liability due to changes of the credit risk of the economic entity, will be recorded in the Other Comprehensive Income instead of the results. The standard IFRS 9 also establishes an approach to hedge accounting based on principles and handles inconsistencies and weaknesses in the current model of IAS 39.

The Group currently assesses the potential effect of IFRS 9 on its financial statements. The standard has not been yet adopted by the European Union.

IFRS 15 "Revenue from Contracts with Customers"

(effective for annual accounting periods beginning on or after 1 January 2018)

IFRS 15 was issued in May 2014 and includes the most immediate and accurate requirements compared to the existing standards (IAS 18 and IAS 11). The purpose of the standard is to provide a unified and clear model for the recognition of income from all customer contracts and to improve the comparability among companies of the same sector, different sectors and different capital markets. It includes the principles which must be applied by an economic entity in order to define the measurement of income and the timing of recognition. The basic principle is that an economic entity will recognize income in a manner that depicts the actual transfer of goods or services to customers at the amount expected to fairly collect in exchange for these goods or services with the application of five stages.

- Recognition of contract,
- Recognition of criteria for the measurement of liability' return,
- Determination of the transaction's price,
- Allocation of the transaction's price to each part of the liability,
- Recognition of income when each part of the liability is satisfied.

The Group currently assesses the potential effect of IFRS 15 on its financial statements. The standard has not been yet adopted by the European Union.

IFRS 16 «Leases»

(effective for annual accounting periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that the lessor and the lessee provide useful information that fairly presents the substance of the transactions concerning leasing agreements. IFRS 16 introduces a new model for the accounting treatment from the side of the lessor. The model requires that the lessor recognizes assets and liabilities for all leasing agreements with duration longer than 12 months, unless the underlying asset has no significant value. With regard to the accounting treatment from the side of the lessee, IFRS 16 practically incorporates the requirements of IAS 17. As a result, the lessee continues to categorize the leasing agreements between operating and financial ones, and to follow different accounting treatment for each type of leasing agreement.

The Group currently assesses the potential effect of IFRS 16 on its financial statements. The standard has not been yet adopted by the European Union.

IFRS 10, IFRS 12 and IAS 28 (Amendments): "Investment entities: Applying the consolidation exception"

(effective for annual accounting periods beginning on or after 1 January 2016)

The amendments clarify the application of the consolidation exception with regard to investment entities and their subsidiaries. More analytically, the exception from the presentation of consolidated financial statements is valid in

the case of a parent company which is subsidiary of an investment company even if the investment company measures all subsidiaries at fair value instead of consolidating them, under the condition that the financial statements prepared by the latter are in accordance with the requirements of IFRS 10. Furthermore, the amendments clarify that only the subsidiaries which themselves are not investment companies and offer support services to a parent investment company, are consolidated. All other subsidiaries of the investment company are measured at fair value. Finally, the amendments clarify that for an entity which does not constitute an investment company but it participates in an associate company or joint venture which constitutes an investment company, the investor may, during the application of the equity method, maintain the fair value measurement which is applied from the associate investment company or joint venture in the case of the latter's participation in subsidiaries.

The Group currently assesses the potential effect on its financial statements. The amendments have not been yet adopted by the European Union.

IFRS 11 (Amendment) "Joint Arrangements"

(effective for annual accounting periods beginning on or after 1 January 2016)

This amendment requires from an investor to apply the purchase method (according to IFRS 3) when the investor acquires an interest in a joint arrangement that constitutes a "company".

The Group currently assesses the potential effect on its financial statements.

Amendments to IAS 1: «Disclosure Initiative»

(effective for annual accounting periods beginning on or after 1 January 2016)

In December 2014, the IASB proceeded with the publication of amendments to the IAS 1. The amendments concern the significance, the sequence of the notes, the subtotals and the separation, the accounting policies and the presentation of the figures of the other comprehensive income which is generated from investments recorded with the equity method. The amendments were made in order to resolve issues with regard to existing presentation and disclosure requirements and ensure the ability of economic entities to make judgments when preparing their financial statements.

The Group currently assesses the potential effect on its financial statements.

IAS 16 and IAS 38 (Amendments): "Clarifications of Acceptable Methods of Depreciation and Amortization"

(effective for annual accounting periods beginning on or after 1 January 2016)

These amendments clarify that the use of methods based on income are not appropriate in the calculation of the depreciation of an asset and also clarify that income is not the appropriate basis in the measurement of consumption of the economic benefits incorporated into an intangible asset.

The Group currently assesses the potential effect on its financial statements.

IAS 16 and IAS 41 (Amendment): "Bearer Plants"

(effective for annual accounting periods beginning on or after 1 January 2016)

According to this amendment, bearer plants will now fall under the application field of IAS 16 and will be subject to all requirements set within it. This includes the ability to select between the cost model and the adjustment model in the subsequent measurement. The produce growing on bearer plants (for example fruit growing in a tree) will remain within the scope of IAS 41. State grants which concern bearer plants are now accounted for according to IAS 20 instead of the IAS 41.

The Group currently assesses the potential effect on its financial statements.

IAS 27 (Amendment) "Separate Financial Statements"

(effective for annual accounting periods beginning on or after 1 January 2016)

This amendment allows economic entities to use the equity method in order to record the investments in subsidiaries, joint ventures and associate companies in their separate financial statements. It also clarifies the definition of separate financial statements.

The Group currently assesses the potential effect on its financial statements.

Annual Improvement in IFRS 2014

(effective for annual accounting periods beginning on or after 1 January 2016)

The following amendments describe the most important changes in four IFRS. These amendments have not been yet adopted by the European Union.

- **IFRS 5 "Non-current assets held for sale and discontinued operations":** The amendment clarifies that when an asset (or group of assets) is reclassified from "held for sale" to "held for distribution", or vice versa, this does not constitute change in the plan for sale or distribution and therefore must not be recorded as a change.
- **IFRS 7 "Financial Instruments: Disclosures":** The amendment adds certain guidance in order to assist the management to define whether the terms of a servicing contract is continuing involvement in a transferred asset. It also clarifies that additional disclosures required according to the amendment of IFRS 7 "Disclosures – Offsetting financial asset and financial liabilities" are not required for all interim periods unless such requirement is defined by IAS 34.
- **IAS 19 "Employee Benefits":** The amendment clarifies that, when the discount rate is defined with regard to liabilities for post retirement personnel benefits, the important issue is the currency at which the relevant liabilities are recorded and not the country from which the liabilities originate.
- **IAS 34 "Interim Financial Reporting":** This amendment clarifies the concept of the information that is disclosed elsewhere within the interim financial report" with reference to the standard.

2.3 Significant judgments and estimations by Management

The Group and the Company shall undertake estimates and assumptions in respect of the financial statements. The estimates and judgements are continually evaluated on the basis of historical experience and expectations for future events in accordance with the circumstances. The estimates and assumptions that may cause material adjustments to the accounting values of the assets and liabilities in the forthcoming financial year are presented below:

3. Accounting Principles Applied

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), which include the International Accounting Standards (IAS) and the interpretations that have been issued by the Interpretations Committee of International Financial Reporting Standards, as these have been adopted by the European Union, as well as the IFRS that have been issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared in accordance with the IFRS as these have been issued by the IASB and adopted by the EU.

3.1 Companies that are consolidated and their consolidation method

The consolidated financial statements of the Group LOULIS include the annual financial statements of a) the subsidiaries companies LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD, NUTRIBAKES AE and GREEK BAKERY SCHOOL LIFELONG LEARNING CENTER LEVEL ONE S.A. and b) the sub-subsidiaries companies LAFCO LEADER ASIAN FOOD COMPANY LTD and GRINCO HOLDINGS LTD.

The Group's companies with their respective addresses and participation percentage, which are included in the consolidated financial statements, are the following:

COMPANY	DOMICILE	PARTICIPATION PERCENTAGE	RELATIONSHIP THAT DICTATED CONSOLIDATION	CONSOLIDATION METHOD	TAX UN- AUDITED FISCAL YEARS
LOULIS MILLS SA	Sourpi, Magnesia	-	Parent Company	-	1
NUTRIBAKES SA	Keratsini Attica	70,00%	Direct	Complete	1
GREEK BAKERY SCHOOL LIFELONG LEARNING CENTER LEVEL ONE S.A.	Keratsini Attica	99,67%	Direct	Complete	1
LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd.	Nicosia, Cyprus	100,00%	Direct	Complete	8
LAFCO LEADER ASIAN FOOD COMPANY Ltd.	Nicosia, Cyprus	40,00%	Indirect	Complete	2
GRINCO HOLDINGS Ltd.	Nicosia, Cyprus	40,00%	Direct	Complete	2
GRINCO HOLDINGS Ltd.	Nicosia, Cyprus	24,00%	Indirect	Complete	2

Since July 10, 2014 LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd. Company in the Group participates with a 40 % share in the Share Capital of the LAFCO LEADER ASIAN FOOD COMPANY Ltd Company, and the latter participates with a 60 % share in the Share Capital of the GRINCO HOLDINGS Ltd Company. The aim of the GRINCO HOLDINGS Ltd. Company is to firstly explore investment opportunities for the Group in India and to construct a factory in India during the second phase. The Group fully consolidated both Companies since it has full control over the Management' decisions.

On December 21, 2014, the sub subsidiary LOULIS MEL BULGARIA E.A.D. was liquidated which was not, according to para. 32 of IFRS 5, considered major activity of the Group and therefore not presented as a discontinued operation.

On January 26, 2015, the Extraordinary General Meeting of the company GRINCO HOLDINGS Ltd. decided a capital increase - with participation of old Shareholders – amounting € 1.38 mil. with the issue 100 new shares of nominal value € 1 each, of which € 99 thousand has been paid.

On May 1, 2015, the Extraordinary General Meeting of the company LAFCO LEADER ASIAN FOOD COMPANY Ltd. decided a capital increase - with participation of old Shareholders - amounting € 832 thousand with the issue 100 new shares of nominal value € 1 each, of which € 60 thousand has been paid.

On January 27, 2015 a subsidiary named NUTRIBAKES SA was established with 100% participation of the Company LOULIS MILLS and main purpose the Group's entry into the market of mixtures and raw materials for bakery and pastry. From May 27, 2015, the Company now holds 70% of the equity of NUTRIBAKES SA as by decision of 27th May 2015 Extraordinary General Meeting of Shareholders of NUTRIBAKES SA, its share capital increased in cash, with cancellation of the right of pre-emption of the existing shareholders in favor of the entry of new shareholders.

On April 03, 2015 a subsidiary called "GREEK BAKERY SCHOOL - CENTRE FOR LIFELONG LEARNING - LEVEL ONE SA" was established with 99.67% participation of the Company, with primary goal to provide professional education and training services as well as to organize training seminars, programs and courses.

