FAGE DAIRY INDUSTRY S.A.

HALF-YEARLY REPORT
For the six months
Ended June 30, 2012

As Required by Greek law 3556/2007 Pursuant to the Adoption of the Transparency Directive 2004/109/EC

August 13, 2012

This report (the "Half-Yearly Report") includes the information that is required to be published by FAGE DAIRY INDUSTRY S.A. as of and for the six months ended June 30, 2012, as required by Greek law 3556/2007 pursuant to the adoption of the Transparency Directive 2004/109/EC.

This report is organised as follows:

Section A: Summary analysis of Senior Notes issued by the Company and other related information.

Section B: Declarations of the members of the Board of Directors in accordance with art 5 (2) of Law 3556/2007.

Section C: Report of the Board of Directors.

Section D: Auditors' report on review of interim condensed financial information.

Section E: Unaudited condensed consolidated and separate financial statements as of and for the six months ended June 30, 2012 SUBJECT TO ISRE 2410 "REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY THE INDEPENDENT AUDITOR OF THE ENTITY".

Section F: Condensed financial data and information for the period January 1, 2012 to June 30, 2012.

SECTION A

Summary Analysis of Senior Notes issued by FAGE DAIRY INDUSTRY S.A. and FAGE USA DAIRY INDUSTRY, INC.

On January 21, 2005, FAGE Dairy Industry S.A. (the “Company” or “FAGE”) issued €130,000,000 principal amount of its 7½% Senior Notes due 2015 (the “2015 Senior Notes”). The 2015 Senior Notes were issued and guaranteed under an indenture (the “2015 Indenture”), dated as of January 21, 2005, by and among the Company, as issuer, FAGE USA Holdings, Inc. and FAGE USA Dairy Industry, Inc., as guarantors, The Bank of New York, as trustee and AIB/BNY Fund Management (Ireland) Limited, as Irish paying agent (the “Irish Paying Agent”). On January 29, 2010, the Company and FAGE USA Dairy Industry, Inc. ("FAGE USA") issued $150,000,000 principal amount of their Senior Notes due 2020 (the "2020 Senior Notes" and, together with the 2015 Senior Notes, the “Senior Notes”) under an indenture (the ‘‘2020 Indenture’’ and, together with the 2015 Indenture, the “Indentures”), dated as of January 29, 2010, by and among the Company and FAGE USA, as issuers, The Bank of New York Mellon, acting through its London Branch, as trustee, The Bank of New York Mellon, as U.S. registrar and paying agent, and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg registrar. Neither the 2015 Senior Notes nor the 2020 Senior Notes have been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the 2015 Senior Notes and the 2020 Senior Notes were offered and sold only to “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act) and pursuant to offers and sales occurring outside the United States within the meaning of Regulation S under the Securities Act. Neither of the Indentures is required to be, nor will they be, qualified under the U.S. Trust Indenture Act of 1939, as amended.

Copies of the 2015 and 2020 Indentures are available from the Company upon request. This Report is being provided (i) to Holders of the 2015 Senior Notes pursuant to Section 4.02 of the 2015 Indenture and (ii) to Holders of the 2020 Senior Notes pursuant to Section 4.02 of the 2020 Indenture. The 2015 Senior Notes are listed on the Irish Stock Exchange. This Half-Yearly Report is also being made available through the Company's website and at the office of the Irish Paying Agent pursuant to the rules of the Irish Stock Exchange.

The Company is a private limited company incorporated under the laws of the Hellenic Republic on December 30, 1977. Its principal place of business is located at, and the address of each of its directors and executive officers is, 35 Hermou Street, 144 52 Metamorfossi, Athens, Greece, and its telephone number is +(30)-2102892555. The Company’s Greek tax identification number is 094061540. The Company’s website is www.fage.gr .The reference to this website is an inactive textual reference only and none of the information contained on this website is incorporated into this Half-Yearly Report. References to the Group include, unless the context requires otherwise, the Company and its consolidated subsidiaries (FAGE U.K. Limited, FAGE USA Holdings, Inc., FAGE USA, Corp., FAGE USA Dairy Industry, Inc., FAGE Italia S.r.l, FAGE Commercial S.A. (Xylouris), Zagas S.A., Agroktima Agios Ioannis S.A. and Iliator S.A.). The Company operates principally in the Hellenic Republic, also known as Greece, and, through its subsidiaries, elsewhere in Europe and in the U.S.

FAGE USA is a corporation organized under the laws of the State of New York on February 17, 2005. Its principal place of business is 1 Opportunity Drive, Johnstown Industrial Park, Johnstown, New York 12095, U.S.A., and its telephone number is +(1)-518-762-5912. FAGE USA’s U.S. Employer Identification Number is 83-0419718. FAGE USA is wholly owned by FAGE USA Holdings, Inc., a New York corporation, which in turn is wholly owned by FAGE.

FAGE USA Holdings, Inc. (the "Guarantor") is a corporation organized under the laws of the State of New York, having its principal place of business at 1 Opportunity Drive, Johnstown Industrial Park, Johnstown, NY 12095, U.S.A., and its telephone number is +(1)-518-762-5912. The Guarantor’s US Employer Identification Number is 11-3556476. The Guarantor was incorporated on June 26, 2000. The Guarantor is the holding company of FAGE USA Dairy Industry, Inc. and FAGE USA, Corp. The Company is the registered holder of the entire issued capital of the Guarantor.

In accordance with the terms of the 2015 Indenture, FAGE USA entered into a supplemental indenture (the “Supplemental Indenture”), dated as of March 29, 2006, pursuant to which it agreed to unconditionally guarantee all the obligations of the Company under the 2015 Senior Notes and the 2015 Indenture.

Following the issuance of the 2020 Senior Notes, the Company redeemed on March 1, 2010 €20,000,000 of the €121,483,000 aggregate principal amount of its outstanding 2015 Senior Notes and repaid approximately €46.0 million of its other long term loans.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause the Group's actual results to differ materially from those projected in the forward-looking statements made in this Half-Yearly Report. Any statements about the Group's expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “will likely result,” “are expected to,” “will continue,” “believe,” “is anticipated,” “estimated,” “intends,” “expects,” “plans,” “seek,” “projection” and “outlook.” These statements involve estimates, assumptions and uncertainties which could cause actual results to differ materially from those expressed. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Half-Yearly Report. Among the key factors that may have a direct bearing on our results of operations are:

- risks associated with our high leverage and debt service obligations;
- the impact of restrictive debt covenants on our operating flexibility;
- uncertainties associated with general economic conditions in Greece, across Europe and the United States;

- factors affecting the Group's ability to compete in a competitive market; and
- uncertainties associated with the Group's ability to implement its business strategy.

These and other factors are discussed in “Risk Factors” and elsewhere in this Half-Yearly Report.

Because the risk factors referred to in this Half-Yearly Report could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Half-Yearly Report by the Group's or on its behalf, you should not place undue reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and the Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for the Group to predict which factors they will be. In addition, the Group cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

RESPONSIBILITY STATEMENT IN RESPECT OF THE SIX MONTHS ENDED JUNE 30, 2012

The Directors are responsible for preparing this interim management report and the condensed consolidated financial information in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Hellenic Capital Market Commission and with International Accounting Standards as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

- the financial information for the six months ended June 30, 2012 has been prepared in accordance with the applicable set of accounting standards adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- the financial statements for the six months ended June 30, 2012 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the interim management report includes a fair review of the important events that have occurred during the six months ended June 30, 2012, and their impact on the Group financial information for the six months ended June 30, 2012;
- the interim management report includes a fair review of related party transactions that have occurred for the six months ended June 30, 2012, and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Industry Data

This Half-Yearly Report contains information concerning the Greek dairy industry and market, the U.S. market for yogurt and the dairy markets of certain other countries. We operate in an industry in which it is difficult to obtain precise industry and market information. We have obtained the market and competitive position data in this Half-Yearly Report from industry publications and from surveys or studies conducted by third parties that we believe to be reliable, including research information produced by AC Nielsen Retail Measurement Services, a division of The Nielsen Company. For the United States, market and competitive position data included in this Half-Yearly Report is based primarily on our estimates. As part of its research for the report, Nielsen received market and company information from us. We cannot assure you of the accuracy and completeness of such information, and we have not independently verified the market and competitive position data contained in this Half-Yearly Report. In addition, in many cases, statements in this Half-Yearly Report regarding the Greek dairy industry and our competitive position in the industry are based on our experience and our own investigation of market conditions. There can be no assurance that any of these assumptions are accurate or correctly reflect our competitive position in the industry, and none of these internal surveys or information has been verified by independent sources, which may have estimates or opinions regarding industry-related information which differ from ours.

ENFORCEABILITY OF CIVIL LIABILITIES

FAGE is a Greek *société anonyme*. Most of FAGE’s executive officers and directors, certain of FAGE USA’s executive officers and directors and certain experts named herein presently reside outside of the United States, principally in Greece. In addition, a significant portion of our assets is located in Greece. As a result, it will be necessary for investors to comply with Greek law in order to obtain an enforceable judgment against any such foreign resident persons or assets of the Company, including an order to foreclose upon such assets. Although we have agreed under the terms of the Indentures pursuant to which the Senior Notes have been issued to accept service of process in the United States by an agent designated for such purpose, it may not be possible for investors to (i) effect service of process within the United States upon our officers, directors and certain experts named herein and (ii) realize in the United States upon judgments against such persons obtained in such courts predicated upon civil liabilities of such persons, including any judgments predicated upon U.S. federal securities laws, to the extent such judgments exceed such person’s U.S. assets. We have been advised by G.S. Kostakopoulos & Associates, Greek counsel to the Group, that under the laws of Greece, a Greek court of competent jurisdiction (a) will, other than under certain limited circumstances, recognize and declare enforceable a final and enforceable judgment of a U.S. court having jurisdiction as determined under the Greek Code of Civil Procedure, which declares a liability on the Company or any of its directors or officers for a sum of money assessed as compensatory damages and which is sought to be enforced in Greece, and (b) may, except under certain circumstances, recognize and declare enforceable a final and enforceable judgment of a U.S. court having jurisdiction which is predicated upon civil liabilities contemplated by the federal securities laws of the United States, although presently there is no precedent for such enforcement of liabilities contemplated by such securities laws.

PROPRIETARY MARKS

Each of the following trademarks and brand names are protected registered trademarks of the Group:

FAGE ®, *Junior®*, *Veloutela®*, *Flair®*, *Total®*, *Total Light®*, *Total 0%®*, *Total 0% with fruit®*, *Total 2%®*, *Total split-cup®*, *Ageladitsa®*, *Silouet®*, *Silouet 0%®*, *Silouet 2%®*, *Silouet 0% with honey croutons®*, *Veloutela®*, *Cocktail®*, *Sheep's®*, *N'Joy®*, *Drossato®*, *Yoko Choco®*, *Trikalino®*, *Playia®*, *Farma®*, *Farma Diet®*, *Farma Plus®*, *ABC®*, *GALA 10®*, *Tzatziki FAGE ®*, *FAGE Cream®*, *Family Yiaourti®*, *Junior Tirakia®*, *Glykokoutalies FAGE ®* , *Velvet®*, *Total 2% split-cup®*, *Sensia mousse®*, *Dolce Bianco®*, *Crema mia®* and *Nouvelle®*.

SECTION B

FAGE DAIRY INDUSTRY S.A.

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

Members of the Board of Directors, Mr. Athanassios-Kyros Filippou, Chairman of the Board, Mr. Athanassios Filippou, Chief Executive Officer, and Mr. Christos Koloventzos, Chief Financial and Administrative Officer, having been specifically assigned by the Board of Directors, declare that to their best knowledge:

• The Half-yearly Consolidated Financial Statements for the six months ended June 30, 2012, which were prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, shareholders' equity and financial results of FAGE Dairy Industry S.A. and its consolidated subsidiaries taken as a whole.

• The Board of Directors Report on the Half-yearly Consolidated Financial Statements for the six-month period ended June 30, 2012 presents in a true and fair manner the development, performance and condition of FAGE Dairy Industry S.A., and its consolidated subsidiaries taken as a whole, including a description of the main risks and uncertainties that they face.

Athens, August 9, 2012

CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER
ATHANASSIOS-KYROS FILIPPOU	ATHANASSIOS FILIPPOU	CHRISTOS KOLOVENTZOS
ID T 126291	ID Σ 699586	ID AB 575496 RE No. ECG. 0031200

SECTION C

FAGE DAIRY INDUSTRY S.A.

Half-Yearly Report of the Board of Directors for the period 1 January – 30 June 2012

This Board of Directors report was prepared in accordance with the provisions of Article 4(2) of Law 3556/2007 and the decisions of the Board of Directors of the Hellenic Capital Market Commission issued pursuant to it.

The purpose of this report is to inform investors about:

- the financial condition, results, overall performance of the Company and the Group in the period under examination and the changes which occurred.
- the major events which occurred during 2012 and their impact on the half-yearly consolidated financial statements.
- the risks which could be faced by the Company and the Group in 2012.
- the transactions concluded between the Group and related persons.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

In the first six months of 2012, both the European debt crisis, which was intensified, and the political uncertainty in Greece, with two successive elections held in May 2012 and June 2012, put Greece under extreme pressure, and the domestic economic situation continued to deteriorate. Private consumption and investment in Greece continued to contract. Due to the austerity measures taken by the Greek government, a large number of employees both in the public and private sector were dismissed, salaries were reduced and taxes increased, all of which added to the deterioration of consumer sentiment. Almost all sectors were affected by falling demand.