In December 2015, LOULIS MILLS SA completed the purchase of 40% of GRINCO HOLDINGS Ltd, for €40.000 from CHIPITA PARTICIPATIONS LIMITED.

3.2 Subsidiaries Companies

The Group's subsidiaries are legal entities on which the Group has the ability to set the operational and financial policies, usually by participating in their share capital with a voting right over 50%. Subsidiaries are consolidated with the full consolidation method from the date that control is transferred to the Group and cease to be consolidated from the date that this control no longer exists. The accounting method of the acquisition is used for the accounting entries of the subsidiaries' acquisition by the Group. The acquisition cost is calculated as the sum of the current value of assets acquired, the shares that are issued and the existing or undertaken liabilities plus any whatsoever costs that are directly related to the acquisition, during the transaction date.

The acquired assets, liabilities and contingent liabilities are initially calculated at their current value upon the cost acquisition date and the current value for the net value of the subsidiary that was acquired is recorded as goodwill.

The intragroup transactions, the account balances and the profits realised that arose from transactions between the companies in the Group are eliminated. The losses realised are eliminated but are taken into consideration as an impairment indicator for the asset that was transferred.

3.3 Revenue Recognition

The revenue is comprised of the invoice value for providing services that are offered by the Company and trading, net prior to the value added taxes (VAT), discounts and returns. The Company's revenue is recognised as follows:

(a) Sales of goods

The sales of goods are recognised when significant risks and benefits of ownership in the goods have been transferred to the customer. This usually occurs when the Company has sold or delivered the goods to the customer, the customer has accepted the goods and the payment of the relevant receivable amounts is reasonably assured. Moreover, there are no significant return of sales.

(b) Provision of services

The provision of services is recognised in the accounting period that the services are offered with reference to completing the specific transaction, which is assessed on the basis of the services that were provided as a proportion of the total services that shall be provided.

(c) Credit Interest

Credit Interest is recognised on a time proportion basis by using the actual interest rate method.

(d) Revenue from rights

The revenue from rights is recognised in accordance with the accrual basis principal according to the substance of the relevant rights agreements.

(e) Revenue from dividends

The Revenue from dividends is recognised when the Company's right to collect is proven.

3.4 Dividends Receivable

Dividends are accounted for as income when the right to receive such is established by Management.

3.5 Foreign currency Conversion

(1) Operating currency and reporting currency

The financial statements of the subsidiary Companies in the Group are presented in the local currency of the country where they are operating. The consolidated financial statements are presented in Euros, which is the operating currency and presentation currency for the Company and the Group.

(2) Transactions and balances

Transactions in foreign currency are converted to the operating currency using exchange rates in effect during the date of the transactions. Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.

(3) Companies in the Group

The operating results and the net position of all the Companies in the Group (excluding those companies operating in hyper inflationary economies), which have an operating currency that is different to the presentation currency of the Group, are converted into the presentation currency of the Group as follows:

- The assets and liabilities have been converted to euro according to the closing exchange rate during the balance sheet date.
- Income and expenses have been converted to the group's presentation currency at average exchange rates of each reported period.
- Any differences that arise from this procedure have been transferred to an equity reserve.

3.6 Property, Plant and Equipment

Land-plots and buildings that mainly consist of the industrial sites are presented in the financial statements at readjusted values minus accumulated depreciations.

The fair value of land-plots and buildings is defined periodically by an independent evaluator.

Depreciation of tangible fixed assets (excluding land which is not depreciated) is calculated on a straight-line basis according to their useful lives.

The useful economic lives are as follows:

	Years
Buildings	25-40
Facilities and Machinery	20-35
Vehicles	5-8
Other Equipment	1-5

The residual values and useful lives are subject to reassessment at each Balance Sheet date, where this is considered necessary.

Expenses for repairs and maintenance to the fixed assets are charged to the income account statement in the period incurred. The cost of major renovations and other subsequent Expenses is included in the value of the fixed asset when it is probable that future financial benefits will arise for the Group, that are higher than originally expected in accordance with the initial performance by the fixed asset. Major renovations are depreciated during the remaining useful life of the relevant fixed asset.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

3.7 Investment Property

Investment Properties are held to generate rental revenue or profits from their resale. The properties that are utilized for the operating activities of the group are not considered to be investment properties but operating properties. This is also the criterion that separates investment property from operating properties.

Investment Properties as Non-Current assets are recorded at fair value that is internally determined on an annual basis, which is based upon similar transactions that have taken place around the Balance Sheet date. Any changes in fair value that represents the open market value are recorded in the other operating revenue in the income statement.

3.8 Goodwill

Goodwill represents the additional price paid by the Group for the acquisition of a new business. It arises from the comparison of the price paid for the acquisition of a new company with the proportion of the group share to the fair value of the net assets, during the acquisition date.

3.9 Impairment of Assets

Non-current and current assets and intangible assets are subject to review for impairment whenever events take place showing their book value is not recoverable. Losses from impairment in the value are recognised for the amount that the accounting value of the asset exceeds the recoverable amount. The recoverable amount is the higher amount between the fair value less the selling costs of the asset and the value due to use.

Non-current and current assets and intangible assets are reviewed for losses on impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the book value of the asset exceeds its recoverable value. The recoverable value is the higher of fair value less costs of disposal of the asset and its value in use.

3.10 Inventory

Inventories are presented at the lowest price between acquisition cost and net realizable value. The cost of inventories is defined using the weighted average method. The cost price of finished products and semi-finished inventories includes raw materials, direct labour costs, as well as direct expenses and other general expenses related to the production excluding the borrowing costs. Net realizable value is the estimated sales price during the normal conduct of the company's activities, minus the estimated cost necessary to realize the sale.

3.11 Provisions

Provisions are recognized when the Group faces legal or substantiated liabilities resulting from past events, their settlement may result in an outflow of resources and the amount of the liability can be reliably estimated.

3.12 Deferred Taxation

Full provision is made for Deferred Taxation on temporary differences between the value of the assets and liabilities for taxation purposes and their book value, on the basis of the applicable taxation rates. Deferred tax receivables are recognized to the extent in which taxable profits will arise in the future while making use of the temporary difference which gives rise to the deferred tax receivable.

3.13 Loans

Loans are initially registered at fair value, minus any financial cost. Subsequently loans are valued at net book cost. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the borrowing term according to the effective interest rate method.

The Loans of the Group (Long-term and Short-term liabilities) are analysed below, as they have been formed up to 31.12.2015.

	GROUP	COMPANY
Loans from Banks	€ 35,631,400	€ 34,416,173

Analysed as follows:

a. Group/Company

	31/12/2015	31/12/2014
Bond Loans	15,500,000	14,500,000
Less: Current Instalments	(9,500,000)	(5,000,000)
Balance of Long-Term Loans	6,000,000	9,500,000

Bond Loans amounting to € **15,500,000** that must be repaid in annual instalments are as follows:

During 2016 € 9,500,000

During 2017 € 6,000,000

Short-term loans of the Company (without the Current payments for Bond Loans) at 31/12/2015 **€ 18,916,173** as opposed to **€ 20,777,381** at 31/12/2014.

Short-term loans of the Group (without the Current payments for Bond Loans) at 31/12/2015 **€ 20,131,400** as opposed to **€ 20,777,381** at 31/12/2014.

3.14 Cash and Cash equivalents

For purpose of the cash flow statement, the cash and cash equivalents are comprised of cash in hand and deposits at the bank less bank overdrafts. The bank overdrafts in the Balance Sheet are included under the Short-term Liabilities/loans.

3.15 Financial Risk

a) Foreign Exchange Risk

The transactions in foreign currency are converted at the foreign exchange rate applicable upon the transaction date. Monetary assets and liabilities in foreign currency are converted into Euros at the foreign exchange rate applicable upon the Balance Sheet date. Profits and losses from Foreign exchange Differences arising from the conversion of monetary assets that are expressed in a foreign currency during the period and upon the Balance Sheet date with respect to the current exchange rates, are recognized in income statement.

b) Credit Risk

The Company has established and implemented quality control procedures for the purpose of minimising the risks. Sales are made to customers with an assessed sales history and they are spread over a large number of small customers and accordingly the credit risk is deemed to be low.

c) Interest Rate Risk

The Group does not hold any significant interest-bearing assets and is consequently not exposed to the interest rate risk. A limited interest rate risk is primarily arises from long-term and short-term loans.

The ratio of fixed to variable interest rates in the net borrowings by the Group is formed according to market conditions, strategy and funding requirements of the Group.

The impact of interest rate fluctuations in operating results and cash flows of the Group's operating activities is limited, as shown in the following sensitivity analysis:

Sensitivity Analysis on Interest Rate Changes

	Variation of interest rates	Effect on the Company's pre-Tax Profits in €	Effect on the Group's pre-Tax Profits in €
Year 2015	1,00%	-344,162	-356,314
	-1,00%	344,162	356,314
Year 2014	1,00%	-352,774	-352,774
	-1,00%	352,774	352,774

3.16 Financial Instruments

The Financial Instruments of the Company relating to Trade receivables and current liabilities due within one year and hence their book value may be considered as fair value. About the Long-term loans, the weighted average

cost of capital of the company is very close to the interest rate whenever the book value is very close to the fair one.

The Financial Assets are rights against future performance contracts of French wheat that are traded on the NYSE Liffe market Paris. These particular Financial instruments are used to hedge the fair value of the Company's inventories (fair value hedge).

Regarding the trade receivables Company is not exposed to significant credit risk. The Company apply Credit Control system for effective management of this risk and the assessment and classification of customers according to level of risk and wherever appropriate, provisions for impaired receivables have been carried out. The maximum exposure to credit risk at the balance sheet date is the fair value of each category of financial instruments, as shown in the following table.

	GROUP		COMPANY	
	<u>31.12.2015</u>	<u>31.12.2014</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
Non-current Assets				
Non-Current Assets	98,973,652	101,084,136	98,218,012	101,084,136
Other Non-Current Receivables	234,055	305,127	234,055	305,127
Total	99,207,707	101,389,263	98,452,067	101,389,263
Current Assets				
Inventories	21,622,079	22,144,690	21,556,537	22,144,690
Trade Receivables	33,451,684	31,949,837	31,962,427	31,949,837
Cash and Cash Equivalents	5,768,701	2,066,486	4,464,626	1,542,071
Financial Assets	10,520	161,560	10,520	161,560
Other Current Assets	6,370,577	6,414,123	3,811,344	3,879,260
Total	67,223,561	62,736,696	61,805,454	59,677,418
Non-Current Liabilities				
Loans and Borrowings	6,000,000	9,500,000	6,000,000	9,500,000
Provisions & Other Non-Current Liabilities	18,971,970	17,292,600	20,599,452	18,975,600
Total	24,971,970	26,792,600	26,599,452	28,475,600
Current Liabilities				
Trade Payables	14,554,227	8,748,910	14,307,734	8,748,910
Loans and Borrowings	29,631,400	25,777,381	28,416,173	25,77,381
Financial Liabilities	840	0	840	0
Other Current Liabilities	8,540,947	12,514,724	8,214,001	12,324,064
Total	52,727,414	47,041,015	50,938,748	46,850,355

Fair Value Measurement

Regarding the Non-current Assets and specifically the Fixed Assets (IAS 16), the Company periodically reassess their fair value with the assistance of independent evaluators and on the basis of recognised methods. Furthermore, due to the nature of the Company's fixed assets, their value does not intensely vary from Year to Year. In the year 2015, the Company carried out revaluation of its assets.