Companies in Greece in general faced:

- first, decreasing demand;
- second, tightened criteria for new loans or refinancing existing loans; and
- third, increasing levels of bad debt losses.

Business insolvencies increased as the economy continued to contract. As a result of all of these factors, there has been noticeable deterioration in the payment behavior of companies in Greece since the beginning of 2011 due to increasing liquidity problems. Both delays of payments and the incidence of default are major issues for companies in Greece. The lack of sufficient capital is seen as the main reason for such weaknesses and delays of payments.

Although the formation of a new government in Greece in June 2012 consisting of three parties appears to have reduced the political uncertainty, the effectiveness of the new government will be tested by the need to make difficult political decisions.

Greek Dairy Market

The Greek dairy market experienced a decrease of 4.9% in volume and 3.1% in value, comparing the six months ended June 30, 2012 and 2011. The main reasons for this decrease are the sustained economic crisis in Greece and the imposition of austerity measures by the "Troika" (the International Supervising body, comprised of the IMF, the European Commission and the European Central Bank), which have negatively impacted consumption. This volume decrease resulted mainly from a decrease of 4.3% in the milk market and 5.8% in the branded yogurt market. The volume in the packaged cheese market (excluding Feta cheese) decreased by 7.2%, whereas the UHT milk and milk cream products decreased by 0.9% in volume, comparing the six months ended June 30, 2012 and 2011. Within the milk business, Fresh milk and Evaporated milk decreased by 4.8% and 4.8%, respectively, comparing the six months ended June 30, 2012 and 2011. The ESL milk increased by 3.1% in volume, whereas dairy desserts decreased by 23.5%, comparing the six months ended June 30, 2012 and 2011.

All of the data related to volume and market shares in domestic Greek market have been derived from Nielsen survey figures by extrapolation. The figures include all bi-monthly periods for the six months ended May 2012. From the beginning of 2011, Nielsen measures the cheese market using the Scan Track Service rather than the Market Track Service. For all the other segments of the Greek Dairy Market Nielsen continues to use the Market Track Service. Market Track Service measures data from supermarkets and traditional and dairy shops, whereas the Scan Track Service measures data from supermarkets only.

The Group's Total Sales

The Group's total sales volume increased by 3.1% comparing the six months ended June 30, 2012 and 2011. This increase reflects a decrease of 25.0% in the Group's sales in volume in the domestic market and an increase of 38.4% in the Group's sales in volume in exports and international sales.
The Group total sales in value increased by 10.9%, comparing the first six months of 2012 and 2011. This increase reflects a decrease of 23.1% in the Group's sales in value in the domestic market and an increase of 39.3% in the Group's sales in value in the exports and international sales.

The Group's Sales in the Domestic Market

The Group's sales in volume in the domestic market decreased by 25.0% comparing the six months ended June 30, 2012 and 2011. This is mainly due to:

- first, the sustained economic crisis in Greece, which not only reduced consumer consumption but also led consumers to resort to either cheaper products produced by small local producers or private label products;
- second, the fact that since 2011 certain retailers in the domestic market have had significant liquidity problems resulting in inability to pay or payment delays. Economic conditions remain fragile and incidents of delinquency and insolvency are increasing. In such an environment, the Company has decided to reduce its credit exposure to delinquent clients and, if necessary, reduced or even stopped sales to non-creditworthy clients. Although these factors have had a negative impact on sales volume, they have diminished the Company's risk of bad debt losses. The Company contracts with credit insurers to secure trade credit insurance and services to reduce the Company's exposure to the risk of bad debts. The Company continues to diligently monitor and manage credit risk even though it has had a negative impact on sales.

The Group's Exports and International Sales

The Group's exports and international sales volume increased by 38.4%, comparing the six months ended June 30, 2012 and 2011. This increase mainly came from the US market, where the sales volume increased by 45.9%, and from the European markets (other than Greece), where the sales volume increased by 12.5%. Within the European markets the sales volume in the UK market and in the Italian market increased by 16.9% and 38.1%, respectively.

The respective increase in the Group's export and international sales in value was 39.3%, comparing the six months ended June 30, 2012 and 2011. This increase mainly came from the US market, where the sales in value increased by 44.0%, and from the European markets (other than Greece), where the sales in value increased by 20.4%. Within the European markets, the sales in value in the UK market and in the Italian market increased by 28.8% and 42.4%, respectively.

Export and international sales volume for the six months ended June 30, 2012 represented 59.5% of the Group's total sales volume, as compared to 44.3% for the respective period of 2011. Furthermore, export and international sales in value for the six months ended June 30, 2012 represented 68.4% of the Group's total sales in value, as compared to 54.5% for the respective period of 2011.

Results of Operations for the Group

The following table sets forth, for the periods indicated, certain items in the Group's consolidated statements of income expressed as percentages of sales:

	Six months ended June 30,		Three months ended June 30,	
	2012	2011	2012	2011
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	(58.2)	(57.5)	(56.8)	(57.8)
Gross profit	41.8	42.5	43.2	42.2
Selling, general and administrative expenses	(29.3)	(34.2)	(29.6)	(35.8)
Other income	0.1	0.1	0.2	0.2
Other expenses	(0.2)	-	(0.4)	(0.1)
Profit from operations	12.4	8.4	13.4	6.5
Financial income/(expenses), net	(5.4)	(5.4)	(5.1)	(4.8)
Impairment loss	(0.1)	-	-	-
Loss on derivatives	(0.2)	-	(0.5)	-
Foreign exchange (losses)/gains, net	(0.2)	0.4	(1.2)	(0.1)
Net profit before income taxes	6.5	3.4	6.6	1.6
Income taxes	(2.5)	(1.7)	(2.5)	(1.2)
Net profit	4.0%	1.7%	4.1%	0.4%

Six months ended June 30, 2012 compared to six months ended June 30, 2011

Sales. The Group's sales volume in the six months ended June 30, 2012 increased by 3.1%, compared to the respective period of 2011. The sales in the six months ended June 30, 2012 amounted to €208.2 million, whereas the respective amount for the six months ended June 30, 2011 was €187.7 million, an increase of €20.5 million or 10.9%. This increase reflects a decrease of 23.1% in the Group's sales in value in the domestic market and an increase of 39.3% in the Group's sales in value in the exports and international sales.

Gross profit. Gross profit for the six months ended June 30, 2012 was €87.1 million, an increase of €7.4 million, or 9.3%, from €79.7 million for the six months ended June 30, 2011. Gross profit as a percentage of sales for the six months ended June 30, 2012 was 41.8% compared to 42.5% for the respective period of 2011. The prices for milk (as a raw material) collected in the domestic market increased by 10.9% comparing the first six months of 2012 and 2011. The negative impact of this was moderated by:

- first, the prices for milk imported from the European market decreased by 9.1%; and
- second, the prices for milk collected in the US market and used for the US yogurt facility decreased by 4.2% comparing the first six months of 2012 and 2011 (this reflects an increase in milk prices of 16.0% in the first quarter of 2012 and a decrease in milk prices of 18.4% in the second quarter of 2012).

Selling, general and administrative expenses. Selling, general and administrative expenses ("SG & A") for the six months ended June 30, 2012 were €61.0 million, a decrease of €3.2 million, or 5.0%, from €64.2 million for the six months ended June 30, 2011. As a percentage of sales, SG & A was 29.3% for the six months ended June 30, 2012 up from 34.2% for the comparable period of 2011.

The main reasons for this decrease are:

- first, advertising costs decreased from 10.8% of sales in the first six months of 2011 to 6.3% of sales for the respective period of 2012 (See Note 6); and
- second, shipping and handling costs decreased from 9.1% of sales in the first six months of 2011 to 8.7% of sales for the respective period of 2012 (See Note 6).

Profit from operations. Profit from operations for the six months ended June 30, 2012 was €25.9 million, an increase of €10.1 million, as compared to a profit from operations of €15.8 million for the six months ended June 30, 2011. Profit from operations as a percentage of sales for the six months ended June 30, 2012 was 12.4% compared to 8.4% for the respective period of 2011. This improvement is mainly due to the fact that the decrease in the gross margin was outweighed by the decrease in selling, general and administrative expenses.

Financial income/(expenses) net. Net financial expenses for the six months ended June 30, 2012 increased by €1.1 million, from €10.1 million for the six months ended June 30, 2011 to €11.2 million for the six months ended June 30, 2012. Financial income/ (expenses) net as a percentage of sales remained at 5.4% for the first six months of 2012, as it was for the respective period of 2011.

Impairment loss. Impairment loss for the six months ended June 30, 2012 was €0.1 million. This loss relates to the impairment recognized on the available for sale financial assets. Impairment loss for the six months ended June 30, 2011 was €0.02 million.

Loss on derivatives The Company entered into a forward contract agreement in September 2011 in order to avoid sharp fluctuations in the UK£/€ rate. This contract resulted in a loss of €0.4 million, of which €0.3 million was a realised loss while the remaining balance of €0.1 million was an unrealised loss.

Foreign exchange losses (gains), net. Foreign exchange losses for the six months ended June 30, 2012 were €0.7 million mainly relating to cash at bank in US$ and receivables in US$ and UK sterling. For the six months ended June 30, 2011, there were foreign exchange gains of €0.8 million.

Profit before income taxes. Profit before income taxes for the six months ended June 30, 2012 was €13.5 million, compared to profit before income taxes of €6.4 million for the six months ended June 30, 2011. This improvement mainly comes from the improvement in the profit from operations.

Income taxes. The provision for income taxes for the six months ended June 30, 2012 was €5.2 million. Income taxes for the six months ended June 30, 2011 amounted to €3.2 million.

Net profit. Net profit for the six months ended June 30, 2012 was €8.3 million, as compared to net profit of €3.2 million for the respective period of 2011. As a percentage of net sales, net profit increased to 4.0% for the first six months of 2012 from 1.7% for the respective period of 2011.

Three months ended June 30, 2012 compared to three months ended June 30, 2011

Sales. The Group's sales volume for the three months ended June 30, 2012 increased by 2.0% compared to the respective period of 2011. This increase reflects a decrease of 26.1% in the Group's sales volume in the domestic market and an increase of 36.1% in the Group's sales volume in exports and international sales.

The decrease by 26.1% in the Group's sales volume in the domestic market was mainly due to:

- first, the sustained economic crisis in Greece, which not only reduced consumer consumption but also led consumers to resort to either cheaper products produced by small local producers or private label products; and
- second, the fact that since 2011 certain retailers in the domestic market have had significant liquidity problems resulting in inability to pay or payment delays. Economic conditions remain fragile and incidents of delinquency and insolvency are increasing. In such an environment, the Company has decided to reduce its credit exposure to delinquent clients and, if necessary, reduced or even stopped sales to non-creditworthy clients. Although these factors have had a negative impact on sales volume, they have diminished the Company's risk of bad debt losses. The Company contracts with credit insurers to secure trade credit insurance and services to reduce the Company's exposure to the risk of bad debts. The Company continues to diligently monitor and manage credit risk even though it has had a negative impact on sales.

The increase by 36.1% in the Group's exports and international sales volume comparing the six months ended June 30, 2012 and 2011, mainly came from the US market, where the sales volume increased by 45.4%, and from the European markets (other than Greece), where the sales volume increased by 5.8%. Within the European markets the sales volume in the UK market and in the Italian market increased by 5.3% and 36.3%, respectively.

Sales in value increased by 9.1% from €99.9 million to €109.0 million, comparing the three months ended June 30, 2011 and 2012, respectively. This increase reflects a decrease of 24.4% in the Group's sales in value in the domestic market and an increase of 35.6% in the Group's sales in value in exports and international sales.

Gross profit. The Group's gross profit in the three months ended June 30, 2012 amounted to €47.1 million as compared to €42.1 million in the three months ended June 30, 2011, an increase of €5.0 million, or 11.9%. Gross profit as a percentage of sales for the three months ended June 30, 2012 was 43.2%, compared to 42.2% for the respective period of 2011.

The main reasons for this improvement are :

- first, the prices for milk imported from the European market decreased by 8.3%; and
- second, the prices for milk collected in the US market and used for the US yogurt facility decreased by 18.4%.

The positive impact of these factors on gross profit and gross margin was moderated by the fact that the prices for milk (as a raw material) collected in the domestic market increased by 6.9% comparing the prices in the three months ended June 30, 2012 and 2011.

Selling, general and administrative expenses. SG&A for the three months ended June 30, 2012 were €32.3 million, a decrease of €3.5 million, or 9.8%, from €35.8 million for the three months ended June 30, 2011. As a percentage of sales, SG &A was 29.6% for the three months ended June 30, 2012, while the respective percentage for the three months ended June 30, 2011 was 35.8%.

The main reasons for this decrease are:

- first, advertising costs decreased from 12.6% of sales in the three months ended June 30, 2011 to 6.4% of sales for the respective period of 2012 (See Note 6); and
- second, shipping and handling costs decreased from 9.8% of sales in the three months ended June 30, 2011 to 8.8% of sales for the respective period of 2012 (See Note 6).

Profit from operations. Profit from operations for the three months ended June 30, 2012 was €14.6 million, an increase of €8.1 million, as compared to a profit from operations of €6.5 million for the three months ended June 30, 2011. Profit from operations as a percentage of sales for the three months ended June 30, 2012 was 13.4% compared to 6.5% for the respective period of 2011. This improvement is mainly due to:

- first, the improvement in the gross profit and gross margin; and
- second, to the decrease in the selling, general and administrative expenses.