The Company's Financial Instruments that are Receivables from Customers and Current Liabilities are due within one year and their book value may accordingly be also considered to be fair. In relation to the Long-term Loans, the weighted average cost of the Company's capital is very close to the loan interest rate, whereby the book value of the item is very close to the fair value.

The Financial Assets are rights against future performance contracts of French wheat that are traded on the NYSE Liffe market Paris. These particular Financial instruments are used to hedge the fair value of the Company's inventories (fair value hedge).

Fair Value Hierarchy

The Group and the Company use the following hierarchy to define and disclose the fair value of the assets and liabilities per valuation method:

Level 1: based on negotiable (non-adjusted) prices in active markets for similar assets or liabilities

Level 2: based on valuation techniques for which all data with substantial effect on the fair value are visible, either directly or indirectly, while also including valuation techniques with negotiable prices at less active markets for similar or equivalent assets or liabilities

Level 3: based on valuation techniques utilising data with substantial effect on fair value, as opposed to apparent market data

The following Table presents the hierarchy of the fair value for the Group's and the Company's assets.

<u>Assets</u>	Group		Company		Fair Value Hierarchy
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	
Land – Properties	15,143,361	15,981,531	15,143,361	15,981,531	Level 2
Buildings	52,543,598	53,991,825	52,534,060	53,991,825	Level 2
Investment Properties	248,396	197,268	248,396	197,268	Level 2
Financial Assets	10,520	161,560	10,520	161,560	Level 2

<u>Liabilities</u>	Group		Company		Fair Value Hierarchy
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	
Financial Liabilities	840	0	840	0	Level 2

There were no transfers between the hierarchy levels during the Year.

The following methods and assumptions were used for measuring the fair values:

The fair values for the Land – Properties, Buildings and Investment Properties at level 2 are quantified for the Group and Company by independent auditors in combination with the valuation methods: a) Comparative Data or Real Estate Market (Comparative Method); b) Development (Residual Approach); and c) Depreciated Replacement Cost.

The financial assets at level 2 are rights in respect of future performance contract for soft French wheat that are negotiated on the NYSE Liffe Paris market. The specific Financial Instruments are used for hedging the fair value of the Company's inventories (fair value hedge).

The Group and the Company utilize various methods and assumptions which are based on market conditions prevailing in each balance sheet closing date.

3.17 Comparative information

Where necessary, comparative figures have been adjusted to conform with changes in the presentation of the current year.

4. Existing encumbrances

Mortgages and pre-notations have been registered on the Parent Company's property with a book value of € 38 million at 31.12.2015 towards bond loans with a value of € 9,5 million.

5. Litigation and arbitration cases

No litigation and arbitration cases of management bodies exist that may have significant impact on the Parent Company's financial statements. Pending Litigation cases exist, the final outcome of which will not change significantly the Parent Company's financial statements .

6. Number of Employed Personnel

The number of the employed personnel at the end of the current year, 31.12.2015, is as follows: Group 240, Company 225, towards 220 both the Group and the Company in the previous year.

7. Transactions with related parties (IAS 24)

The sales and purchases cumulative amounts from the beginning of the current year as well as the receivables and payables balances of the Company at the end of the current year produced from transactions of the Company with related parties, as per IAS 24, are the following:

	GROUP	COMPANY
a) Income	0	0
b) Expenses	0	0
c) Receivables	125,347	324,465
d) Payables	0	1,683,001
e) Compensations of Executives and members of the Board	745,160	655,981
f) Receivables from Executives and members of the Board	1,502	0
g) Payables to Executives and members of the Board	0	0

8. Earnings per share

The calculation of the basic profit per share as at 31.12.2015 and 2014 respectively is the following:

	<u>Group</u>		<u>Company</u>	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net profit/(loss) attributable to the owners of the parent	624,903	3,360,501	585,693	3,503,434
Weighted average of shares outstanding (after the deduction of the weighted average of own shares)	17,120,906	17,125,062	17,120,906	17,125,062
Basic profit/(loss) per share	0.0365	0.1962	0.0342	0.2046

9. Income tax

According to L. 4334/2015, the income tax rate for legal entities residing in Greece, increased to 29% for the current fiscal year from 26% in the previous fiscal year 2014. At the same time, the tax prepayment increased to 100% from 80%, based on the provisions of L. 4336/2015, being effective from January 1, 2014.

10. Capital expenditure

Investments in assets for the year 2015 amount to € 2.516 thousand for the Group and € 1.758 thousand for the Company.

11. Contingent liabilities- receivables

There are no significant contingent liabilities that need to be disclosed in the annual financial statements. In September 2011, the Ministry of Finance, Competitiveness and Shipping issued a decision for the subjection of several investments in Sourpi to the Development Law 3299/2004. The Company has already completed the project but due to the fact that the final project-completion audit has yet to be conducted by the Operator, a claim against the Greek State is likely to arise in the future on behalf of the Company.

12. Tax unaudited years

Tax unaudited years for THE LOULIS GROUP:

LOULIS MILLS: 1 unaudited year: 2015

NUTRIBAKES S.A.: 1 unaudited year: 2015

GREEK BAKERY SCHOOL LIFELONG LEARNING CENTER LEVEL ONE S.A.: 1 unaudited year: 2015

LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD.: 8 unaudited years: 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015

LAFCO LEADER ASIAN FOOD COMPANY Ltd.: 2 unaudited years: 2014, 2015

GRINCO HOLDINGS Ltd.: 2 unaudited years: 2014, 2015

The Parent Company has been audited for tax purposes by the Certified Auditors Accountants for the years 2011, 2012 and 2013 in accordance with the provisions of L.2238/1994 (ar.2, § 5) as well as for the year 2014 in accordance with the provisions of L. 4174/2013 (ar.65A). According to the latter Law, the audit for the year 2015 is ongoing and the relative tax conformity report will be issued after the publication of the financial statements for the year 2015. If, at the completion of the tax audit, additional tax liabilities result, we estimate that these will have no material effect on the financial statements.

13. Remuneration of Board of Directors' members

The total remuneration paid to the members of the Board of Directors' of the LOULIS MILLS S.A. during the year 2015 amounted to € 122,326 and the total representation costs of the members of the Board of Directors' amounted to € 100,000, according to the decision of the Ordinary General Shareholders Meeting held on June 23, 2015.

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

1. Property, plant, equipment & Investment property

The changes in the property, plant and equipment of the Group and the Company, during the period 01.01.2015 to 31.12.2015, reflect to the table below:

Group

	LAND	BUILDINGS	INVESTMENT PROPERTY	MACHINERY	VEHICLES	FURNITURE & FITTINGS	ASSETS UNDER CONSTRUCTION	TOTAL
Balance 1.1.2014	15,981,531	71,730,152	197,268	42,781,743	1,395,670	4,101,707	87,820	136,275,891
Revaluations	0	0	0	0	0	0	0	0
Acquisitions	0	333,336	0	423,601	40,380	128,526	419,009	1,344,852
Disposals	0	0	0	(4,946)	(71,453)	(485,830)	(190,653)	(752,882)
Balance 31.12.2014	15,981,531	72,063,488	197,268	43,200,398	1,364,597	3,744,403	316,176	136,867,861
	0	0	0	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0	0	0	0
Balance 1.1.2014	0	(16,054,321)	0	(12,282,811)	(1,186,873)	(3,193,581)	0	(32,717,586)
Acquisitions	0	(2,017,342)	0	(1,507,084)	(73,236)	(239,358)	0	(3,837,020)
Disposals	0	0	0	1,621	52,676	474,860	0	529,157
Balance 31.12.2014	0	(18,071,663)	0	(13,788,274)	(1,207,433)	(2,958,079)	0	(36,025,449)
Net Book Value 01.01.2014	15,981,531	55,675,831	197,268	30,498,932	208,797	908,126	87,820	103,558,305
Net Book Value 31.12.2014	15,981,531	53,991,825	197,268	29,412,124	157,164	786,324	316,176	100,842,412
Balance 1.1.2015	15,981,531	72,063,488	197,268	43,200,398	1,364,597	3,744,403	316,176	136,867,861
Revaluations	(838,170)	83,712	(10,763)	0	0	0	0	(765,221)
Acquisitions	0	506,390	61,891	1,154,483	44,018	161,271	77,479	2,005,532
Disposals	0	0	0	(6,464)	(53,235)	(478)	(245,256)	(305,433)
Balance 31.12.2015	15,143,361	72,653,590	248,396	44,348,417	1,355,380	3,905,196	148,399	137,802,739
Accumulated Depreciation								
Balance 1.1.2015	0	(18,071,663)	0	(13,788,274)	(1,207,433)	(2,958,079)	0	(36,025,449)
Acquisitions	0	(2,038,329)	0	(1,527,267)	(47,014)	(107,859)	0	(3,720,469)
Disposals	0	0	0	1,960	53,234	478	0	55,672
Balance 31.12.2015	0	(20,109,992)	0	(15,313,581)	(1,201,213)	(3,065,460)	0	(39,690,246)
Net Book Value 01.01.2015	15,981,531	53,991,825	197,268	29,412,124	157,164	786,324	316,176	100,842,412
Net Book Value 31.12.2015	15,143,361	52,543,598	248,396	29,034,836	154,167	839,736	148,399	98,112,493