Financial income/(expenses), net. Net financial expenses for the three months ended June 30, 2012 were €5.6 million compared to €4.8 million for the respective period of 2011, an increase of €0.8 million.

Loss on derivatives The Company entered into a forward contract agreement in September 2011 in order to avoid sharp fluctuations in the UK£/€ rate. This contract resulted in a loss of €0.4 million, of which €0.3 million was a realised loss while the remaining balance of €0.1 million was an unrealised loss.

Foreign exchange losses/(gains), net. Foreign exchange losses for the three months ended June 30, 2012 were €1.3 million mainly relating to cash at bank in US$ and receivables in US$ and UK sterling. Foreign exchange losses for the three months ended June 30, 2011 also were €0.1 million.

Profit before income taxes. Profit before income taxes for the three months ended June 30, 2012 was €7.2 million, compared to a profit before income taxes of €1.6 million for the three months ended June 30, 2011. Profit before income taxes benefited from the increase in profit from operations by €8.1 million, offset by the loss on derivatives by €0.4 million, the increase of foreign exchange losses by €1.2 million and the increase in financial income/(expenses), net by €0.8 million.

Income taxes. The provision for income taxes for the three months ended June 30, 2012 was €2.8 million. Income taxes for the three months ended June 30, 2011 was €1.2 million.

Net profit. Net profit for the three months ended June 30, 2012 was €4.4 million, an increase of €4.0 million as compared to net profit of €0.4 million for the respective period of 2011. As a percentage of net sales, net profit increased to 4.1% for the three months ended June 30, 2012 from 0.4% for the respective period of 2011.

The Company's results for the six months ended June 30, 2012 compared to the six months ended June 30, 2011 (FAGE DAIRY INDUSTRY S.A. only).

	Six months ended June 30,	
	2012	**2011**
	(€ thousands)	
Sales	85,968	102,343
Cost of sales	(59,711)	(71,087)
Gross profit	**26,257**	**31,256**
Selling, general and administrative expenses	(32,418)	(37,859)
Other income	10,702	7,636
Other expenses	(488)	(77)
PROFIT FROM OPERATIONS	**4,053**	**956**
Financial expenses	(5,890)	(5,749)
Financial income	5	84
Impairment loss	(111)	(22)
Loss on derivatives	(352)	-
Foreign exchange gains/(losses), net	(709)	830
LOSS BEFORE INCOME TAXES	**(3,004)**	**(3,901)**
Provision for income taxes	165	(116)
NET LOSS	**(2,839)**	**(4,017)**

Liquidity and Capital Resources

Sources of capital. The Group funds its operating costs through:

- first, cash generated from its operations; and
- second, various lines of credit maintained at several banks. The available credit lines for the Group as of June 30, 2012 amounted to €51.7 million out of which €28.2 million were utilized as of June 30, 2012. As of December 31, 2011, the Company had an accounts receivable agreement for financing of up to €10.8 million with RBS (ABN AMRO BANK). In April 2012, the Company repaid the ABN facility in full.

Cash flow data.

(€ thousands)	Six months ended June 30, 2012	2011
Operating profit before working capital changes	36,764	26,209
Working capital changes	(21,601)	(5,239)
Income taxes paid	(3,054)	(601)
Other items	(885)	(635)
Net cash from operating activities	11,224	19,734
Net cash used in investing activities	(6,810)	(19,532)
Net cash used in financing activities	(7,199)	(2,991)
Net decrease in cash and cash equivalents	(2,785)	(2,789)
Effect of exchange rates changes on cash	1,617	(3,568)
Cash and cash equivalents at beginning of period	34,342	40,683
Cash and cash equivalents at period-end	**33,174**	**34,326**

The operating profit before working capital changes for the six months ended June 30, 2012, amounted to €36.8 million, an increase of €10.6 million from the respective amount for the six months ended June 30, 2011, which amounted to €26.2 million. This increase is mainly due to the increase in profit before income taxes from €6.4 million in the first six months of 2011 to €13.5 million in the respective period of 2012, an increase of €7.1 million.

The cash generated from the operations of the Group in the first six months of 2012 of €36.8 million was sufficient to support:

- first, the growth of the operations of the Group;
- second, the capex and investment program of the Group;
- third, the financing activities by reducing short-term financing (paying off the RBS accounts receivable financing); and
- fourth, the cash and cash equivalents on June 30, 2012 to remain approximately at the same level as it was on June 30, 2011.

In the first six months of 2012, €21.6 million of the operating profit of €36.8 million, or 58.7%, was used for working capital needs, including:

➢ first, the volume growth in the first six months of 2012 by 3.1% led to an increase in inventories from €29.2 million on December 31, 2011 to €32.1 million on June 30, 2012, an increase of €2.9 million, an amount which was financed by the operating profit. Although the Group used €2.9 million for the volume growth, the inventories as a percentage of sales decreased from 16.3% to 15.4% comparing the first six months ended June 30, 2011 and 2012, respectively.

(€ thousands)	Six months ended June 30, 2012	2011	%
Sales in value	208,202	187,707	10.9%
Inventories	32,052	30,546	4.9%
Percentage of sales	15.4%	16.3%	

➢ second, trade and other receivables increased from €67.3 million on December 31, 2011 to €84.9 million on June 30, 2012, an increase of €17.6 million, as follows:

(€ thousands)	June 30, 2012	December 31, 2011	Difference
Trade receivables	68,210	49,818	18,392
Less: allowance for doubtful accounts	(2,305)	(1,993)	(312)
Trade receivables, net	**65,905**	**47,825**	**18,080**
Other receivables, net	**18,971**	**19,430**	**(459)**
Trade and other receivables, net	**84,876**	**67,255**	**17,621**

Analysis of trade receivables:

(€ thousands)	June 30, 2012	December 31, 2011	Difference
Trade receivables in euros	42,321	29,439	12,882
Trade receivables in foreign currencies	25,889	20,379	5,510
	68,210	**49,818**	**18,392**

Trade receivables in euros: The trade receivables in euros increased from €29.4 million on December 31, 2011 to €42.3 million on June 30, 2012, an increase of €12.9 million (See Note 14). This difference comes from the fact that the Company decided starting from January 2012 and gradually until April 2012 to pay back €10.8 million of financing from its credit line with RBS (ABM AMRO BANK) (outstanding on December 31, 2011), a credit line through an accounts receivable agreement. For that line on December 31, 2011, the Company had assigned to RBS an equivalent amount of trade receivables in euros, which as an off-balance sheet item had been deducted from the trade receivables in euros on the balance sheet on December 31, 2011. By repaying this financing in April 2012, the assigned trade receivables in euros reverted to the possession of the Company with the result that trade receivables in euros on the balance sheet increased as of June 30, 2012.

Trade receivables in foreign currencies: The trade receivables in foreign currencies (mainly concerning sales in the US and UK markets) increased from €20.4 million on December 31, 2011 to €25.9 million on June 30, 2012, an increase of €5.5 million, which was due to the increase in the Group's sales in value in the US and UK operations.

Other receivables:
The other receivables (net of any allowance for doubtful accounts) decreased from €19.4 million on December 31, 2011 to €19.0 million on June 30, 2012. Out of the €19.0 million on June 30, 2012, an amount of €14.6 million relates to value added tax claims from the Greek tax authorities (See Note 14). In July 2012, the Greek tax authorities released €8.3 million of such amount, which will be offset against the Company's tax liabilities over the next two years.

- third, the Group's trade accounts payable decreased from €45.5 million on December 31, 2011 to €41.2 million on June 30, 2012. The Group's trade accounts payable decreased comparing December 31, 2011 and June 30, 2012 for two reasons:
  (a) the capex and investment activities of the Group in 2011 amounted to €43.1 million. Out of that amount, €8.0 million of capex was executed in the fourth quarter of 2011. On December 31, 2011, a significant part of that capex was still pending and it was paid within the first quarter of 2012; and
  (b) since the sales in value concerning the Greek operations in the first six months of 2012 decreased by 23.1%, the accounts payable on June 30, 2012 fluctuate at lower levels than the respective amounts on December 31, 2011.

Cash flow used in investing activities. Net cash used in investing activities amounted to €6.8 million and €19.5 million for the six months ended June 30, 2012 and 2011, respectively. Out of capex of €6.8 million in the first six months of 2012, an amount of €2.0 million relates to capex maintenance for the facilities in Greece and €4.8 million relates to capex for the expansion of the U.S. facility.

Cash flow from/(used in) financing activities. Net cash used in financing activities for the six months ended June 30, 2012 was €7.2 million. This resulted from €3.1 million of proceeds from short-term borrowings and €10.4 million of interest paid. Net cash used in financing activities for the six months ended June 30, 2011 was €3.0 million, which reflects proceeds of €6.9 million from short-term borrowings and interest paid of €9.9 million.

The Group's principal sources of liquidity are existing cash balances, cash flow from operations and available amounts under the Group's various lines of credit maintained with several banks. The Group's principal liquidity needs are debt service (primarily interest on the Senior Notes), shareholder payments, capital expenditures and working capital. The Group believes that its available capital resources will be sufficient to fund its liquidity needs.

Financial Data-Ratios

EBITDA (profit before income taxes plus financial expenses/income, net plus amortization and depreciation, see Notes 5, 7) for the six months ended June 30, 2012 amounted to €34.9 million, as compared to €24.8 million for the six months ended June 30, 2011.
The net debt (interest-bearing loans and borrowings plus short-term borrowings minus cash and cash equivalents) of the Group as of June 30, 2012 amounted to €203.2 million, as compared to €194.9 million as of December 31, 2011.

Principal Risks and Uncertainties for the Remaining Six Months of 2012

Risk assessment and evaluation is an integral part of the management process throughout the Group. Risks are identified and evaluated and appropriate risk management strategies are implemented at each level. The key business risks are identified by the senior management team. The Board of Directors in conjunction with senior management identifies major business risks faced by the Group and determines the appropriate course of action to manage these risks.
The principal risks and uncertainties faced by the Group are summarized below:

- first, the sustained economic crisis in Greece and its impact on household consumption and client creditworthiness;

- second, the Group is exposed to currency exchange rate fluctuation, particularly in relation to the US dollar and the UK sterling;
- third, price fluctuations in raw materials could adversely affect the Group's manufacturing costs; and
- fourth, the current economic crisis could adversely affect consumer spending for the Group’s products, particularly in Italy, the UK and the US.

The Board of Directors regularly monitors all of the above risks and appropriate actions are taken to mitigate those risks or address the potential adverse consequences.

Related party transactions

The Company purchases goods and services from and makes sales of goods to certain related companies in the ordinary course of business. Such related companies consist of affiliates or companies which have common ownership and/or management with the Company.

Account balances with related companies are as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Due from:				
- Ioannis Nikolou ULP	900	770	900	770
- Evga S.A.	1,147	1,244	1,147	1,244
- Elbisco S.A.	5	-	5	-
	2,052	**2,014**	**2,052**	**2,014**
Due to:				
- Iofil S.A.	4,823	3,873	4,823	3,873
- Mornos S.A.	4,761	3,378	4,569	3,222
- Vis S.A.	407	1,077	407	1,077
- Agan S.A.	711	780	711	780
- Palace S.A.	184	-	184	-
- G.S. Kostakopoulos & Associates	2	-	2	-
	10,888	**9,108**	**10,696**	**8,952**

Transactions with related companies for the six months ended June 30, 2012 and 2011 are analyzed as follows:

THE GROUP	Purchases from related parties		Sales to related parties	
	2012	2011	2012	2011
Inventories, materials and supplies	15,369	17,151	1,029	1,494
Advertising and media	1,228	2,857	-	-
Other services	4,443	3,838	-	-
	21,040	**23,846**	**1,029**	**1,494**

THE COMPANY	Purchases from related parties		Sales to related parties	
	2012	2011	2012	2011
Inventories, materials and supplies	14,372	16,101	1,029	1,494
Advertising and media	1,228	2,857	-	-
Other services	4,443	3,838	-	-
	20,043	**22,796**	**1,029**	**1,494**

Recent Developments

There were no significant events subsequent to June 30, 2012.

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SECTION D

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION
To the Shareholders of
FAGE Dairy Industry S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statements of financial position of FAGE Dairy Industry S.A. (the "Company") and its subsidiaries ("the Group") as at 30 June 2012, and the related condensed separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes (the "interim condensed financial information") which is an integral part of the six-month financial report of article 5 Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal matters

Our review did not identify any inconsistency or non-correspondence of the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007, with the accompanying financial information.

Athens, August 10, 2012
THE CERTIFIED AUDITOR ACCOUNTANT

CHRISTODOULOS SEFERIS
S.O.E.L. R.N. 23431
ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.
11TH KLM NATIONAL ROAD ATHENS – LAMIA, METAMORFOSI
COMPANY S.O.E.L. R.N. 107

FAGE DAIRY INDUSTRY S.A.

SECTION E

INTERIM CONDENSED FINANCIAL STATEMENTS

INDEX

FAGE DAIRY INDUSTRY S.A.
THE GROUP
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX AND THREE MONTHS ENDED JUNE 30, 2012 AND 2011

(All amounts in thousands of Euro, except share and per share data)

		THE GROUP			
		Six months ended June 30,		Three months ended June 30,	
	Notes	2012	2011	2012	2011
Sales		208,202	187,707	109,014	99,864
Cost of sales		(121,114)	(108,022)	(61,940)	(57,740)
Gross profit		**87,088**	**79,685**	**47,074**	**42,124**
Selling, general and administrative expenses	6	(60,982)	(64,201)	(32,310)	(35,783)
Other income		279	378	227	175
Other expenses		(504)	(90)	(405)	(54)
PROFIT FROM OPERATIONS		**25,881**	**15,772**	**14,586**	**6,462**
Financial expenses	7	(11,176)	(10,183)	(5,570)	(4,910)
Financial income	7	5	93	4	87
Impairment loss	11	(111)	(22)	(11)	45
Loss on derivatives	23	(352)	-	(428)	-
Foreign exchange gains/(losses), net		(720)	778	(1,333)	(46)
Share of losses of associate accounted for under the equity method	10	-	(68)	-	(35)
PROFIT BEFORE INCOME TAXES		**13,527**	**6,370**	**7,248**	**1,603**
Income tax (expense)/benefit	8	(5,237)	(3,210)	(2,824)	(1,169)
NET PROFIT		**8,290**	**3,160**	**4,424**	**434**
Attributable to:					
Equity holders of the parent		8,290	3,160	4,424	434
		8,290	**3,160**	**4,424**	**434**
Earnings per share					
Basic and diluted		0.62	0.24	0.33	0.03
Weighted average number of shares, basic and diluted		**13,297,300**	**13,297,300**	**13,297,300**	**13,297,300**

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

FAGE DAIRY INDUSTRY S.A.

THE COMPANY
SEPARATE STATEMENTS OF INCOME
FOR THE SIX AND THREE MONTHS ENDED JUNE 30, 2012 AND 2011

(All amounts in thousands of Euro, except share and per share data)

		THE COMPANY			
		Six months ended June 30,		Three months ended June 30,	
	Notes	2012	2011	2012	2011
Sales		85,968	102,343	44,052	53,519
Cost of sales		(59,711)	(71,087)	(30,260)	(37,096)
Gross profit		**26,257**	**31,256**	**13,792**	**16,423**
Selling, general and administrative expenses	6	(32,418)	(37,859)	(16,653)	(20,116)
Other income		10,702	7,636	5,821	4,123
Other expenses		(488)	(77)	(394)	(43)
PROFIT FROM OPERATIONS		**4,053**	**956**	**2,566**	**387**
Financial expenses	7	(5,890)	(5,749)	(2,901)	(2,875)
Financial income	7	5	84	4	83
Impairment loss	11	(111)	(22)	(11)	45
Loss on derivatives	23	(352)	-	(428)	-
Foreign exchange gains/(losses), net		(709)	830	(1,330)	(13)
LOSS BEFORE INCOME TAXES		**(3,004)**	**(3,901)**	**(2,100)**	**(2,373)**
Income tax (expense)/benefit	8	165	(116)	247	(43)
NET LOSS		**(2,839)**	**(4,017)**	**(1,853)**	**(2,416)**

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

FAGE DAIRY INDUSTRY S.A.

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX AND THREE MONTHS ENDED JUNE 30, 2012
(All amounts in thousands of Euro)

		For the six months ended June 30,			
		THE GROUP		THE COMPANY	
	Notes	2012	2011	2012	2011
Net profit/(loss) for the period		**8,290**	**3,160**	**(2,839)**	**(4,017)**
Exchange gains/(losses) on translation of foreign operations		1,688	(1,935)	-	-
Net unrealized gains/(losses) on available for sale financial assets		85	-	85	-
Income tax		(17)	-	(17)	-
	11	68	-	68	-
Other comprehensive income/(loss) for the period, net of tax		**1,756**	**(1,935)**	**68**	**-**
Total comprehensive income/(loss) for the period, net of tax		**10,046**	**1,225**	**(2,771)**	**(4,017)**
Attributable to:					
Equity holders of the parent		10,046	1,225		
		10,046	**1,225**		

		For the three months ended June 30,			
		THE GROUP		THE COMPANY	
	Notes	2012	2011	2012	2011
Net profit/(loss) for the period		**4,424**	**434**	**(1,853)**	**(2,416)**
Exchange gains/(losses) on translation of foreign operations		2,954	(464)	-	-
Net unrealized gains/(losses) on available for sale financial assets		81	(54)	81	(54)
Income tax		(16)	12	(16)	12
		65	(42)	65	(42)
Other comprehensive income/(loss) for the period, net of tax		**3,019**	**(506)**	**65**	**(42)**
Total comprehensive income/(loss) for the period, net of tax		**7,443**	**(72)**	**(1,788)**	**(2,458)**
Attributable to:					
Equity holders of the parent		7,443	(72)		
		7,443	**(72)**		

The accompanying notes are an integral part of these financial statements

FAGE DAIRY INDUSTRY S.A.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AT JUNE 30, 2012
(All amounts in thousands of Euro)

		THE GROUP		THE COMPANY	
		June 30,	December 31,	June 30,	December 31,
	Notes	2012	2011	2012	2011
ASSETS					
Non-Current Assets					
Property, plant and equipment		254,281	253,556	119,211	122,186
Intangible assets		2,708	3,270	1,462	2,026
Goodwill	9	4,872	4,832	3,418	3,418
Investments in subsidiaries		-	-	12,658	12,608
Investments in associate accounted for under the equity method	10	-	-	828	828
Available for sale financial assets	11	88	88	88	88
Other non-current assets	12	386	384	323	325
Deferred income taxes		23,019	21,449	-	-
Total non-current assets		**285,354**	**283,579**	**137,988**	**141,479**
Current Assets:					
Inventories	13	32,052	29,199	21,100	19,560
Trade and other receivables	14	84,876	67,255	57,705	46,152
Due from related companies	15	2,052	2,014	2,052	2,014
Prepaid income taxes		2,058	3,466	119	172
Available for sale financial assets	11	359	386	359	386
Current asset from continuing involvement in transferred trade receivables	14	-	418	-	418
Cash and cash equivalents	16	33,174	34,342	8,043	24,249
Total		**154,571**	**137,080**	**89,378**	**92,951**
Assets classified as held for sale	3	676	676	526	526
Total current assets		**155,247**	**137,756**	**89,904**	**93,477**
TOTAL ASSETS		**440,601**	**421,335**	**227,892**	**234,956**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent Company					
Share capital		39,094	39,094	39,094	39,094
Land revaluation surplus		33,883	33,883	33,883	33,883
Reversal of fixed assets statutory revaluation surplus		(33,236)	(33,236)	(33,236)	(33,236)
Accumulated profit/(losses)		12,417	4,127	(36,743)	(33,904)
Legal, tax free and special reserves		35,516	35,516	35,516	35,516
Other components of equity		2,711	955	68	-
		90,385	**80,339**	**38,582**	**41,353**
Minority interests		**1**	**1**	**-**	**-**
Total Equity		**90,386**	**80,340**	**38,582**	**41,353**
Non-Current Liabilities					
Interest-bearing loans and borrowings	17	208,212	204,557	121,958	121,003
Provision for severance pay on retirement		2,930	2,855	2,930	2,855
Deferred income taxes		37,786	36,640	8,452	8,675
Other non-current liabilities		37	36	-	-
Total non-current liabilities		**248,965**	**244,088**	**133,340**	**132,533**
Current Liabilities:					
Trade accounts payable	18	41,241	45,498	23,159	30,056
Due to related companies	15	10,888	9,108	10,696	8,952
Short-term borrowings	19	28,156	24,635	11,873	11,883
Income taxes payable		1,740	373	145	154
Current liability from continuing involvement in transferred trade receivables	14	-	418	-	418
Accrued and other current liabilities	20	19,225	16,875	10,097	9,607
Total current liabilities		**101,250**	**96,907**	**55,970**	**61,070**
Total liabilities		**350,215**	**340,995**	**189,310**	**193,603**
TOTAL EQUITY AND LIABILITIES		**440,601**	**421,335**	**227,892**	**234,956**

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

FAGE DAIRY INDUSTRY S.A.
THE GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2012
(All amounts in thousands of Euro)

	Share capital	Land revaluation surplus	Reversal of Fixed Assets Statutory Revaluation Surplus	Legal, tax free and special reserves	Retained earnings/ (losses)	Unrealized gains/(losses) on available for sale financial assets	Foreign exchange gains/(losses)	Total	Non-controlling interests	Total equity
Balance, December 31, 2011	**39,094**	**33,883**	**(33,236)**	**35,516**	**4,127**	**-**	**955**	**80,339**	**1**	**80,340**
Profit for the period	-	-	-	-	8,290	-	-	8,290	-	8,290
Other comprehensive income/(loss)	-	-	-	-	-	68	1,688	1,756	-	1,756
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**8,290**	**68**	**1,688**	**10,046**	**-**	**10,046**
Balance, June 30, 2012	**39,094**	**33,883**	**(33,236)**	**35,516**	**12,417**	**68**	**2,643**	**90,385**	**1**	**90,386**

THE GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2011
(All amounts in thousands of Euro)

	Share capital	Land revaluation surplus	Reversal of Fixed Assets Statutory Revaluation Surplus	Legal, tax free and special reserves	Retained earnings/ (losses)	Unrealized gains/(losses) on available for sale financial assets	Foreign exchange gains/(losses)	Total	Non-controlling interests	Total equity
Balance, December 31, 2010	**39,094**	**35,924**	**(33,236)**	**35,516**	**495**	**-**	**(1,315)**	**76,478**	**1**	**76,479**
Profit for the period	-	-	-	-	3,160	-	-	3,160	-	3,160
Other comprehensive income/(loss)	-	-	-	-	-	-	(1,935)	(1,935)	-	(1,935)
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**3,160**		**(1,935)**	**1,225**	**-**	**1,225**
Balance, June 30, 2011	**39,094**	**35,924**	**(33,236)**	**35,516**	**3,655**	**-**	**(3,250)**	**77,703**	**1**	**77,704**

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

FAGE DAIRY INDUSTRY S.A.

THE COMPANY
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2012
(All amounts in thousands of Euro)

	Share capital	Land revaluation surplus	Reversal of Fixed Assets Statutory Revaluation Surplus	Legal, tax free and special reserves	Retained earnings/ (losses)	Unrealized gains/(losses) on available for sale financial assets	Total equity
Balance, December 31, 2011	**39,094**	**33,883**	**(33,236)**	**35,516**	**(33,904)**	**-**	**41,353**
Loss for the period	-	-	-	-	(2,839)	-	(2,839)
Other comprehensive income	-	-	-	-	-	68	68
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(2,839)**	**68**	**(2,771)**
Balance, June 30, 2012	**39,094**	**33,883**	**(33,236)**	**35,516**	**(36,743)**	**68**	**38,582**

THE COMPANY
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2011
(All amounts in thousands of Euro)

	Share capital	Land revaluation surplus	Reversal of Fixed Assets Statutory Revaluation Surplus	Legal, tax free and special reserves	Retained earnings/ (losses)	Unrealized gains/(losses) on available for sale financial assets	Total equity
Balance, December 31, 2010	**39,094**	**35,924**	**(33,236)**	**35,516**	**(20,095)**	**-**	**57,203**
Loss for the period	-	-	-	-	(4,017)	-	(4,017)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(4,017)**	**-**	**(4,017)**
Balance, June 30, 2011	**39,094**	**35,924**	**(33,236)**	**35,516**	**(24,112)**	**-**	**53,186**

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

FAGE DAIRY INDUSTRY S.A.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2012
(All amounts in thousands of Euro)

		THE GROUP		THE COMPANY	
		June 30,		June 30,	
	Notes	2012	2011	2012	2011
Operating activities					
Profit/(loss) before income taxes		13,527	6,370	(3,004)	(3,901)
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation and amortization	5	10,154	8,318	5,593	5,394
Provision for severance pay on retirement		951	708	951	708
Provision for doubtful accounts receivable	14	779	640	764	630
Financial income	7	(5)	(93)	(5)	(84)
Financial expenses	7	11,176	10,183	5,890	5,749
Valuation of derivatives	23	57	-	57	-
(Gain)/loss on disposal of property, plant and equipment		14	(7)	3	(3)
Impairment loss on available for sale financial assets	11	111	22	111	22
Losses on equity investees accounted for under the equity method	10	-	68	-	-
Operating profit before working capital changes		**36,764**	**26,209**	**10,360**	**8,515**
(Increase)/Decrease in:					
Restricted cash		-	(600)	-	300
Inventories	13	(2,853)	(5,903)	(1,540)	(3,380)
Trade and other receivables	14	(18,400)	(5,799)	(12,317)	(4,271)
Due from related companies	15	(38)	46	(38)	46
Increase/(Decrease) in:					
Trade accounts payable	18	(4,257)	4,543	(6,897)	(1,555)
Due to related companies	15	1,780	2,451	1,744	2,661
Accrued and other current liabilities	20	2,167	23	414	(2,196)
Working capital changes		**(21,601)**	**(5,239)**	**(18,634)**	**(8,395)**
Income taxes paid		(3,054)	(601)	(32)	(63)
Payment of staff indemnities		(876)	(659)	(876)	(659)
(Increase)/decrease in other non-current assets	12	(10)	24	(6)	30
Increase/(decrease) in other non-current liabilities		1	-	-	-
Net Cash from/(used in) Operating Activities		**11,224**	**19,734**	**(9,188)**	**(572)**
Investing Activities:					
Capital expenditure for property, plant and equipment		(6,819)	(19,509)	(2,038)	(1,849)
Additions to intangible assets		(150)	(148)	(150)	(148)
Proceeds from disposal of property, plant and equipment		154	32	139	14
Interest and other related income received	7	5	93	5	84
Increase in subsidiaries' share capital		-	-	(50)	(1,000)
Net Cash used in Investing Activities		**(6,810)**	**(19,532)**	**(2,094)**	**(2,899)**
Financing Activities:					
Proceeds from short and long-term borrowings		9,531	6,900	-	6,900
Repayments of short and long-term borrowings		(6,364)	-	(10)	-
Interest paid		(10,366)	(9,891)	(5,557)	(5,480)
Net Cash from/(used in) Financing Activities		**(7,199)**	**(2,991)**	**(5,567)**	**1,420**
Net increase/(decrease) in cash and cash equivalents		**(2,785)**	**(2,789)**	**(16,849)**	**(2,051)**
Effect of exchange rates changes on cash		**1,617**	**(3,568)**	**643**	**(1,697)**
Cash and cash equivalents at beginning of period	16	**34,342**	**40,683**	**24,249**	**24,283**
Cash and cash equivalents at June 30	16	**33,174**	**34,326**	**8,043**	**20,535**

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

1. CORPORATE INFORMATION:

FAGE Dairy Industry S.A., a corporation formed under the laws of the Hellenic Republic (also known as Greece), is the successor to a business founded in Athens in 1926 by the family of Mr. Athanassios Filippou, the father of the current shareholders, Messrs. Ioannis and Kyriakos Filippou. References to the Company or FAGE refer to, unless the contents indicate otherwise, FAGE Dairy Industry S.A. References to the Group refer to FAGE Dairy Industry S.A. and its consolidated subsidiaries.