Company

	LAND	BUILDINGS	INVESTMENT PROPERTY	MACHINERY	VEHICLES	FURNITURE & FITTINGS	ASSETS UNDER CONSTRUCTION	TOTAL
Balance 1.1.2014	15,981,531	71,730,152	197,268	42,781,743	1,395,670	4,101,707	87,820	136,275,891
Revaluations	0	0	0	0	0	0	0	0
Acquisitions	0	333,336	0	423,601	40,380	128,526	419,009	1,344,852
Disposals	0	0	0	(4,946)	(71,453)	(485,830)	(190,653)	(752,882)
Balance 31.12.2014	15,981,531	72,063,488	197,268	43,200,398	1,364,597	3,744,403	316,176	136,867,861
Accumulated Depreciation								
Balance 1.1.2014	0	(16,054,321)	0	(12,282,811)	(1,186,873)	(3,193,581)	0	(32,717,586)
Acquisitions	0	(2,017,342)	0	(1,507,084)	(73,236)	(239,358)	0	(3,837,020)
Disposals	0	0	0	1,621	52,676	474,860	0	529,157
Balance 31.12.2014	0	(18,071,663)	0	(13,788,274)	(1,207,433)	(2,958,079)	0	(36,025,449)
Net Book Value 01.01.2014	15,981,531	55,675,831	197,268	30,498,932	208,797	908,126	87,820	103,558,305
Net Book Value 31.12.2014	15,981,531	53,991,825	197,268	29,412,124	157,164	786,324	316,176	100,842,412
Balance 1.1.2015	15,981,531	72,063,488	197,268	43,200,398	1,364,597	3,744,403	316,176	136,867,861
Revaluations	(838,170)	83,712	(10,763)	0	0	0	0	(765,221)
Acquisitions	0	496,690	61,891	1,142,583	36,553	141,797	77,479	1,956,993
Disposals	0	0	0	(6,464)	(53,235)	(478)	(245,256)	(305,433)
Balance 31.12.2015	15,143,361	72,643,890	248,396	44,336,517	1,347,915	3,885,722	148,399	137,754,200
Accumulated Depreciation								
Balance 1.1.2015	0	(18,071,663)	0	(13,788,274)	(1,207,433)	(2,958,079)	0	(36,025,449)
Acquisitions	0	(2,038,167)	0	(1,526,768)	(46,647)	(106,978)	0	(3,718,560)
Disposals	0	0	0	1,960	53,234	478	0	55,672
Balance 31.12.2015	0	(20,109,830)	0	(15,313,082)	(1,200,846)	(3,064,579)	0	(39,688,337)
Net Book Value 01.01.2015	15,981,531	53,991,825	197,268	29,412,124	157,164	786,324	316,176	100,842,412
Net Book Value 31.12.2015	15,143,361	52,534,060	248,396	29,023,435	147,069	821,143	148,399	98,065,863

2. Other Intangible Assets

The following table presents the analysis of other intangible assets:

	Group		Company	
	2015	2014	2015	2014
SOFTWARE	155,513	235,505	146,503	235,505
TRADEMARKS	705,646	6,219	5,646	6,219
Total	861,159	241,724	152,149	241,724

3. Investments in Subsidiaries

The following table presents the structure of LOULIS GROUP:

	Direct Participation rate %	2015	2014
L.I.F.E. (BULGARIA) Ltd.	100.00%	236,431	236,431
GREEK BAKERY SCHOOL LIFELONG LEARNING CENTER LEVEL ONE S.A.	99.67%	29,900	0
NUTRIBAKES S.A.	70.00%	1,241,918	0
GRINCO HOLDINGS Ltd.	40.00%	40,000	0
Total		1,548,249	236,431

4. Other Long-Term Receivables

The analysis of other long-term receivables is as follows:

	Group		Company	
	2015	2014	2015	2014
Other Long-Term Receivables	234,055	305,127	234,055	305,127
Total	234,055	305,127	234,055	305,127

The total balance of the account above concerns given guarantees.

5. Inventory

The table below presents the analysis of inventory:

2015	Group	Company
Merchandise	261.362	199.849
Finished & semi-finished goods	3.321.331	3.322.361
Raw and packing materials	18.039.386	18.034.327
TOTAL	21.622.079	21.556.537

2014	Group	Company
Merchandise	201,445	201,445
Finished & semi-finished goods	3,432,680	3,432,680
Raw and packing materials	18,510,565	18,510,565
TOTAL	22,144,690	22,144,690

6. Trade Receivables

The analysis of trade receivables is as follows:

	Group		Company	
	2015	2014	2015	2014
Trade Receivables/Other Receivables	24,382,309	20,749,328	23,471,652	20,749,328
/less: Provision	(1,841,059)	(1,841,059)	(1,841,059)	(1,841,059)
Notes receivable	378,207	688,155	378,207	688,155
Notes overdue	363,051	68,891	363,051	68,891
Cheques receivable	6,000,306	9,244,709	5,431,221	9,244,709
Cheques receivable overdue	6,367,823	5,364,113	6,362,865	5,364,113
/less: Provision	(2,324,300)	(2,324,300)	(2,324,300)	(2,324,300)
Short-Term receivables from associates	125,347	0	120,790	0
Total	33,451,684	31,949,837	31,962,427	31,949,837

7. Cash and Cash Equivalent

The following table presents the cash and cash equivalent of the Group and the Company:

	Group		Company	
	2015	2014	2015	2014
Cash in hand	130,471	277,428	90,259	40,494
Cash at bank	5,638,230	1,789,058	4,374,367	1,501,577
Total	5,768,701	2,066,486	4,464,626	1,542,071

8. Other Current Assets

The table below presents the analysis of other current assets :

	Group		Company	
	2015	2014	2015	2014
Sundry debtors	7,221,992	7,140,582	4,712,375	4,805,776
Less: Provision	(1,075,453)	(1,075,453)	(1,075,453)	(1,075,453)
Receivables from the Greek State	41,841	42,620	0	0
Financial receivables	10,520	161,560	10,520	161,560
Advances and credits suspense accounts	20,008	29,572	16,659	28,972
Prepaid expenses	158,113	121,037	157,763	119,965
Accrued income receivable	4,076	155,765	0	0
Total	6,381,097	6,575,683	3,821,864	4,040,820

9. Other Reserves

The analysis of other reserves is as follows:

	Group		Company	
	2015	2014	2015	2014
Asset Revaluation Reserves	3,829,860	4,365,525	3,829,860	4,365,525
Statutory Reserves	1,288,473	1,288,473	1,288,473	1,288,473
Extraordinary Reserves	103,990	103,990	103,990	103,990
Untaxed Reserves	3,258,580	3,258,580	3,208,286	3,208,286
Exchange Differences Reserves	3,482,806	3,482,806	0	0
Other Reserves	7,765,140	7,765,140	6,513,936	6,513,936
Profit/ (Loss) after Tax	16,815,872	15,877,517	17,603,670	16,338,385
Total	36,544,721	36,142,031	32,548,215	31,818,595

10. Long - Term borrowings

The analysis of the long-term borrowings is presented in the table below:

a. Group/Company

	2015	2014
Bond Loans	15,500,000	14,500,000
less : Matured Debentures	(9,500,000)	(5,000,000)
Total balance of Long-Term Borrowings	6,000,000	9,500,000

Bond Loans, amounted to € **15,500,000**, are to be paid off in annual instalments as follows:

During the year 2016 € 9,500,000

During the year 2017 € 6,000,000

11. Deferred Tax

The following table depicts the deferred tax analysis in accordance with the International Accounting Standards:

	Group	Company
Opening Balance of Deferred Tax Liabilities 2014	12,368,997	12,368,997
Deferred Tax Liabilities due to Fixed Assets	24,879	24,879
Deferred Tax Liabilities due to Inventories	0	0
Deferred Tax Liabilities due to Provisions	0	0
Reversal of Deferred Tax Liabilities	0	0
Ending Balance of Deferred Tax Liabilities 2014	12,393,876	12,393,876
Opening Balance of Deferred Tax Liabilities 2015	12,393,876	12,393,876
Deferred Tax Liabilities due to Fixed Assets	1,385,216	1,351,312

Deferred Tax Liabilities due to Inventories	(58,000)	(58,000)
Deferred Tax Liabilities due to Provisions	0	0
Reversal of Deferred Tax Liabilities	0	0
Ending Balance of Deferred Tax Liabilities 2015	13,721,092	13,687,188

12. Other Non-Current Liabilities/Risk Management

Credit risk

The Company is not exposed to significant credit risk towards its counterparties due to the wide-spread allocation of the Company's Customers. The Company's fully organized credit control department continuously monitor and evaluate the Company's credit risk exposure so as the granted credit each time does not exceed the determined credit limit. Additionally, 80% of the Company's receivables have been insured under Insurance Contract covering credit risk. The company has made a provision of € 5,2 million for the rest 20% of the Company's receivables as well as any other receivable exceeding 360 days.

As the Insurance Contract is non-negotiable and non-transferable the Company cannot put it in pledge or sell it.

Interest rate risk and foreign currency risk

The Company's bank loans in Greece are mainly denominated in Euro whereas the Company's bank loans abroad are denominated in local currency. The Company's bank loans are with floating interest rate. The Company does not hold derivative financial instruments in order to reduce its exposure to interest rate risk on Balance Sheet date. Management believes that there is no significant risk towards possible change of interest rates or foreign exchange rates.

Liquidity Risk (financing risk)

The Company does not face any difficulties in serving its debts due to the followings: a) its adequate cash flow, b) its high creditworthiness towards banks and c) its financial assets, the presented value of which in the financial statements does not differ from their fair value.

Other Non-Current Liabilities

	Group		Company	
	2015	2014	2015	2014
Long-Term Tax Liabilities	0	105,893	0	105,893
Leasing	553,155	0	553,155	0
Subsidies for Fixed Assets	3,958,838	4,155,413	3,958,838	4,155,413
Long-Term Liabilities to Associated Companies	0	0	1,683,000	1,683,000
Total	4,511,993	4,261,306	6,194,993	5,944,306

13. Liabilities for Personnel Retirement

The amounts recognized into the Statement of Comprehensive Income concern defined benefit plans at retirement, as follows:

Defined Benefit Plans at Retirement

	Group		Company	
	2015	2014	2015	2014
Current Service Cost	23,586	43,711	23,586	43,711
Interest Cost	14,661	26,745	14,661	26,745
Settlement/Curtailment Impact	4,707	84,453	4,707	84,453
Past Service Cost	18,981	0	0	0
Amounts recognized in Profit & Loss Statement	61,935	154,909	42,954	154,909
Actuarial Net Liability/(Asset)	46,598	(163,344)	43,965	(163,344)
Total amounts recognized in the Statement of Comprehensive Income	108,533	(8,435)	86,919	(8,435)

The change in the current value of the defined benefit obligations at retirement, recognized in the Statement of Financial Position is presented in the table below:

Current Value of the Defined Benefit Obligations

	Group		Company	
	2015	2014	2015	2014
Current Value of Defined Benefit Obligations at the beginning of the year	637,418	786,609	637,418	786,609
Total Expense	61,935	154,909	42,954	154,909
Actuarial Net Liability/(Asset)	46,598	(163,344)	43,965	(163,344)
Benefits Paid	(7,066)	(140,756)	(7,066)	(140,756)
Current Value of Defined Benefit Obligations at the end of the period	738,885	637,418	717,271	637,418
Fair Value of Plan's Assets	0	0	0	0
Net Liability/(Asset) in BS at the end of the year	738,885	637,418	717,271	637,418

The Company is in line with the amended IAS 19 being effective from 1/1/2013 and applied retroactively from 31/12/2011 according to IAS 8.