Its objectives and purposes, as specified in its Memorandum and Articles of Association, include the production and trading of dairy products, the distribution of other food products and the trading, import and export and representation of firms in Greece and abroad in connection with such products. The Group's primary operating activities are conducted in Greece and, through its subsidiaries, in the US, the UK and Italy. More information on the Group's subsidiaries and their operations is provided in Note 13. The Group's products are sold under the ***FAGE®*** and other related trademarks.

The Group's and the Company's headquarters are in Athens at 35 Hermou Street, 144 52 Metamorphossi. The life of FAGE Dairy Industry S.A. according to its Articles of Association is ninety (90) years as of December 30, 1977, with a possible extension permitted following a decision of the General Meeting of its Shareholders.

The Group's total number of employees as of June 30, 2012 and 2011, was approximately 1,017 and 1,061, respectively (for the Company 744 and 863, respectively).

2. BASIS OF PRESENTATION:

(a) Basis of Preparation of Financial Statements: The accompanying interim condensed consolidated financial statements have been prepared under the historical cost convention, except for the valuation of available for sale financial assets and derivative financial instruments, that have been measured at fair value and they comply with International Financial Reporting Standards (IFRS). The carrying values of recognized assets and liabilities that are hedged items in fair value hedges that would otherwise be carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged. These Interim Condensed Consolidated and Separate Financial Statements have been prepared by management in accordance with IAS 34 (Interim Financial Reporting). The Interim Condensed Consolidated Financial Statements do not include all the information and disclosure required in the Annual Consolidated Financial Statements and should be read in conjunction with the Group's Annual Consolidated Financial Statements as of December 31, 2011. The interim condensed consolidated financial statements are presented in thousands of Euro, except when otherwise indicated.

(b) Significant Accounting Policies: The interim condensed consolidated financial statements have been prepared using accounting policies consistent with those adopted for the preparation of the annual consolidated financial statements as of December 31, 2011 and which are comprehensively presented in the notes of the annual financial statements, except for the adoption of the following new and amended IFRS and IFRIC interpretations which became effective for the accounting periods beginning January 1, 2012 and which did not have any impact on the financial position or performance of the Group:

- **IFRS 7 - Disclosures - Transfers of financial assets (Amendment)**

The following new standards, amendments to standards and interpretations have been issued but are not effective for the current period. They have not been early adopted and the Group and the Company is currently assessing possible impacts in the financial statements from their adoption.

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**
  The amendment is effective for annual periods beginning on or after July 1, 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. The Group is in the process of assessing the impact of this amendment on its financial position and results of operations.

- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets**
  The amendment is effective for annual periods beginning on or after January 1, 2012. The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. This amendment has not yet been endorsed by the EU. The Group does not expect that the amendment will have an impact on its financial position or results of operations.

- **IAS 19 Employee Benefits (Amended)**
  The amendment is effective for annual periods beginning on or after January 1, 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Early application is permitted. The Group is in the process of assessing the impact of this amendment on its financial position and results of operations.

- **IAS 27 Separate Financial Statements (Revised)**
  The Standard is effective for annual periods beginning on or after January 1, 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial position and results of operations.

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  The Standard is effective for annual periods beginning on or after January 1, 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on its financial position and results of operations.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after January 1, 2014.This amendment clarifies the meaning of “currently has a legally enforceable right to set-off” and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on its financial position and results of operations.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after January 1, 2013.The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity’s financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on its financial position and results of operations.

- **IFRS 9 Financial Instruments - Classification and Measurement**
  The new standard is effective for annual periods beginning on or after January 1, 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. Early application is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position and results of operations.

- **IFRS 10 Consolidated Financial Statements**
  The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position and results of operations.

- **IFRS 12 Disclosures of Involvement with Other Entities**
  The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity’s interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position and results of operations.

- **IFRS 13 Fair Value Measurement**
  The new standard is effective for annual periods beginning on or after January 1, 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on its financial position and results of operations.

- The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after January 1, 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the project on the financial position or performance of the Group.

  - **IAS 1 Financial Statement Presentation:** Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. In addition, the opening statement of financial position (known as the third balance sheet) must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements; or makes reclassifications, and that change has a material effect on the statement of financial position. The opening statement would be at the beginning of the preceding period. However, unlike the voluntary comparative information, the related notes are not required to accompany the third balance sheet.
  - **IAS 16 Property, Plant and Equipment:** Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
  - **IAS 32 Financial Instruments: Presentation***:* Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.
  - **IAS 34 Interim Financial Reporting:** Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**
  The guidance is effective for annual periods beginning on or after January 1, 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application in IFRS 10 is defined as "the beginning of the annual reporting period in which IFRS 10 is applied for the first time". The assessment of whether control exists is made at "the date of initial application" rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons, the IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the guidance on the financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

(c) ***Use of Estimates:*** The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates. The estimates used are consistent with those used as of December 31, 2011.

3. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS:

Assets held for sale as at each of June 30, 2012 and December 31, 2011 amounted to €676 (€526 for the Company).

In September 2008, the Group in the context of its efforts to improve its profitability, decided to withdraw from the business of Feta cheese and Graviera of Crete, both from the domestic and international markets, since both these operations were highly unprofitable. The Group started negotiations with various companies to disinvest by selling all the property, plant and equipment of the plants which are related either to the milk collection stations (Zagas S.A., Aliveri or ex-cheese producer Tamyna) or to the facilities at Ioannina (producing Feta cheese) and Crete (concerning the subsidiary Xylouris S.A. which produces Graviera).

As a result of the above actions and in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", property, plant and equipment and goodwill related to the milk collection stations concerning the above facilities, which have been classified as of June 30, 2012 and December 31, 2011 as held for sale, are carried at the lower of carrying amount and fair value less costs to sell.

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

4. PAYROLL COST:

Payroll cost in the accompanying interim condensed consolidated and separate financial statements is analyzed as follows:

	THE GROUP		THE COMPANY	
	Six months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Wages and salaries	16,811	15,212	9,883	10,694
Social security costs	3,230	3,301	2,543	2,834
Provision for severance pay on retirement	951	708	951	708
Other staff costs	1,361	1,143	271	434
Total payroll	**22,353**	**20,364**	**13,648**	**14,670**
Less: amounts charged to cost of production	(11,907)	(9,885)	(6,901)	(7,049)
Payroll expensed (Note 6)	**10,446**	**10,479**	**6,747**	**7,621**

Amounts paid to directors and executive officers included in payroll are described in Note 6.

5. DEPRECIATION AND AMORTIZATION:

Depreciation and amortization in the accompanying interim condensed consolidated and separate financial statements is analyzed as follows:

	THE GROUP		THE COMPANY	
	Six months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Depreciation on property, plant and equipment	9,349	7,702	4,871	4,851
Amortization of intangible assets	805	616	722	543
Total depreciation and amortization	**10,154**	**8,318**	**5,593**	**5,394**
Less: amounts charged to cost of production	(7,278)	(6,295)	(3,968)	(3,940)
Depreciation and amortization expensed (Note 6)	**2,876**	**2,023**	**1,625**	**1,454**

6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

Selling, general and administrative expenses in the accompanying consolidated and separate statements of income are analyzed as follows:

	THE GROUP		THE COMPANY	
	Six months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Shipping and handling costs	18,176	17,149	8,851	11,666
Advertising costs	13,115	20,263	4,447	6,245
Third party fees	11,697	9,276	7,275	7,119
Payroll (Note 4)	10,446	10,479	6,747	7,621
Depreciation and amortization (Note 5)	2,876	2,023	1,625	1,454
Repairs and maintenance	895	919	834	850
Travelling and entertainment	746	824	452	619
Allowance for doubtful accounts (Note 14)	779	640	764	630
Other	2,252	2,628	1,423	1,655
Total	**60,982**	**64,201**	**32,418**	**37,859**

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

Compensation paid to directors and executive officers for the six months ended June 30, 2012 and 2011, included in payroll and third party fees, amounted to €3,866 and €3,247, respectively, for the Group and €2,637 and €2,200, respectively, for the Company. Of these amounts, €2,974 and €2,419 have been paid to the shareholders and family members in the six months ended June 30, 2012 and 2011, respectively, for the Group and €2,270 and €1,821, respectively, for the Company.

7. FINANCIAL INCOME/(EXPENSES):

Financial income/(expenses) in the accompanying consolidated and separate statements of income is analyzed as follows:

	THE GROUP		**THE COMPANY**	
	Six months ended June 30,		**Six months ended June 30,**	
	2012	**2011**	**2012**	**2011**
Financial expenses on loans and borrowings	(10,203)	(9,572)	(5,285)	(5,108)
Interest on short-term borrowings	(1,070)	(965)	(593)	(622)
Other	(62)	(84)	(35)	(45)
	(11,335)	(10,621)	(5,913)	(5,775)
Less: amounts capitalized in property, plant and equipment	159	438	23	26
Total financial expenses	**(11,176)**	**(10,183)**	**(5,890)**	**(5,749)**
Interest earned on cash at banks and on time deposits	5	90	5	82
Other financial income	-	3	-	2
Total financial income	**5**	**93**	**5**	**84**
Total financial income/(expenses), net	**(11,171)**	**(10,090)**	**(5,885)**	**(5,665)**

8. INCOME TAXES:

In accordance with the Greek tax regulations, the corporate tax rate applied by companies for fiscal year 2011 was 20%. According to the tax law for the year 2012 onwards the tax rate will not change.

The provision for income taxes reflected in the accompanying consolidated and separate statements of income is analyzed as follows:

	THE GROUP		**THE COMPANY**	
	Six months ended June 30,		**Six months ended June 30,**	
	2012	**2011**	**2012**	**2011**
Current income taxes:				
—current income tax expense	5,829	2,424	76	100
Deferred income tax expense/(benefit)	(592)	786	(241)	16
Income tax expense/(benefit)	**5,237**	**3,210**	**(165)**	**116**

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

9. SUBSIDIARIES:

The interim condensed consolidated financial statements as at June 30, 2012 include the financial statements of FAGE Dairy Industry S.A. and its subsidiaries listed below:

	Equity interest			
	June 30, 2012	**December 31, 2011**	**Country of incorporation**	
Foods Hellas S.A.	-	-	Greece	Its operations were absorbed by the Company and the entity was liquidated in 2006
Voras S.A.	-	-	Greece	Its operations were absorbed by the Company and the entity was liquidated in 2005
FAGE Commercial S.A. (Xylouris)	100.0%	100.0%	Greece	Commercial
Zagas S.A.	100.0%	100.0%	Greece	Cheese producer—non operating
Agroktima Agios Ioannis S.A.	100.0%	100.0%	Greece	Agricultural and farm development-ceased operations
Iliator S.A.	97.0%	97.0%	Greece	Construction—not operating
FAGE Italia S.r.l.	100.0%	100.0%	Italy	Distribution network covering Italy
FAGE USA Holdings, Inc.	100.0%	100.0%	USA	Holding company of FAGE USA Dairy Industry, Inc., and FAGE USA, Corp.
FAGE U.K. Limited	100.0%	100.0%	United Kingdom	Distribution network covering the United Kingdom
FAGE USA, Corp.	100.0%	100.0%	USA	U.S. operating subsidiary (incorporated in July 2009) with primary activity the provision of Sales and Marketing Services to FAGE USA Dairy Industry, Inc.
FAGE USA Dairy Industry, Inc.	100.0%	100.0%	USA	U.S. operating subsidiary with primary activity the operation of the Group's U.S. yogurt production facility and the distribution of its products in the U.S.
FAGE Deutschland GmbH.	100.0%	-	Germany	Distribution network covering Germany

The carrying value of goodwill reflected in the accompanying consolidated and separate statements of financial position is analyzed as follows:

	THE GROUP		**THE COMPANY**	
	June 30, 2012	**December 31, 2011**	**June 30, 2012**	**December 31, 2011**
Foods Hellas S.A. (FAGE Dairy Industry S.A.)	1,296	1,296	1,296	1,296
Voras S.A. (FAGE Dairy Industry S.A.)	2,122	2,122	2,122	2,122
FAGE Italia S.r.l.	284	284	-	-
FAGE U.K. Limited	1,170	1,130	-	-
Total	**4,872**	**4,832**	**3,418**	**3,418**

10. INVESTMENT IN ASSOCIATE ACCOUNTED FOR UNDER THE EQUITY METHOD:

Bizios S.A. (Bizios) was incorporated on November 10, 1997. During 1997, the Company purchased 45% of the voting shares for a cash consideration of €4,755.

FAGE's investment in Bizios is accounted for using the equity method. In this respect, losses of €0 and €68 have been recognized in the accompanying consolidated statements of income for the six months ended June 30, 2012 and 2011, respectively. The carrying value of the investment in Bizios as at June 30, 2012 and December 31, 2011 amounted to €0 for both periods and is included in the accompanying consolidated and separate statements of financial position. In FAGE's separate financial statements the investment in Bizios is reflected at cost less impairment and amounted to €828 as at June 30, 2012 and December 31, 2011.

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

11. AVAILABLE FOR SALE FINANCIAL ASSETS:

Available for sale financial assets are analyzed as follows:

The Group and the Company	June 30, 2012		December 31, 2011	
Shares—listed:				
Vis S.A.	**314**		**229**	
Elbisco Holdings S.A.	**45**		**157**	
		359		**386**
Shares—unlisted:				
Packing Hellas Development S.A.		**88**		**88**

Available for sale financial assets consist of investments in ordinary and preferred shares and, therefore, have no fixed maturity date or coupon rate.

The above-mentioned investments have been classified as available for sale and are carried at their fair market value with the difference in the market values reflected in other reserves.

For the six months ended June 30, 2012 gains of €68 net of deferred income taxes were recognized and reported in equity while losses of €111 were recognized and reported in the statement of income, as it was determined that the related investments had been impaired. For the six months ended June 30, 2011, losses of €22 were recognized and reported in the statement of income, as it was determined that the related investments had been impaired.

12. OTHER NON-CURRENT ASSETS:

Other non-current assets are analyzed as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Utility deposits	302	301	239	242
Other	84	83	84	83
	386	**384**	**323**	**325**

13. INVENTORIES:

Inventories are analyzed as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Merchandise	1,582	1,416	207	411
Finished and semi-finished products	14,293	12,928	9,559	8,139
Raw materials and supplies	16,177	14,855	11,334	11,010
	32,052	**29,199**	**21,100**	**19,560**

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

14. TRADE AND OTHER RECEIVABLES:

Trade and other receivables are analyzed as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Trade:				
—In Euro	42,321	29,439	39,758	27,401
—In foreign currencies	25,889	20,379	3,574	3,251
	68,210	**49,818**	**43,332**	**30,652**
—Less: allowance for doubtful accounts	(2,305)	(1,993)	(2,108)	(1,811)
	65,905	**47,825**	**41,224**	**28,841**
Other:				
—Value added tax	14,587	14,276	14,501	14,178
—Prepaid taxes, other than income taxes	19	19	-	-
—Prepaid expenses	2,758	1,959	27	387
—Advances to suppliers	7,351	7,336	6,542	6,527
—Various debtors	983	2,100	1,059	1,400
	25,698	**25,690**	**22,129**	**22,492**
—Less: allowance for doubtful accounts	(6,727)	(6,260)	(5,648)	(5,181)
	18,971	**19,430**	**16,481**	**17,311**
	84,876	**67,255**	**57,705**	**46,152**

The Company kept an accounts receivable agreement for financing of up to €10.8 million with ABN AMRO Bank as at December 31, 2011. On April 2, 2012, the Company repaid the ABN facility in full.

Moreover, an amount of €418 is disclosed both in current assets and current liabilities as at December 31, 2011 representing the Company’s continuing involvement in the transferred trade receivables.

There was no write-off of accounts receivable during the six months ended June 30, 2012 and 2011, for the Group or the Company. The additional provision of €779 has been recorded to the income statement for the six months ended June 30, 2012 (€312 in trade receivables and €467 in other receivables).

It is the Group's policy to attach liens against the property of most of its delinquent customers. Due to the prolonged and complex legal procedures in Greece, it is not unusual for the collection process to take three to five years before a case is finalized.

15. DUE FROM (TO) RELATED COMPANIES:

The Company purchases goods and services from and makes sales of goods to certain related companies in the ordinary course of business. Such related companies consist of affiliates or companies which have common ownership and/or management with the Company.

Account balances with related companies are as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Due from:				
- Ioannis Nikolou ULP	900	770	900	770
- Evga S.A.	1,147	1,244	1,147	1,244
- Elbisco S.A.	5	-	5	-
	2,052	**2,014**	**2,052**	**2,014**
Due to:				
- Iofil S.A.	4,823	3,873	4,823	3,873
- Mornos S.A.	4,761	3,378	4,569	3,222
- Vis S.A.	407	1,077	407	1,077
- Agan S.A.	711	780	711	780
- Palace S.A.	184	-	184	-
- G.S. Kostakopoulos & Associates	2	-	2	-
	10,888	**9,108**	**10,696**	**8,952**

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

Transactions with related companies for the six months ended June 30, 2012 and 2011, are analyzed as follows:

THE GROUP	**Purchases from related parties**		**Sales to related parties**	
	2012	**2011**	**2012**	**2011**
Inventories, materials and supplies	15,369	17,151	1,029	1,494
Advertising and media	1,228	2,857	-	-
Other services	4,443	3,838	-	-
	21,040	**23,846**	**1,029**	**1,494**

THE COMPANY	**Purchases from related parties**		**Sales to related parties**	
	2012	**2011**	**2012**	**2011**
Inventories, materials and supplies	14,372	16,101	1,029	1,494
Advertising and media	1,228	2,857	-	-
Other services	4,443	3,838	-	-
	20,043	**22,796**	**1,029**	**1,494**

Purchases of inventories, materials and supplies represent approximately 14% and 17% of the Group's total purchases for the six months ended June 30, 2012 and 2011, respectively (for the Company, 31% and 27%, respectively).

Advertising, media buying and other services represent approximately 32% and 28% of the Group's total respective costs for the six months ended June 30, 2012 and 2011, respectively (for the Company, 64% and 66%, respectively).

<u>THE COMPANY:</u>

Furthermore, the balances and the transactions of FAGE Dairy Industry S.A. with its subsidiaries are as follows:

	June 30, 2012	**December 31, 2011**
Due from:		
Agroktima Agios Ioannis	244	242
Iliator	51	50
Zagas	101	98
FAGE Italia S.r.l.	5,242	3,275
FAGE USA Dairy Industry, Inc.	974	1,493
FAGE U.K. Limited	2,444	1,691
	9,056	**6,849**
Due to:		
FAGE Commercial S.A. (ex Xylouris)	796	807
FAGE USA Dairy Industry, Inc.	-	-
FAGE Italia S.r.l.	-	-
	796	**807**

The above balances have been included in the "Trade and other receivables", "Trade accounts payable" and "Accrued and other current liabilities" accounts of the accompanying statements of financial position.

The Company's transactions with its subsidiaries are as follows:

	Six months ended June 30,	
	2012	**2011**
Revenues from:		
Sales of inventories	15,039	11,188
Other income-Royalties from FAGE USA Dairy Industry, Inc.	10,195	7,263
	25,234	**18,451**

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

16. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are analyzed as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Cash in hand	316	282	275	252
Cash at banks	32,858	34,060	7,768	23,997
	33,174	**34,342**	**8,043**	**24,249**

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to €5 and €90 for the six months ended June 30, 2012 and 2011, respectively, for the Group and to €5 and €82, respectively, for the Company, and is included in financial income in the accompanying consolidated statements of income (Note 7).

Cash and cash equivalents for the Group at June 30, 2012 consists of €24,905 denominated in foreign currencies and €8,269 in Euro (€22,309 and €12,033 at December 31, 2011, respectively).

Cash and cash equivalents for the Company at June 30, 2012 consists of €334 denominated in foreign currencies and €7,709 in Euro (€12,574 and €11,675 at December 31, 2011, respectively).

17. INTEREST BEARING LOANS AND BORROWINGS:

Interest bearing loans and borrowings are analyzed as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
(a) Senior Notes due 2015	101,482	101,482	101,482	101,482
(b) Senior Notes due 2020	119,142	115,929	23,828	23,186
Total long-term debt	220,624	217,411	125,310	124,668
Less: Unamortized issuance costs	(12,412)	(12,854)	(3,352)	(3,665)
	208,212	**204,557**	**121,958**	**121,003**

(a) Senior Notes due 2015:

In January 2005, the Group completed the issuance of debt securities (2015 Senior Notes) at an aggregate face amount of €130 million with maturity date on January 15, 2015. The net proceeds of the 2015 Senior Notes, after issuance costs, of €125.4 million were used (i) to redeem all of the previously outstanding debt securities plus accrued and interest thereon of approximately €74.5 million, (ii) for the repayment of outstanding short-term borrowings under various lines of credit maintained by the Group with several banks of approximately €35.4 million and (iii) for the acquisition of the Group's distributor in the United Kingdom.

The 2015 Senior Notes bear nominal interest at a rate of 7.5% per annum (effective rate 8.03% per annum), payable semi-annually on each January 15 and July 15 commencing on July 15, 2005. The 2015 Senior Notes are redeemable in whole or in part at the option of the Group at any time on or after January 15, 2010. The 2015 Senior Notes are listed on the Irish Stock Exchange.

The indebtedness evidenced by the 2015 Senior Notes constitutes a general unsecured senior obligation of FAGE Dairy Industry S.A. and ranks ***pari passu*** in right of payment with all other senior indebtedness and will rank senior in right of payment to all subordinated indebtedness of FAGE Dairy Industry S.A.

The 2015 Senior Notes Indenture contains certain covenants that, among other things, limit the type and amount of additional indebtedness that may be incurred by FAGE Dairy Industry S.A. and its subsidiaries and imposes certain limitations on investments, loans and advances, sales or transfers of assets, liens, dividends and other payments, the ability of FAGE Dairy Industry S.A. and its subsidiaries to enter into sale-leaseback transactions, certain transactions with affiliates and certain mergers. The Group is in compliance with the terms of the Indenture as of June 30, 2012 and December 31, 2011.

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

During 2008, the Group repurchased in privately negotiated transactions 2015 Senior Notes with an aggregate face amount of € 4,046 for € 2,052. The repurchased 2015 Senior Notes have been canceled. The difference of € 1,994 was disclosed as gain from repurchase of Senior Notes, in the 2008 consolidated statement of income. During 2009, the Group repurchased in privately negotiated transactions 2015 Senior Notes with an aggregate face amount of €4,471 for €2,270. The repurchased 2015 Senior Notes have been canceled. The difference of € 2,201 was disclosed as gain from repurchase of Senior Notes, in the 2009 consolidated statement of income. Moreover, during the year ended December 31, 2010 the Group redeemed €20,000 of the 2015 Senior Notes paying a premium for early repayment of €750 which is included in financial expenses.

(b) Senior Notes due 2020:

In January 2010, the Group completed the issuance of debt securities (2020 Senior Notes) at an aggregate face amount of $150 million with maturity date on February 1, 2020. The net proceeds of the 2020 Senior Notes, after issuance costs, of approximately €95.3 million were used (i) to redeem €20.0 million of the 2015 Senior Notes and €46.0 million of other long-term debt, and (ii) the balance for capital expenditures and other general corporate purposes.

The 2020 Senior Notes bear nominal interest at a rate of 9.875% per annum (effective rate 11.74% per annum), payable semi-annually on each February 1 and August 1 commencing on August 1, 2010. The 2020 Senior Notes are redeemable in whole or in part at the option of the Group at any time on or after February 1, 2015.

The indebtedness evidenced by the 2020 Senior Notes constitutes a general unsecured senior obligation of FAGE Dairy Industry S.A. and ranks ***pari passu*** in right of payment with all other senior indebtedness and will rank senior in right of payment to all subordinated indebtedness of FAGE Dairy Industry S.A.

Finance expenses on the Group’s interest bearing loans and borrowings for the six months ended June 30, 2012 and 2011, amounted to €10,203 (€5,285 for the Company) and €9,572 (€5,108 for the Company), respectively, and are included in financial expenses in the accompanying consolidated statements of income (Note 7).

The annual principal payments required to be made on all loans subsequent to June 30, 2012 and December 31, 2011 are as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
2-5 years	101,482	101,482	101,482	101,482
Over 5 years	119,142	115,929	23,828	23,186
	220,624	**217,411**	**125,310**	**124,668**

18. TRADE ACCOUNTS PAYABLE:

Trade accounts payable are analyzed as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Domestic suppliers	18,336	23,186	19,296	23,165
Foreign suppliers	22,905	22,312	3,863	6,891
	41,241	**45,498**	**23,159**	**30,056**

Included in trade accounts payable to foreign suppliers for the Group are balances denominated in foreign currencies amounting to €15,891 and €13,276 as of June 30, 2012 and December 31, 2011, respectively.

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

19. SHORT-TERM BORROWINGS:

Short-term borrowings are draw-downs under various lines of credit maintained by the Group and the Company with several banks. The use of these facilities for the Group and the Company is presented below:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Credit lines available	51,714	50,643	12,000	12,000
Unused credit lines	(23,558)	(26,008)	(127)	(117)
Short-term borrowings	**28,156**	**24,635**	**11,873**	**11,883**

The weighted average interest rates on short-term borrowings for the six months ended June 30, 2012 and 2011, was 7.81% and 5.78%, respectively.