14. Trade Payables

The analysis of Suppliers and Other Liabilities are presented in the tables below:

	Group		Company	
	2015	2014	2015	2014
Suppliers (Third Parties)	13,156,572	8,188,822	13,092,538	8,188,822
Cheques Payable (Post-Dated)	176,970	0	0	0
Advances from Customers	1,220,685	560,088	1,215,196	560,088
Total	14,554,227	8,748,910	14,307,734	8,748,910

Ageing Analysis of Trade Payables

	Group		Company	
	2015	2014	2015	2014
0 - 180 d.	14,459,086	8,654,982	14,212,608	8,654,982
> 181 d.	95,141	93,928	95,126	93,928
Total	14,554,227	8,748,910	14,307,734	8,748,910

15. Current Borrowings

	Group		Company	
	2015	2014	2015	2014
Short-Term Loans	20,131,400	20,777,381	18,916,173	20,777,381
Current installments of Long-Term Obligations	9,500,000	5,000,000	9,500,000	5,000,000
Total	29,631,400	25,777,381	28,416,173	25,777,381

16. Tax Payable

Tax payable analysis of the Group and the Company is presented in the following table:

	Group		Company	
	2015	2014	2015	2014
Tax & Duties Payable (not including income tax)	144,351	2,080,004	122,040	2,030,873
Income Tax	1,005,537	173,620	890,814	160,238
Total	1,149,888	2,253,624	1,012,854	2,191,111

17. Other Current Liabilities

	Group	
	2015	2014
Insurance and Pension Fund Dues	326,147	405,025
Dividends Payable	0	2,350
Sundry Creditors	6,572,894	9,476,468
Financial Liabilities	840	0
Unearned and Deferred Income	26,720	0
Accrued Expenses	465,298	377,257
Total	7,391,899	10,261,100

	Company	
	2015	2014
	315,001	405,025
	0	2,350
	6,445,827	9,354,043
	840	0
	1,562	0
	438,757	371,535
	7,201,987	10,132,953

18. Revenue

Revenue analysis of the Group and the Company is presented in the following table:

	Company	
	2015	2014
Sales to Professionals	69,797,638	61,882,524
Sales to Related Companies	0	0
Sales to the Public Sector	52,807	60,840
Sales to International Markets	9,156,239	4,285,833
Sales of Consumer Products	12,883,006	13,913,292
Sales of By-Products	9,482,060	7,863,673
Total	101,371,751	88,006,162

	Group	
	2015	2014
Sales to Professionals	69,794,908	61,882,524
Sales to Related Companies	0	0
Sales to the Public Sector	52,807	60,840
Sales to International Markets	9,156,239	4,285,833
Sales of Consumer Products	12,883,006	13,913,292
Sales of By-Products	9,482,060	7,863,673
Sales of Mixings and Raw Materials for Bakery and Pastry	3,593,267	0
Total	104,962,288	88,006,162

19. Other Income

	Group		Company	
	2015	2014	2015	2014
Other Operating Income	2,880,434	2,818,766	2,818,877	2,818,374
Extraordinary and non-Operating Income	488,010	428,270	487,673	428,270
Extraordinary Profit	10,771	101	10,771	101
Prior Year Income	45,037	104,069	45,037	104,069
Income from Unused prior Year Provisions	100,000	2,248	100,000	2,248
Other non-Operating Income	0	228,656	0	0
Total	3,524,252	3,582,110	3,462,358	3,353,062

20. Other expenses

	Group		Company	
	2015	2014	2015	2014
Extraordinary and non-Operating Expenses	(122,108)	(206,097)	(120,176)	(200,993)
Extraordinary Losses	(151,870)	(93,668)	(151,870)	(93,668)
Prior Year Expenses	(31,042)	0	(31,042)	0
Losses Resulting from Foreign Currency Adjustments	0	(1)	0	0
Provisions for Extraordinary Contingencies	0	(200,000)	0	(200,000)
Other non-Operating Expenses/ Goodwill Impairment	0	(228,656)	0	0
Total	(305,020)	(728,422)	(303,088)	(494,661)

21. Distribution Expenses

The analysis of the distribution expenses is presented in the followings:

	Group		Company	
	2015	2014	2015	2014
Selling Expenses	(14,597,470)	(13,795,758)	(14,231,770)	(13,795,758)

Selling Expenses for the year 2015 mainly consist of employee compensation and expenses of € 3,4 million, third parties fees of € 915 thousand, charges for outside services of € 916 thousand, taxes and duties of € 219 thousand, depreciation expenses of € 680 thousand and the rest of the amount concerns miscellaneous expenses.

Respectively, selling expenses for the year 2014 consist of employee compensation and expenses of € 2,89 million, third parties fees of € 952 thousand, charges for outside services of € 857 thousand, depreciation expenses of € 720 thousand and the rest of the amount concerns miscellaneous expenses.

22. Administrative Expenses

The analysis of the administrative expenses is presented in the followings:

	Group		Company	
	2015	2014	2015	2014
Administrative Expenses	(3,186,062)	(3,098,713)	(2,828,976)	(2,841,428)

Administrative Expenses for the year 2015 mainly consist of employee compensation and expenses of € 1,38 million, third parties fees of € 310 thousand, charges for outside services of € 407 thousand, taxes and duties of € 219 thousand, depreciation expenses of € 466 thousand and the rest of the amount concerns miscellaneous expenses.

Respectively, administrative expenses for the year 2014 consist of employee compensation and expenses of € 1,43 million, third parties fees of € 286 thousand, charges for outside services of € 343 thousand, depreciation expenses of € 367 thousand and the rest of the amount concerns miscellaneous expenses.

23. Financial Expenses/(Income)

	Group	
	2015	2014
Interest Charges and Related Expenses	(2,224,203)	(2,089,233)
Other Financial Expenses	(14,740)	(26,836)
Interest and Related Income	80,449	126,302
Total	(2,158,494)	(1,989,767)

Company	
2015	2014
(2,181,235)	(2,087,461)
(14,740)	(26,745)
8,898	10,218
(2,187,077)	(2,103,988)

24. Income Tax

	Group	
	2015	2014
Real Estate Tax	23,626	23,626
Provision for Income Tax	1,005,537	165,142
Correction of the 31.12.2013 Provision for Income Tax	0	(557)
Deferred Tax	1,546,008	24,879
Total	2,575,171	213,090

	Company	
	2015	2014
Real Estate Tax	23,626	23,626
Provision for Income Tax	890,814	160,238
Correction of the 31.12.2013 Provision for Income Tax	0	(557)
Deferred Tax	1,512,104	24,879
Total	2,426,544	208,186

25. Earnings per share

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net Profit/(Loss) attributable to the owners of the parent	624,903	3,360,501	585,693	3,503,434
Weighted average of shares outstanding (after the deduction of the weighted average of own shares)	17,120,906	17,125,062	17,120,906	17,125,062
Basic Profit/(Loss) per share	0.0365	0.1962	0.0342	0.2046

26. Asset Revaluation profit/loss

	Group	Company
	2015	2014
Asset Revaluation Profit/Loss	(754,458)	0
Respective Income Tax on Other Comprehensive Income	218,793	0
Total	(535,665)	0

8. RISK MANAGEMENT- OBJECTIVES & PERSPECTIVES

Financial Risk Factors

The Company is exposed to financial risks such as foreign currency risk, interest rates risk, credit risk and liquidity risk that arise from its activities and operation. The Company's policy aims to minimize the impact of those risks when they may arise. The Company uses financial instruments such as long-term and short-term loans, foreign currency transactions, liabilities arising from financial leasing agreements, dividends payable, bank deposits and investments in securities.

Risk management is performed by the Financial Department whereas the BoD of the Company is fully responsible for formulating the strategy, performing the overall planning and determining the risk management policies.

a) Credit Risk

The Company is not exposed significantly to credit risk. The Company has adopted a Credit Control system which makes risk management more effective as well as assesses and classifies the Customers according to their credit risk level. Customers' credit levels are determined through internal evaluation criteria being in line with the limits set by the management. Credit limits are being constantly monitored while the Company has insured the majority of its customers under Insurance Contract covering part of the credit risk. The maximum exposure to credit risk on the Balance Sheet date is the fair value of each category of financial item, as depicted in the following table. At 31.12.2015 the ageing analysis of the trade receivables is as follows:

Trade Receivables	GROUP		COMPANY	
	2015	2014	2015	2014
Trade Receivables/Other Receivables	24,507,656	20,749,328	23,592,442	20,749,328
/less: Provision	(1,841,059)	(1,841,059)	(1,841,059)	(1,841,059)
Notes Receivable	378,207	688,155	378,207	688,155
Notes Overdue	363,051	68,891	363,051	68,891
Cheques Receivable (post dated)	6,000,306	9,244,709	5,431,221	9,244,709
Cheques Receivable overdue (bounced)	6,367,823	5,364,113	6,362,865	5,364,113
/less: Provision	(2,324,300)	(2,324,300)	(2,324,300)	(2,324,300)
Sundry Debtors	7,221,992	7,140,582	4,712,375	4,805,776
/less: Provision	(1,075,453)	(1,075,453)	(1,075,453)	(1,075,453)
	39,598,223	38,014,966	35,599,349	35,680,160
	GROUP		COMPANY	
	2015	2014	2015	2014
Non overdue and non-impaired	35,726,273	35,427,858	31,855,092	33,093,052
Overdue yet non impaired				
0-180 days	3,121,838	2,139,722	2,997,057	2,139,722
> than 180 days	750,112	447,386	747,200	447,386
	39,598,223	38,014,966	35,599,349	35,680,160

	GROUP		COMPANY	
	2015	2014	2015	2014
Balance at 1st January	5,240,812	5,016,513	5,240,812	5,016,513
Year Additions	0	706,964	0	706,964
Unused Provision	0	0	0	
Used Provision	0	482,665	0	482,665
Balance at 31st December	5,240,812	5,240,812	5,240,812	5,240,812

Trade Receivables account is not interest-bearing and it is usually settled in: Group 0-180 days, Company 0-180 days.

The Management of the Company considered at the end of the year that no substantial credit risk does exist having not been met either by Insurance Contract or by provision for doubtful accounts. As long as credit risk arising from bank deposits is concerned, the Company allocates cash deposits at banks based on limits in order to reduce its exposure to that risk. In addition, the Company cooperates only with Bank Institutions of high creditworthiness.

b) Liquidity Risk

The Company manages its liquidity needs through monitoring its debts, long-term financial liabilities and its daily payments. The Company monitors its liquidity needs on a weekly basis whereas its liquidity needs for a six-month period or a year period are being reviewed and readjusted on a monthly basis.

In case lack of liquidity does exist, the Company is able to be financed by bank borrowings through approved credit lines which the Company holds at banks.

Owing to the fact that the Company's liabilities are due to one to six months, the Company is able to service them either through collection of trade receivables or by using its financing credit lines held at banks.

The Management of the Company reviews the future cash flow statement, prepared by the Financial Department, in order to manage liquidity risk more effectively.

c) Risk of Fluctuation in the basic prices for Raw Materials

The Company is exposed to the risk of fluctuations in the prices of raw materials that are mainly affected by the conditions prevailing in the Greek and the international markets. Nevertheless, the impact of those fluctuations is passed on to the finished product.

d) Interest Rate Risk

The cost of using debt financing by the Company is directly linked with the interest rate and as a result there is a risk of this kind. As long as short-term and long-term loans are concerned, the risk results from the fact that those loan agreements are denominated in fluctuating interest rates linked to the EURIBOR index. According to the sensitivity analysis prepared by the Finance Department, an increase or decrease in the EURIBOR index shall result in the followings:

Sensitivity Analysis - Interest Rate fluctuation

	Interest Rate Fluctuation	Effect on Pre-Tax Profit of the Company	Effect on Pre-Tax Profit of the Group
Amounts 2015	1.00%	-344,162	-356,314
	-1.00%	344,162	356,314
Amounts 2014	1.00%	-352,774	-352,774
	-1.00%	352,774	352,774

e) Foreign Currency Risk

Raw direct and indirect materials are mainly purchased from European Union State Members so the Company is not exposed to foreign currency risk.

f) Other Operational Risks

The management of the Company has adopted a reliable Internal Control system for the detection of dysfunctions and exceptions within its business activities. The insurance coverage of the property and other risks is adequate.

9. OTHER INFORMATION

1. LOULIS MILLS SA Shares

The Company's shares are common and listed on the Athens Stock Exchange's market bearing the ticker symbol LOULI in O.A.S.I.S. of the A.S.E.

The Extraordinary General Meeting the Company's Shareholders of 16/12/2004 decided, inter alia, the reduction of the company's share capital by € 64,896 through reducing its stock from 16,724,232 to 16,622,832 common registered shares, due to cancellation of own shares, in accordance with article 16 of Corporate Law 2190/1920.

The above mentioned 104,000 shares were purchased during the period 17/12/2001 to 28/1/2002 in implementing the decision as of 23/7/2001 of the Extraordinary Shareholders Meeting and the resolution of the Board of Directors dated 7/11/2001.

After the aforementioned reduction, the share capital of the Company amounted to € 10,638,612.48 divided into 16,622,832 common registered shares of a par value of € 0.64 each.

According to the decision of the Extraordinary General Meeting of Shareholders dated 18/9/2008 the Company proceeded, during the period 18/9/2008-30/09/2010, to the purchase of 1,400,556 own shares of total value of € 2,810,614. The total number of own shares held by the Company on 30/09/2010 of the aforementioned total value decreased the equity of both the Company and the Group.

The Extraordinary General Meeting the Company's Shareholders of 2/1/2009 decided the share capital increase by € 8,311,416 through the capitalization of the "share premium" account reserve. The share capital increase completed through the increase of the par value of each share by € 0.50, namely from € 0.64 to € 1.14 followed by an equal decrease of the share capital of the Company by € 8,311,416 (eight million three hundred and eleven thousand four hundred and sixteen Euros) through the reduction of the par value of each share by € 0.50, namely from € 1.14 to € 0.64 per each share and simultaneous equal cash payment to the shareholders of amount of € 8,311,416 (eight million three hundred and eleven thousand four hundred and sixteen Euros) i.e. € 0.50 per share. Following the above decisions of the General Meeting, the Company's share capital amounted to € 10,638,612 divided into 16,622,832 registered shares of a nominal value of € 0.64 each. The A.S.E. BoD on January 29, 2009 was informed of that equal increase and decrease of the nominal value of the Company's shares, through capital return by payment in cash to the Shareholders of € 0.50 per share. The payment starting date of the share capital return was 12/2/2009 and it was made through PIRAEUS BANK.

The Ordinary General Meeting the Company's Shareholders of 25/5/2010 decided, inter alia, the payment of dividend for 2009 having been increased with the dividend corresponding to the own shares of the Company, that is € 0.070046 per share, which, pursuant to Law 3697/2008, subject to 10% withholding tax and therefore the net final amount payable per share amounted to € 0.063041. Eligible to receive dividends are the Shareholders registered in the records of the intangible Securities System of the Company on Thursday, June 3, 2010 (record day). Cut-off date was defined as the June 1, 2010. The payment of the dividend for 2009 began on Thursday, June 9, 2010 through ALPHA BANK.

In addition, the Ordinary General Meeting the Company's Shareholders of 25/5/2010 approved unanimously the share capital increase by € 1,994,739.84 (one million nine hundred and ninety four thousand seven hundred and thirty nine Euros and eighty four cents) by increasing the nominal value of the share by € 0.12 through capitalization part of the reserve Difference From Share Issue Premium and equal decreasing of the share capital of the Company by € 1,994,739.84 (one million nine hundred and ninety four thousand seven hundred and thirty nine Euros and eighty four cents) reducing the par value of each share by € 0.12 leading to the return of capital through cash payments to the Shareholders.

The Ordinary General Meeting the Company's Shareholders of 20/6/2011 approved unanimously by 11,830,895 vote, i.e. 77%, the share capital increase by € 3,324,566.40 by increasing the nominal value of each share by € 0.20 through capitalization of the reserve Difference From Share Issue Premium and equal decreasing of the share capital of the Company by € 3,324,566, reducing the par value of each share by € 0.20 resulting to return of capital through cash payments to the Shareholders. Furthermore, it was decided, by 11,830,895 vote, namely 77%, the cancellation of 1,400,556 registered own shares, according to art.16 par.6 of the Corporate Law 2190/1920 and the equal decrease of the share capital of the Company.

Following the aforementioned share capital decrease, the share capital of the Company amounted to € 9,742,256.64 divided into 15,222,276 common registered shares of a par value of € 0.64 each.

The Ordinary General Meeting the Company's Shareholders of 28/6/2013 approved the share capital increase by € 1,217,783.04 through cash payments, issuance of 1,902,786 new ordinary dematerialized registered shares with voting rights and of a nominal value of € 0.64 each, cancellation of the preemptive right of existing shareholders in favor of the new shareholder/strategic investor Al Dahra Agriculture Spain S.L. Sociedad Unipersonal. The offer price of the new shares amounted to € 4.0875753 per share. Following the above increase, the Company's share capital came to € 10,960,039.68 and is divided into 17,125,062 ordinary dematerialized registered shares with voting rights and a nominal value of € 0,64 each. Total revenues from the issue stood at € 7,777,781.05. The difference between the issue price and the nominal value of each share, which totals € 6,559,998.01, was credited to the "Share premium" account, according to the law and the Articles of Association.

The Extraordinary General Meeting the Company's Shareholders of 1/12/2014 decided the share capital increase by € 5,137,518.60 through the capitalization of a) of the untaxed reserves formed based on Law 2238/1994, in accordance with article 72 of the Law 4172/2013 of amount of € 4,678,218.10 and b) part of the reserve "Difference From Share Issue Premium" of amount of € 459,300.50 by increasing the par value of each share by € 0.30, namely from € 0.64 to € 0.94.

Following the aforementioned decisions of the General Meeting, the share capital of the Company amounted to € 16,097,558.28 divided into 17,125,062 registered shares of a par value of € 0.94 each.

The Extraordinary General Meeting the Company's Shareholders of 8/1/2015 decided the share capital increase by € 1,541,255.58 by increasing the par value of each share by € 0.09, i.e. from € 0.94 to € 1.03 through the capitalization of the reserve "Difference From Share Issue Premium" and a simultaneous equal decrease of the share capital of the Company by € 1,541,255.58 reducing the par value of each share by € 0.09 namely from € 1.03 to € 0.94 resulting in the return of capital through cash payments to the Shareholders and the relevant amendment of article 5 in the Company's Articles of Association.

Following the aforementioned decisions of the General Meeting, the share capital of the Company now amounts to € 16,097,558.28 divided into 17,125,062 registered shares of a par value of € 0.94 each.

2. Main Exchange Rates for the Balance Sheet and Profit & Loss Account Results

Balance Sheet	31/12/2015	31/12/2014	31/12/2015 vs 31/12/2014
1 euro = Leva	1.9558	1.9558	-
P&L	average 2015	average 2014	av. 2015 vs av. 2014
1 euro = Leva	1.9558	1.9558	-

3. Significant changes in the annual consolidated Balance Sheet figures and Profit and Loss accounts

The most significant changes in the annual consolidated Balance Sheet figures and Profit and Loss accounts are as follows:

Investments in assets for the year 2015 amounted to € 2,516 thousand for the Group and € 1,758 thousand for the Company.

The Extraordinary General Meeting the Company's Shareholders of 8/1/2015 decided a) the share capital increase by € 1,541,255.58 by increasing the par value of each share by € 0.09, namely from € 0.94 to € 1.03 through the capitalization of the reserve "Difference From Share Issue Premium" and b) a simultaneous equal decrease of the share capital of the Company by € 1,541,255.58 reducing the par value of each share by € 0.09 namely from € 1.03 to € 0.94 resulting in the return of capital through cash payments to the Shareholders and the relevant amendment under article 5 in the Company's Articles of Association. Following the aforementioned decisions of the General Meeting, the share capital of the Company now amounts to € 16,097,558.28 divided into 17,125,062 registered shares of a par value of € 0.94 each.

The Extraordinary General Meeting the Company's Shareholders of 8/1/2015 approved and the BoD meeting of 15/1/2015 determined the implementation details of the share buy-back program, as per article 16 of Corporate Law 2190/1920 and its amendments, Law 3604/2007 which modified Corporate Law 2190/1920, Regulation 2273/2003 by the European Communities Commission and decision 1/503/13.3.2009 of the Hellenic Capital Market Commission, up to 10% of the total number of shares, namely up to 1,712,506 shares of the Company. The minimum purchase price is one euro (€ 1) per share and a maximum purchase price is five (€ 5) per share. The share buy-back program will be implemented within a period of 24 months maximum, beginning on January 8, 2015, when the program has been approved by the Extraordinary General Meeting and ending on January 7, 2017. At least 90% of the purchased shares (i.e. 9% of the existing shares) will be cancelled and the rest 10% might be distributed to the staff of the Company according to BoD decision.