Interest on short-term borrowings for the six months ended June 30, 2012 and 2011, totalled €1,070 and €965, respectively, for the Group (€593 and €622, respectively, for the Company) and is included in interest expense in the accompanying consolidated statements of income (Note 7).

During the six months ended June 30, 2012, the Group repaid short-term borrowings amounting to €6,364 and received proceeds amounted to €9,531. Furthermore, the Company had an accounts receivable agreement for financing of up to €6.0 million with ABN AMRO Bank which was repaid in full in April 2012.

20. ACCRUED AND OTHER CURRENT LIABILITIES:

The amount reflected in the accompanying consolidated and separate balance sheets is analyzed as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Payroll	185	311	185	311
Third parties	17	17	17	17
Milk producers	61	-	61	-
Other	317	348	317	348
	580	**676**	**580**	**676**
Advances from customers	**212**	**799**	**1,008**	**1,606**
Accrued interest	8,461	8,334	4,539	4,518
Social security funds payable	717	1,455	584	1,309
Accrued and other liabilities	9,255	5,611	3,386	1,498
	18,433	**15,400**	**8,509**	**7,325**
Total	**19,225**	**16,875**	**10,097**	**9,607**

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

21. SEGMENT INFORMATION:

The Group produces dairy products and operates primarily in Greece and also has certain foreign activities. Due to the nature of the products and the manner in which they are marketed to customers, the business is operated and managed as one business segment distinguished between the European operations and the US operations. No operating results by individual or group of products are produced and neither are the Group's assets and liabilities analyzed by various product groups. Intra-segment balances and transactions have been eliminated on consolidation.

Segment information for the six months ended June 30, 2012 and 2011, is analyzed as follows:

	Six months ended June 30, 2012			
	European operations	U.S. operations	Eliminations	Consolidated
Revenues				
Net sales to external customers	90,243	117,959	-	208,202
Inter-segment sales	15,271	-	(15,271)	-
Segment revenues	105,514	117,959	(15,271)	208,202
Results				
Segment result net profit/(loss)	(2,454)	10,744	-	8,290
Other segment information:				
Capital expenditures:				
Tangible and intangible fixed assets	2,209	4,760	-	6,969
Depreciation and amortization	5,719	4,435	-	10,154
Impairment losses recognized in statement of income	111	-	-	111
Financial expenses	5,908	5,268		11,176
Loss on derivatives	352	-	-	352
Income tax (benefit)/expense	131	5,106		5,237

	Six months ended June 30, 2011			
	European operations	U.S. operations	Eliminations	Consolidated
Revenues				
Net sales to external customers	105,803	81,904	-	187,707
Inter-segment sales	11,188	-	(11,188)	-
Segment revenues	116,991	81,904	(11,188)	187,707
Results				
Segment result net profit/(loss)	(4,485)	7,645	-	3,160
Other segment information:				
Capital expenditures:				
Tangible and intangible fixed assets	2,006	17,651	-	19,657
Depreciation and amortization	5,516	2,802	-	8,318
Impairment losses recognized in statement of income	22	-	-	22
Financial expenses	5,780	4,403	-	10,183
Income tax (benefit)/expense	446	2,764	-	3,210

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

The following table presents segment assets and liabilities of the Group as at June 30, 2012 and December 31, 2011.

June 30, 2012	**European operations**	**U.S. operations**	**Eliminations**	**Consolidated**
Segment assets	232,302	218,151	(9,852)	440,601
Segment liabilities	201,635	158,432	(9,852)	350,215

December 31, 2011	**European operations**	**U.S. operations**	**Eliminations**	**Consolidated**
Segment assets	234,391	194,583	(7,639)	421,335
Segment liabilities	201,537	147,097	(7,639)	340,995

22. CONTINGENCIES AND COMMITMENTS:

(a) Litigation and claims:

(i) In September 2006, the Greek Competition Authority initiated an investigation into price fixing in the Greek dairy market. FAGE was one of the 17 Greek domestic and foreign companies that have been identified in the investigation. In December 2007, the Greek Competition Authority announced the imposition of fines on certain dairy companies and supermarkets in Greece, including FAGE. The fine imposed on FAGE amounted to € 9,400. The Group understands that the total fines announced by the Competition Authority against all of the identified companies amount to approximately € 76,500. The Company challenged the amount of the fine in the courts in Greece and a provision of €9,400 was recognized and included in the financial statements as at December 31, 2007. During 2009 there was an irrevocable decision in favor of the Company and the fine was reduced by €3,353. Accordingly, a benefit of €3,353 was recognized and included in the 2009 statements of income. Moreover, this amount has been set-off with other tax liabilities. The Company has also challenged at the Supreme Administrative Court the legality of the imposition of the fine itself. The case has not yet been heard.
In addition, following the imposition of this fine, the Company and several other dairy companies have had to defend against lawsuits brought by milk producers claiming damages and loss of income. There are currently two of these lawsuits pending against the Company, which the Company believes that are entirely without merit. Similar lawsuits against other dairy companies already have been dismissed.

(ii) In July 2007, there was a press report suggesting that a preliminary investigation by a State prosecutor had led to sufficient evidence being gathered to charge Greece's four largest dairy companies (including FAGE) with price fixing. According to the report, the State prosecutor is expected to request that the related dairy companies be charged with serial extortion, a criminal offence. During his investigation, the State prosecutor questioned a number of milk producers who alleged that the four companies threatened to stop buying milk from them if they did not lower their prices. The State prosecutor alleged that there was evidence to suggest that the dairy firms colluded and acted as a cartel to force down the price at which they purchased milk. However, FAGE believes that its policy concerning the prices paid to milk producers was on an arm's length basis consistent with proper market practices and that the allegations were unfounded. To date, no charges have been brought against the Company.

(iii) Until 1999, FAGE had for many years purchased UHT extended shelf life milk from a supplier, which in turn purchased the milk from a Belgian producer. As part of the financing arrangements, the Company issued a letter of guarantee to the Belgian company through a bank in Greece and, under the terms of the guarantee, FAGE agreed to pay to the bank any amounts required to be paid by it under the letter of guarantee. Following the discovery of dioxin-contaminated cattle feed in Belgium, the European Commission in June 1999 prohibited the export and distribution of affected products, including milk, and, in turn, the Greek Ministry of Agriculture prohibited the importation and distribution of such animal products originating from Belgium. As a result, FAGE withdrew all of the Belgian company's products from the Greek market, informed the Belgian company that it would not accept further shipments and returned certain shipments of milk to Belgium. In 2000, the Belgian company sought to enforce the letter of guarantee against the bank, which brought third party proceedings against FAGE. A decision was issued by the Court of First Instance in Athens which determined that the bank was required to pay the Belgian company the amount of €1.4 million, including an immediate payment of €0.3 million, and that FAGE was required to pay to the bank whatever amounts it was required to pay to the Belgian company. FAGE has filed an appeal contesting the above decisions, which was heard by the Appeals Court in Greece in September 2010. The Appeals Court of Greece issued the final decision No 5313/2010, according to which FAGE was required to pay the amount of €1.4 million. This amount was paid on February 9, 2011. FAGE filed an appeal contesting the above decision before the Supreme Court of Greece, which was heard in May 2012 after being postponed in April 2012. The Supreme Court of Greece issued a decision, which rejected the plea of FAGE in the Court of Cassation and ordered a retrial (de novo trial) on the Belgian company's counter-petition.

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

(iv) Between 1998 and 2006, FAGE filed applications with the United States Patent and Trademark Office to register the FAGE TOTAL word mark and label designs for Greek strained yogurt and tzatziki. In 2000 and 2008, General Mills, Inc. ("General Mills") filed oppositions to these applications on the grounds that the mark FAGE TOTAL for yogurt and tzatziki is likely to cause confusion with General Mills' trademark TOTAL for wheat flakes and ready-to-eat breakfast cereal. On September 14, 2011, the Trademark Trial and Appeal Board (the "TTAB") held that there is a likelihood of confusion between General Mills' TOTAL mark for cereal and the FAGE TOTAL mark for yogurt, but also found that there was no evidence of confusion during thirteen (13) years of simultaneous use in the marketplace. However, the TTAB held that no likelihood of confusion existed between General Mills' TOTAL mark for cereal and the FAGE TOTAL mark for tzatziki and dismissed General Mills' opposition to FAGE's application to register its FAGE TOTAL mark for tzatziki.

On September 16, 2011, General Mills and General Mills IP Holdings II, LLC (collectively the "General Mills Claimants") commenced a lawsuit against FAGE, FAGE USA Holdings, Inc. and FAGE USA Dairy Industry, Inc. in the United States District Court for the District of Minnesota (the "Minnesota litigation") claiming that FAGE's and FAGE USA Dairy Industry, Inc.'s use of FAGE TOTAL for yogurt infringes General Mills' TOTAL mark for cereal and constitutes unfair competition under the Lanham Act (15 U.S.C.§ 1051, et seq.), Minnesota statutes and common law, and seeking an injunction prohibiting FAGE's and FAGE USA Dairy Industry, Inc.'s use of the FAGE TOTAL mark for yogurt and other dairy products, as well as damages, disgorgement of profits, treble damages and attorney's fees. On September 30, 2011, FAGE and FAGE USA Dairy Industry, Inc. commenced a lawsuit against the General Mills Claimants in the United States District court for the Northern District of New York (the "New York litigation"), seeking: (a) an appeal of the TTAB decision refusing to register the FAGE TOTAL mark for yogurt pursuant to 15 U.S.C. § 1071(b); and (b) a declaration that FAGE's and FAGE USA Dairy Industry, Inc.'s use of FAGE TOTAL for yogurt and other dairy products does not infringe General Mills' TOTAL mark for wheat flake cereal. In January 2012, the General Mills Claimants filed a cancellation action with the TTAB seeking cancellation of FAGE's incontestable registration for FAGE TOTAL and design for Feta cheese.

On June 4, 2012, the parties filed a joint motion to transfer the Minnesota litigation to New York. The Minnesota court ordered the transfer on June 4, 2012. On June 21, 2012, the New York court entered an order approving the parties' Stipulation to Consolidate the Minnesota litigation with the New York litigation under Civil Action No. 6:11-cv-11774. On July 23, 2012, General Mills applied for leave to file a Second Amended Complaint to add claims under New York State statutes and common law that are similar to claims under Minnesota State statutes and common law that it asserted in the First Amended Complaint.

The Company believes it has meritorious defenses to the claims asserted against it by General Mills now pending in the U.S. District Court for the Northern District of New York and intends to defend itself vigorously. There are no claims for monetary damages asserted against the Company in the cancellation action described above. In connection with the foregoing, management of the Company does not believe that the ultimate outcome of the pending actions described above is reasonably likely to have a material adverse effect on the Company's consolidated financial condition or results of operations.

(v) In addition, the Company is a party to various lawsuits and arbitration proceedings in the normal course of business. The Company's management does not expect any of these other actions to have a material adverse effect on the Company's consolidated financial position or results of operations.

(b) Commitments:

(i) Service Agreements:

The Group has entered into agreements with Iofil, Evga and Palace, related companies, for the provision of corporate management and consulting services. These agreements expire in 2013.

Future minimum amounts payable under these agreements for the Group as at June 30, 2012 and December 31, 2011, are as follows:

	THE GROUP AND THE COMPANY	
	June 30, 2012	**December 31, 2011**
Within 1 year	6,520	8,620
2-5 years	2,210	-
	8,730	**8,620**

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

(ii) Operating Lease Commitments:

As of June 30, 2012 and December 31, 2011, the Group has entered into a number of operating lease agreements relating to the rental of buildings and transportation equipment most of which expire on various dates through 2020.

Rental expense included in the accompanying consolidated statements of income for the six months ended June 30, 2012 and 2011, amounted to €674 and €891, respectively.

Future minimum rentals payable under non-cancelable operating leases as at June 30, 2012 and December 31, 2011, are as follows:

	THE GROUP		THE COMPANY	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Within one year	455	505	357	411
2-5 years	894	876	716	662
Over 5 years	417	534	337	457
Total	**1,766**	**1,915**	**1,410**	**1,530**

(iii) Letters of Guarantee:

At June 30, 2012 and December 31, 2011, the Company had outstanding bank letters of guarantee in favor of various parties amounting to €330 and €1,725, respectively. Such guarantees have been provided for the good execution of agreements and for the participation in biddings.

(iv) Investment in U.S.A:

To meet increasing demand in the U.S. market the Group is engaged in expanding production and warehouse capacity. The Group has signed agreements with various suppliers for the acquisition of equipment and for additional warehouse space. Future minimum amounts payable under these agreements as at June 30, 2012 amounted to €2,389 which are all due within one year, of which an amount of €1,806 is denominated in US$.

23. FINANCIAL ASSETS AND LIABILITIES:

Derivative financial instruments

The Company entered into a forward contract agreement in September 2011 in order to avoid sharp fluctuations in the UK£/€ rate. Management believes that derivative financial instruments minimize the Group's exposure to these risks.

Amounts reflected in the statements of comprehensive income for the six months ended June 30, 2012 and 2011, are analyzed as follows:

	Six months ended June 30,	
	2012	2011
Gains (losses) from:		
- valuation of derivatives	(57)	-
- final settlements of derivatives	(295)	-
Total	(352)	-

All the above derivative financial instruments are measured on Level 2 of the fair value hierarchy.