On January 27, 2015 Loulis Mills S.A. established a 100% subsidiary company under the name NutriBakeS S.A. with an initial capital of € 170,000 and main purpose to enter the market of mixings and raw materials for bakery and pastry. On February 6, 2015 NutriBakeS S.A. signed an agreement with KENFOOD TROPHOGNOSIA S.A. including: a) the future acquisition by our subsidiary company of the "KENFOOD" trademark for € 700,000 b) the future commercial cooperation agreement by virtue of which our subsidiary company shall undertake commercial activities on an exclusive basis under the "KENFOOD" trademark c) the future acquisition by our subsidiary company of all the shares of the "KENFOOD TROPHOGNOSIA SA" and d) the future participation of the latter's company shareholders in the share capital of our subsidiary company. It is noted that all of the aforementioned agreements shall operate on the condition of achieving agreement within a three-month period with the banks associated with the KENFOOD TROPHOGNOSIA S.A. That association shall reinforce the presence of Loulis Mills S.A. in the bread baking and pastry making sector and shall make the company a unique provider of complete solutions for every professional in the bakery and pastry in the country. This action shall at the same time provide the Group with diversity in its operations resulting in the reduction of business risks.

Loulis Mills S.A. participated in the share capital increase of its 100% subsidiary company NutriBakeS S.A. The Extraordinary General Meeting of this subsidiary company on February 18, 2015 decided the share capital increase by € 203,400 through payments in cash via the issuance of 20,340 new ordinary registered shares with voting rights with a nominal value of € 10 each and of a share premium of € 42.7 i.e. total offering price € 52.7 per share. As a result, the total amount of the share capital increase will amount to € 1,071,918 from which amount € 868,518 will be credited to the "Share Issue Premium" account.

Since May 27, 2015 the Company's participation rate in the share capital of NutriBakeS S.A. amounted to 70% due to the share capital increase through cash payments, cancellation of the preemptive right of the existing shareholder in favor of the new shareholders, according to the decision of the Extraordinary General Meeting of the NutriBakeS S.A.

On March 17, 2015, the Company proceeded in the issuance of a bond loan of amount of € 6 million in order to refinance its existing short-term loans. The loan's duration is two years and was issued in cooperation with ALPHA BANK SA.

On April 3, 2015 Loulis Mills S.A. established a 99.67 % subsidiary company under the name "GREEK BAKERY SCHOOL LIFELONG LEARNING CENTER LEVEL ONE SA" with an initial capital of € 30,000 with main purpose to provide professional training and learning services and organizing seminars, programs and courses.

The company GRINCO HOLDINGS LIMITED, in the share capital of which participate both the company of the Loulis Group LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd via its subsidiary LAFCO LEADER ASIAN FOOD COMPANY Ltd and CHIPITA's subsidiary CHIPITA PARTICIPATIONS LIMITED, has decided its entrance in India's market by a smaller-scale investment of a total amount of 1 million euro unlike the initial investment planning of 15 million euro. That decision results from the fact that the initial research of India's market did not indicate the incorporation of a mill there for the time being. Following the above, it was decided, in consensus, that the most appropriate action for the current period is the Company Loulis Mills S.A. to proceed independently to the aforementioned smaller-scale investment aiming to a thorough research of India's market and to determine, at a later stage, what would be the further steps including a larger-scale joint investment with CHIPITA. On the grounds of the above, the Company discloses that on December 30, 2015 the Company acquired 40% of the company GRINCO HOLDINGS Ltd, at the price of € 40.000 from CHIPITA PARTICIPATIONS LIMITED.

The change in the account "Other intangible assets" of amount of € 700 million results from the acquisition of the trademark "KENFOOD" by the Group's subsidiary NutriBakeS S.A

The increase in the "Deferred tax liabilities" account by € 1,3 million is, mainly, due to the increase of the income tax rate for legal entities residing in Greece to 29% for the current fiscal year from 26% in the previous fiscal year 2014, according to L. 4334/2015.

The decrease in the "Tax liabilities" account results from a) the Company's subjection to the provision of the Law 4321/2015 according to which non-overdue installments of final tax liabilities were settled in a lump-sum payment, with exemption of 100% of additional tax or charges of Law 2523/1997 of amount of € 0.13 million and b) the payment in full of the cut-off tax 19%, of the article 72 of Law 4172/2013, of final amount of € 0.89 million, resulting from the capitalization of untaxed reserves formed based on Law 2238/1994 in the previous year.

During the year, the total effect of the subsidiary NutriBakeS S.A. on the Group was as follows: a) € 1.6 million to the equity of the owners of the parent, b) € 159 thousand to the net after tax results and minorities and c) € 3.6 million to the revenue.

On February, 2016 the revaluation of the company's assets has been completed resulting in impairment of amount of € 754 thousand and deferred tax of amount of € 219 thousand. Those amounts are presented in the Statement of Comprehensive Income and particularly in the line "Other comprehensive income". The accounting depiction of the revaluation has been carried-out in line with IAS 16.

On February, 2016 the revaluation of the company's investment assets has been completed resulting in impairment of amount of € 11 thousand. That amount is presented in the Statement of Comprehensive Income and particularly in the line "Other expenses". The accounting depiction of the revaluation has been carried-out in line with IAS 40.

The BoD of the Company proposes that no dividend shall be distributed of the profits of the fiscal year 2015 due to the uncertainty of the economic environment and liquidity-management reasons of the Company. As a result, the proposal not to distribute a dividend subject to approval by the Annual General Meeting of shareholders.

4. Notes on future events

The Annual Financial Statements, as well as the accompanying notes and disclosures, may contain particular assumptions and calculations concerning future events in relation to the operations, development and the financial performance of the Company and the Group.

Despite the fact that these assumptions and calculations are based upon the best possible knowledge of the Management of the Company and the Group relating the current events and actions, the actual outcome in the end may differ from these calculations and assumptions that have been taken into account during the preparation of the Financial Statements for the Company and the Group.

The Company and the Group are not obliged and responsible for modifying the disclosures or assumptions relating to future events as a result of updated information concerning these future events or any other reason.

On February 23 , 2016 a subsidiary company under the name LOULIS MEL - BULGARIA EAD, established in Bulgaria. The 100% of the share capital of the company is held by LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd, which is 100% subsidiary of LOULIS MILLS SA. The new company has a founding capital of 50,000 BGN and its main purpose is the collection and trade of cereals.

The Annual Financial Statements for the Group and the Company, from pages 5 to 82, have been approved by the Board of Directors on 30/03/2016.

The Chairman of the Board of Directors

The Vice-Chairman of the Board of Directors
& CEO

Nikolaos K. Loulis

Nikolaos S. Fotopoulos

The Chief Accountant

Ioannis G. Louloudakis



LOULIS MILLS S.A.

Reg. No 50675444000

Reg. Address: Municipality of Sourpi, Prefecture of Magnesia (Loulis Port)

FINANCIAL STATEMENTS AND INFORMATION FOR THE PERIOD FROM JANUARY 1st 2015 TO DECEMBER 31st 2015

The following data and information aim at providing a general overview of the financial status and results of LOULIS MILLS S.A. and LOULIS GROUP OF COMPANIES

Readers, who require a complete picture of the Group's financial status and results, are advised to access the financial statements according to the International Accounting Standards, as well as the audit report by the certified auditor-accountant. In such case, readers may refer to the Company's website, www.loulismills.gr, where such information is posted.

STATEMENT OF FINANCIAL POSITION

GROUP		COMPANY		
01.01 - 31.12.2015	01.01 - 31.12.2014	01.01 - 31.12.2015	01.01 - 31.12.2014	
ASSETS				
NON CURRENT ASSETS				
Tangible Fixed Assets	97.864.097	100.645.144	97.817.467	100.645.144
Investment Property	248.396	197.268	248.396	197.268
Other Intangible Assets	861.159	241.724	152.149	241.724
Investment in Subsidiaries	-	-	1.548.249	236.431
Other Non Current Assets	234.055	305.127	234.055	305.127
	99.207.707	101.389.263	100.000.316	101.625.694
CURRENT ASSETS				
Inventory	21.622.079	22.144.690	21.556.537	22.144.690
Financial Assets	-	-	-	-
Trade Receivables	33.451.684	31.949.837	31.962.427	31.949.837
Derivatives Financial Assets	10.520	161.560	10.520	161.560
Other Current Assets	6.370.577	6.414.123	3.811.344	3.879.260
Cash and Cash Equivalents	5.768.701	2.066.486	4.464.626	1.542.071
	67.223.561	62.736.696	61.805.454	59.677.418
TOTAL ASSETS	166.431.268	164.125.959	161.805.770	161.303.112
EQUITY & LIABILITIES				
Share Capital	16.097.558	16.097.558	16.097.558	16.097.558
Share Premium	35.630.886	38.061.004	35.630.886	38.061.004
Own shares acquired	(9.089)	0	-9.089	0
Other Reserves	36.544.720	36.142.031	32.548.215	31.818.595
	88.264.075	90.300.593	84.267.570	85.977.157
Non Controlling Interest	467.809	(8.249)	-	-
Total Equity	88.731.884	90.292.344	84.267.570	85.977.157
LONG TERM LIABILITIES				
Long-Term Loans	6.000.000	9.500.000	6.000.000	9.500.000
Deferred Tax Liabilities	13.721.092	12.393.876	13.687.188	12.393.876
Severance Provisions	738.885	637.418	717.271	637.418
Other Long-term Liabilities	4.511.993	4.261.306	6.194.993	5.944.306
	24.971.970	26.792.600	26.599.452	28.475.600
CURRENT LIABILITIES				
Trade Payables	14.554.227	8.748.910	14.307.734	8.748.910
Short Term Loans	29.631.400	25.777.381	28.416.173	25.777.381
Derivatives Financial Liabilities	840	0	840	0
Tax Liabilities	1.149.888	2.253.624	1.012.854	2.191.111
Accrued and Other Current Liabilities	7.391.059	10.261.100	7.201.147	10.132.953
	52.727.414	47.041.015	50.938.748	46.850.355
TOTAL EQUITY & LIABILITIES	166.431.268	164.125.959	161.805.770	161.303.112

STATEMENT OF CHANGES IN EQUITY

GROUP		COMPANY	
01.01 - 31.12.2015	01.01 - 31.12.2014	01.01 - 31.12.2015	01.01 - 31.12.2014
Total Equity at the Beginning of the Period (1.1.2015 & 1.1.2014)			
90.292.344	86.899.072	85.977.157	82.432.704
Total Comprehensive Income			
(4.311)	3.514.097	6.063	3.666.778
Distributed Dividends	(165.305)	(122.325)	(165.305)
Equity Adjustments	524.565	1.500	888.862
Share Capital Increase	0	0	0
Sales / (Purchases) of Own Shares	(9.089)	0	(9.089)
Reduction of Share Premium	(2.430.118)	0	(2.430.118)
Movement of non-controlling interests			
523.798	0	0	0
Total Equity at the End of the Period (31.03.2015 & 31.03.2014)			
88.731.884	90.292.344	84.267.570	85.977.157
0	0	0	0

STATEMENT OF COMPREHENSIVE INCOME

GROUP		COMPANY	
01.01 - 31.12.2015	01.01 - 31.12.2014	01.01 - 31.12.2015	01.01 - 31.12.2014
Sales			
104.962.287	88.006.162	101.371.750	88.006.162
Cost of Sales			
(84.984.325)	(68.520.479)	(82.168.915)	(68.520.479)
Gross Profit			
19.977.962	19.485.683	19.202.835	19.485.683
Other Income			
3.524.252	3.582.110	3.462.358	3.353.062
Distribution Expenses			
(14.597.470)	(13.795.758)	(14.231.770)	(13.795.758)
Administration Expenses			
(3.186.062)	(3.098.713)	(2.828.976)	(2.841.428)
Derivatives Financial Assets			
(102.045)	108.710	(102.045)	108.710
Other Expenses			
(305.020)	(728.422)	(303.088)	(494.661)
Interest Income			
80.449	126.302	8.898	10.218
Interest Expenses			
(2.238.943)	(2.116.069)	(2.195.975)	(2.114.206)
Pre Tax Profit			
3.153.123	3.563.843	3.012.237	3.711.620
Income Tax			
(2.575.171)	(213.090)	(2.426.544)	(208.186)
Profit After Tax			
577.952	3.350.753	585.693	3.503.434
Total Profit for the Year			
577.952	3.350.753	585.693	3.503.434
Equity Shareholders			
624.903	3.360.501	585.693	3.503.434
Non Controlling Interest			
(46.951)	(9.748)	-	-
Other Comprehensive Income			
-	-	-	-
Revaluation of Non Current Assets			
(754.458)	-	(754.458)	-
Remeasurement Gain/Losses			
(46.598)	163.344	(43.965)	163.344
Income tax related to other comprehensive income			
218.793	-	218.793	-
Amounts that will be reclassified to Profit & Loss			
(582.263)	163.344	(579.630)	163.344
Total Comprehensive Income			
(4.311)	3.514.097	6.063	3.666.778
Profit for the Year Attributable to:			
Equity Shareholders	43.430	3.523.845	6.063
Non Controlling Interest	(47.741)	(9.748)	-
E.P.S.			
Basic	0,0365	0,1962	0,0342
E.P.S. from Continuing Operations			
Basic	0,0365	0,1962	0,0342
Depreciation			
3.756.407	3.881.706	3.754.058	3.881.706
E.B.I.T.	5.413.662	5.444.900	5.301.359
E.B.I.T.D.A.	9.170.069	9.326.606	9.055.417

CASH FLOW STATEMENT

GROUP		COMPANY	
31.12.2015	31.12.2014	31.12.2015	31.12.2014
Operating Activities			
Pre tax Profit			
3.153.123	3.563.843	3.012.237	3.711.620
Adjustment for:			
Depreciation	3.756.407	3.881.706	3.754.058
Provisions	(1.038.291)	2.578.057	(1.420.620)
Interest Payable	2.238.943	2.116.069	2.195.975
Interest Receivable	(80.449)	(126.302)	(8.898)
Changes In Working Capital:			
Decrease / (Increase) of Inventory	512.513	(3.208.379)	588.152
Decrease / (Increase) of Receivables	(1.847.549)	(5.627.504)	126.399
(Decrease) / Increase of Payables (except loans)	3.660.831	(1.872.161)	3.215.224
Less:			
Interest Paid	(2.059.659)	(2.115.821)	(2.031.934)
Tax Paid	(943.965)	(2.373.757)	(929.726)
Total Cash Flow from Operating Activities			
7.351.904	(3.184.249)	8.500.867	(3.434.598)
Investing Activities			
Sale / Returns Capital Subsidiaries, affiliates, joint ventures and Other Investment	(40.000)	-	(1.311.818)
Cash Inflow/(Outflow) from the Sale/Purchase of Financial Instruments	-	(165.106)	-
Purchase of Non Current Assets	(2.515.649)	(1.176.842)	(1.757.660)
Cash Inflow from the Sale of Non Current Assets	18.789	12.100	18.789
Interest Received	6.323	10.218	6.256
Total Cash Flow from Investment Activities			
(2.530.537)	(1.319.630)	(3.044.433)	(1.319.630)
Financing Activities			
Cash Inflow/(Outflow) from the Increase/Decrease of the Share Capital	(1.341.756)	1.500	(1.541.256)
Sales / (Purchases) of Own Shares	(9.089)	-	(9.089)
Loans Received	5.354.019	11.875.876	4.138.792
Loans Redeemed	(5.000.000)	(6.250.000)	(5.000.000)
Dividend Paid	(122.326)	(122.410)	(122.326)
Total Cash Flow from Financing Activities			
(1.119.152)	5.504.966	(2.533.879)	5.503.466
Total Cash Flow			
3.702.215	1.001.087	2.922.555	749.238
Cash & Cash Equivalants at the Beginning of the Year			
2.066.486	1.065.399	1.542.071	792.833
Cash & Cash Equivalants at the End of the Year			
5.768.701	2.066.486	4.464.626	1.542.071

ADDITIONAL ELEMENTS AND INFORMATION

1.The companies which have been consolidated in the above financial statements are presented in the following table with the corresponding ownership stakes

COMPANY NAME	DOMICILE - COUNTRY	PARTICIPATION PERCENTAGE	RELATIONSHIP WITH THE PARENT COMPANY	CONSOLIDATI ON METHOD	UNAUDITED TAX FISCAL PeriodS
LOULIS MILLS S.A.	Sourpi Magnesia-Greece	Parent	Parent	-	1
NUTRIBAKES A.E.	Keratsini Attica-Greece	70%	Direct	Full	1
GREEK SCHOOL BAKERY LIFELONG LEARNING CENTER LEVEL ONE SA	Keratsini Attica-Greece	99,67%	Direct	Full	1
LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd.	Nicosia-Cyprus	100,00%	Direct	Full	8
LAFCO LEADER ASIAN FOOD COMPANY LTD.	Nicosia-Cyprus	40,00%	Indirect	Full	2
GRINCO HOLDINGS Ltd.	Nicosia-Cyprus	24,00%	Direct	Full	2
GRINCO HOLDINGS Ltd.	Nicosia-Cyprus	24,00%	Indirect	Full	2

2. The company has applied the same basic accounting principles with the previous year 2014.

3. Tangible assets of Loulis Mills S.A., up to the amount of EUR 38 million, are used as collateral in order to secure bank loans, worth of EUR 9,5 million.

4. There are no under arbitration cases of administrative bodies, which may have a material impact on the financial status of the Company. There are pending judicial cases whose final outcome cannot be predicted at this stage.
Therefore, there is no relevant provision in this Period's financial statements.

5. The headcount at the end of 2015 for the Group is 240 and the Company is 225 , contrary to 220 for the Group and the Company .

6. Cumulative sales and purchases from the beginning of the fiscal Period and the balances of receivables and liabilities of the Group and the parent company at the end of the current Period that have resulted from the transactions with the related parties, as defined by IAS 24 are as follows:

	GROUP	COMPANY
a) Sales of products and services	0	0
b) Purchases of products and services	0	0
c) Receivables	125.347	324.465
d) Liabilities	0	1.683.001
e) Transactions and salaries of managing officers and members of managing boards	745.160	655.981
f) Receivables from managing officers and members of managing boards	1.502	0
g) Liabilities to managing officers and members of managing boards	0	0

7. Investments in tangible fixed assets for the year 2015 reached the amount of EUR 2,516 thousand for the Group and EUR 1,758 for the Company.

8. The Extraordinary General Meeting held on January 8th, 2015 decided for the share buyback program -in accordance with Article 16 of Law 2190/1920, as amended and in force, Law 3604/2007 which amended the relevant provisions of L.2190 / 20, Regulation 2273/2003 of the European Communities and the Decision 1/503 / 13.3.2009 of the Commission Capital- of up to 10% of the total shares (1.712.506 shares). The purchase price range is determined by one (1) euro up to five (5) euros. The duration of the share buyback program, which will not exceed the 24 month period, has launched on January 8th, 2015, which is the date that the program was approved by the Extraordinary General Meeting of Shareholders, and maturity date on January 7th, 2017. At least 90% of own shares to be purchased (ie 9% of outstanding shares) will be canceled whereas the remaining 10% may be distributed to the staff by a decision of the Board of Directors of the Company.

9. The Extraordinary General Meeting held on January 8th, 2015 decided: a) to increase the share capital by EUR 1.541.255,58 by increasing the nominal value of each share by 0,09 euros -from 0,94 EUR 1,03 euros-by capitalization of reserves "Difference from issuance of shares above par", b) simultaneous equivalent reduction of the 10. On January 27th, 2015 a subsidiary named NutriBakeS SA was established with 100% participation of the company LOULIS MILLS SA and founding capital of EUR 170.000.The purpose of this acquisition is to enter the market of mixtures and raw materials for bakery and confectionery. The Company participated in the share capital 11. On March 17th, 2015 the Company issued a common bond loan of EUR 6 million in order to refinance existing short-term bank loans. The loan's duration is two Periods and was issued in cooperation with ALPHA BANK SA .

12.On April 3rd 2015 a subsidiary was established under the name "GREEK SCHOOL BAKERY LIFELONG LEARNING CENTER LEVEL ONE SA" with 100% participation of the company LOULIS MILLS SA and initial capital of EUR 30,000 with the main purpose to provide professional training services and training and organizing seminars, programs and courses.

13.GRINGO HOLDINGS LIMITED, and CHIPITA's subsidiary CHIPITA PARTICIPATIONS LIMITED, decided to enter the Indian market with a smaller investment of about EUR 1 mill instead of the original plan to invest about EUR 15 mil. This decision is the result of original research in the Indian market which showed that creating mill not appropriate in this period. Given the above, it was considered jointly as appropriate solution as in the present period, LOULIS MILLS SA to proceed autonomously in smaller investment with a view to a thorough investigation of the local Indian market and the decision then as to the further steps which still include the possibility of a joint investment with larger group of CHIPITA. In this context, LOULIS MILLS SA announces the purchase of 40% of GRINCO HOLDINGS Ltd company, for a consideration of EUR 40.000 by the company CHIPITA PARTICIPATIONS LIMITED.

14.On February 23rd, 2016 a subsidiary company called LOULIS MEL - BULGARIA EAD, was established in Bulgaria. The 100% of the share capital of the company is held by LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA Ltd, which is 100% subsidiary of LOULIS MILLS SA. The new company has a founding capital of 50.000 BGN and its main purpose is to collect and trade of cereals.

15.The Board of Directors proposes not to distribute dividends from the profits of the year 2015 due to the uncertain economic environment, as well as for reasons of liquidity of the Company. Therefore the distribution of dividend is subject to approval of the Annual General Meeting of Shareholders.

Chairman of the Board
Nikolaos Loulis

Sourpi Magnesias, March 30th 2016
Vice President & CEO
Nikolaos Fotopoulos

Chief Accountant
Ioannis Louloudakis



LOULIS
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