The Group does not apply hedge accounting and all changes in the fair value of derivatives are recognized as gains or losses in the accompanying statements of comprehensive income.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the six months ended June 30, 2012 and 2011, there were no transfers between any level of fair value hierarchy (available for sale assets and fixed rate borrowings are measured on level 1 of fair value hierarchy). There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

24. SUBSEQUENT EVENTS:

There were no significant events subsequent to June 30, 2012.

SECTION F

FAGE DAIRY INDUSTRY S.A.

Corporation's registrar number: 13219/01AT/B/86/87 - Address: 35, Hermou St. 144 52 Metamorfossi

CONDENSED FINANCIAL DATA AND INFORMATION FOR THE PERIOD JANUARY 1, 2012 TO JUNE 30, 2012

(According to Decision 4/507/28.04.2009 of the Board of Directors of the Capital Market Commission) - (All amounts in thousands of Euro, except share and per share data)

The purpose of the following information and financial data is to provide users with general financial information about the financial position and the results of operations of FAGE DAIRY INDUSTRY SA. Therefore, we recommend the users of the financial data and information, before making any investment decision of proceeding to any transaction with the Group or the Company, to obtain the necessary information from the website, where the consolidated and separate company financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U, are availlable, together with the auditors' report, when required.

COMPANY's INFORMATION DATA

Financial Statements Approval Date : 9 of August, 2012
Company's Website : www.fage.gr
Auditor / Certified Accountant : Christodoulos Seferis
Auditing Company : ERNST & YOUNG (HELLAS) S.A.
Type of Auditors' Opinion: Unqualified

Composition of the Board of Directors:

Kyriakos Filippou - Lifelong Honorary Chairman of the Board
Ioannis Filippou - Lifelong Honorary Chairman of the Board
Athanassios-Kyros Filippou - Chairman of the Board
Athanassios Filippou - Chief Executive Officer and Director
Dimitrios Filippou - Vice Chairman and Director
Dimitra Filippou - Director
Spyros Gianpapas - Director
Christos Koloventzos - Director
Christos Krommidas - Director
Alexis Alexopoulos - Director
Emmanuel Papaefthimiou – Director

DATA FROM STATEMENT OF FINANCIAL POSITION (CONSOLIDATED AND SEPARATE) (amounts in thousands of Euro)

	THE GROUP (1)		THE COMPANY (FAGE Dairy Industry S.A.)	
ASSETS	**30.06.2012**	**31.12.2011**	**30.06.2012**	**31.12.2011**
Property, plant and equipment	254,281	253,556	119,211	122,186
Intangible assets	2,708	3,270	1,462	2,026
Other non current assets	28,365	26,753	17,315	17,267
Inventories	32,052	29,199	21,100	19,560
Trade and other receivables	84,876	67,255	57,705	46,152
Cash and cash equivalents	33,174	34,342	8,043	24,249
Other current assets	4,469	6,284	2,530	2,990
Assets classified as held for sale	676	676	526	526
TOTAL ASSETS	**440,601**	**421.335**	**227,892**	**234,956**
EQUITY AND LIABILITIES				
Share capital	39,094	39,094	39,094	39,094
Other components of equity	51,291	41,245	(512)	2,259
Total Equity attributable to equity holders of the parent (a)	90,385	80,339	38,582	41,353
Non controlling Interests (b)	1	1	-	-
Total Equity (c)= (a) + (b)	90,386	80,340	38,582	41,353
Interest bearing loans and borrowings	208,212	204,557	121,958	121,003
Other long-term liabilities	40,753	39,531	11,382	11,530
Short-term borrowings	28,156	24,635	11,873	11,883
Other current liabilities	73,094	72,272	44,097	49,187
Total liabilities (d)	350,215	340,995	189,310	193,603
TOTAL EQUITY AND LIABILITIES (c)+(d)	**440,601**	**421,335**	**227,892**	**234,956**

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED AND SEPARATE) (amounts in thousands of Euro)

THE GROUP (1)	01.01 - 30.06.2012	01.01 - 30.06.2011	01.04 - 30.06.2012	01.04 - 30.06.2011
Sales	208,202	187,707	109,014	99,864
Gross profit	87,088	79,685	47,074	42,124
Profit/(loss) before income taxes, financial and investing results	**25,881**	**15,772**	**14,586**	**6,462**
Profit/(loss) before income taxes	**13,527**	**6,370**	**7,248**	**1,603**
Net profit/(loss) (A)	**8,290**	**3,160**	**4,424**	**434**
Attributable to:				
Equity holders of the parent	8,290	3,160	4,424	434
Non controlling interests	-	-	-	-
Earnings/(loss) per share				
Basic and diluted	0.62	0.24	0.33	0.03
Profit/(loss) before income taxes, financial, investing results and depreciation and amortisation	**36,035**	**24,090**	**19,893**	**10,700**
Other comprehensive income /(loss) after income taxes (B)	**1,756**	**(1,935)**	**3,019**	**(506)**
Total comprehensive income /(loss) after income taxes (A+B)	**10,046**	**1,225**	**7,443**	**(72)**
Attributable to:				
Equity holders of the parent	10,046	1,225	7,443	(72)
Non controlling interests	-	-	-	-

THE COMPANY (FAGE Dairy Industry S.A.)	01.01 - 30.06.2012	01.01 - 30.06.2011	01.04 - 30.06.2012	01.04 - 30.06.2011
Sales	85,968	102,343	44,052	53,519
Gross profit	26,257	31,256	13,792	16,423
Profit/(loss) before income taxes, financial and investing results	**4,053**	**956**	**2,566**	**387**
Profit/(loss) before income taxes	**(3,004)**	**(3,901)**	**(2,100)**	**(2,373)**
Net profit/(loss) (A)	**(2,839)**	**(4,017)**	**(1,853)**	**(2,416)**
Earnings/(loss) per share Basic and diluted	(0.21)	(0.30)	(0.14)	(0.18)
Profit/(loss) before income taxes, financial, investing results and depreciation and amortisation	**9,646**	**6,350**	**5,421**	**3,092**
Other comrehensive income /(loss) after income taxes (B)	**68**	**-**	**65**	**(42)**
Total comprehensive income /(loss) after income taxes (A+B)	**(2,771)**	**(4,017)**	**(1,788)**	**(2,458)**

DATA FROM STATEMENT OF CASH FLOWS (CONSOLIDATED AND SEPARATE) (amounts in thousands of Euro)

	THE GROUP (1)		THE COMPANY (FAGE Dairy Industry S.A.)	
Operating activities:	**30.06.2012**	**30.06.2011**	**30.06.2012**	**30.06.2011**
Profit/(loss) before income taxes	13,527	6,370	(3,004)	(3,901)
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortisation	10,154	8,318	5,593	5,394
Provision for staff retirement indemnities	951	708	951	708
Provision for doubtful accounts receivable	779	640	764	630
Financial income	(5)	(93)	(5)	(84)
Financial expenses	11,176	10,183	5,890	5,749
Valuation of derivatives	57	-	57	-
(Gain)/loss on disposal of property, plant and equipment	14	(7)	3	(3)
Impairment loss on available for sale financial assets	111	22	111	22
Losses on equity investees accounted for under the equity method	-	68	-	-
Operating profit before working capital changes	**36,764**	**26,209**	**10,360**	**8,515**
(Increase)/Decrease in:				
Restricted cash	-	(600)	-	300
Inventories	(2,853)	(5,903)	(1,540)	(3,380)
Trade and other receivables	(18,400)	(5,799)	(12,317)	(4,271)
Due from related companies	(38)	46	(38)	46
Increase/(Decrease) in:				
Trade accounts payable	(4,257)	4,543	(6,897)	(1,555)
Due to related companies	1,780	2,451	1,744	2,661
Accrued and other current liabilities	2,167	23	414	(2,196)
Working capital changes	**(21,601)**	**(5,239)**	**(18,634)**	**(8,395)**
Income taxes paid	(3,054)	(601)	(32)	(63)
Payment of staff indemnities	(876)	(659)	(876)	(659)
(Increase)/decrease in other non-current assets	(10)	24	(6)	30
Increase in other non-current liabilities	1	-	-	-
Net Cash from (used in) Operating Activities	**11,224**	**19,734**	**(9,188)**	**(572)**
Investing Activities:				
Capital expenditure for property, plant and equipment	(6,819)	(19,509)	(2,038)	(1,849)
Additions to intangible assets	(150)	(148)	(150)	(148)
Proceeds from disposal of property, plant and equipment	154	32	139	14
Interest and other related income received	5	93	5	84
Increase in subsidiaries' share capital	-	-	(50)	(1,000)
Net Cash used in Investing Activities	**(6,810)**	**(19,532)**	**(2,094)**	**(2,899)**
Financing Activities:				
Proceeds from short and long-term borrowings	9,531	6,900	-	6,900
Repayments of short and long-term borrowings	(6,364)	-	(10)	-
Interest paid	(10,366)	(9,891)	(5,557)	(5,480)
Net Cash from/(used in) Financing Activities	**(7,199)**	**(2,991)**	**(5,567)**	**1,420**
Net increase/ (decrease) in cash and cash equivalents	**(2,785)**	**(2,789)**	**(16,849)**	**(2,051)**
Effect of exchange rates changes on cash	1,617	(3,568)	643	(1,697)
Cash and cash equivalents at beginning of period	**34,342**	**40,683**	**24,249**	**24,283**
Cash and cash equivalents at June 30	**33,174**	**34,326**	**8,043**	**20,535**

DATA FROM STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED AND SEPARATE) (amounts in thousands of Euro)

	THE GROUP (1)		THE COMPANY (FAGE Dairy Industry S.A.)	
	30.06.2012	**30.06.2011**	**30.06.2012**	**30.06.2011**
Total equity as at January 1, including non controlling interests (01/01/2012 and 01/01/2011, respectively)	**80,340**	**76,479**	**41,353**	**57,203**
Total comprehensive income /(loss), net of tax (7)	10,046	1,225	(2,771)	(4,017)
Total equity as at June 30, including non controlling interests (30/06/2012 and 30/06/2011, respectively)	**90,386**	**77,704**	**38,582**	**53,186**

ADDITIONAL DATA AND INFORMATION (amounts in thousands of Euro)

1. The consolidated financial statements as at June 30,2012 and December 31, 2011 include the financial statements of FAGE Dairy Industry S.A. (FAGE, the Company) and its subsidiaries listed below which have been wholly consolidated :

	Equity interest		Country of	Unaudited
	30.06.2012	**31.12.2011**	**incorporation**	**periods**
FAGE Dairy Industry S.A.	Parent	Parent	Greece	2008-2012
Agroktima Agios Ioannis S.A.	100%	100%	Greece	2010-2012
Zagas S.A.	100%	100%	Greece	2007-2012
Iliator S.A.	97%	97%	Greece	2010-2012
FAGE Commercial S.A.	100%	100%	Greece	2010-2012
FAGE Italia S.r.l.	100%	100%	Italy	2003-2012
FAGE U.K. Limited	100%	100%	United Kingdom	2006-2012
FAGE USA Holdings, Inc	100%	100%	U.S.A	2000-2012
FAGE USA, Corp.	100%	100%	U.S.A	2009-2012
FAGE USA Dairy Industry, Inc.	100%	100%	U.S.A	2005-2012
FAGE DEUTSCHLAND GmbH	100%	-	Germany	2012

2. The accounting principles applied are consistent with those applied in the previous year except for the adoption of new amended or revised accounting standards and interprerations as mentioned in Note 2 of the financial statements. **3.** There are no mortgages, charges or liens on the Group's real estate. **4.** No judicial decisions or legal proceedings have emerged which are likely to have a material adverse effect on the business, financial condition or prospects of the Group. **5.** The total number of employees for FAGE S.A. as at June 30, 2012 was approximately 744 and for the Group 1.017. As of June 30, 2011 the total number of employees for FAGE S.A. was approximately 863 and for the Group 1.061. **6.** Trancaction and account balances with the related parties, for the Group and the Company are as follows :

	Group		Company	
	01.01-30.06.2012	**01.01-30.06.2011**	**01.01-30.06.2012**	**01.01-30.06.2011**
Sales to	1,029	1,494	26,263	19,945
Purchases from	21,040	23,846	20,043	22,796
Compensation paid to directors and executive officers	3,866	3,247	2,637	2,200
	30.06.2012	**31.12.2011**	**30.06.2012**	**31.12.2011**
Due from	2,052	2,014	11,108	8,863
Due to	10,888	9,108	11,492	9,759

7. Other comprehensive income net of tax for the Group includes for the six months ended June 30, 2012 and 2011, exchange gains/(losses) on translation of foreign operations €1,688 and €(1,935), respectively and net unrealised gains on available for sale financial assets €68 and €0. Other comprehensive income net of tax for the Company includes for the six months ended June 30, 2012 and 2011, net unrealised gains on available for sale financial assets €68 and €0. **8.** The most significant events that have occurred after June 30, 2012 are presented in the Note 24 of the financial statements.

METAMORFOSSI 9 / 08 / 2012

CHAIRMAN OF THE BOARD	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER
ATHANASSIOS-KYROS FILIPPOU	**ATHANASSIOS FILIPPOU**	**CHRISTOS KOLOVENTZOS**
ID T 126291	ID Σ 699586	ID AB 575496 - RE No ECG 0031200