

PHIL. ANDREOU PUBLIC LTD
SECOND INTERIM MANAGEMENT REPORT 2011

INTRODUCTION

The Board of Directors of Phil. Andreou Public Ltd presents the Interim Management Statement of the Group, which has been prepared in accordance with the provisions of Article 11 of the Transparency (Securities Admitted to Trading on a Regulated Market) Law 2007 (L.190 (I) / 2007) and has not been audited by external auditors.

The Interim Management Statement was adopted at a meeting of the Board of Directors, held on November 17, 2011.

The main activities of the Group during the reporting period continued as last year, involving the design, manufacture and sale of display stands, metal storage and display systems, the production of digital and silkscreen printing, media both indoor and outdoor, management and exploitation of rolling advertising systems, operation of convenience stores and sale of products and services of high technology as well as the construction of metal structures for housing units along with the completion of these units through subcontractors.

The information contained in this report concerns the period from July 1, 2011 until the date of publication.

GENERAL REVIEW OF FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

The Group's sales increased more than 10% during the period under review compared with the corresponding period of 2010 due to increased sales from the retail sector.

The subsidiary company So Easy Stores Ltd, engaged in the retail sector operated during the mentioned period 1 new store.

NON-RECURRING OR SPECIAL ACTIVITIES

There were no non-recurring or extraordinary activities during the period under review.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks and uncertainties facing the Group are the same as those described in the Annual Report for the year 2010.

MAIN EVENTS AND TRANSACTIONS

There were no non-recurring or extraordinary activities during the period under review.

RELATED PARTY TRANSACTIONS

There were no significant transactions with related parties other than the employment agreements of Executive Directors during the period under review.

OBJECTIVES AND PROSPECTS

Despite the economic uncertainty observed daily in global markets, it is expected that results for 2011 will be improved compared with the corresponding results of 2010 due to the program to reduce operating costs in addition to the return from new investments. Within the context of improvement measures promoted by the company and the Group are mitigation measures on labor costs for which a separate announcement is prepared and sent simultaneously with this one.

The international financial crisis is expected to affect the promotional activities of many of the Group customers both abroad and locally.

The activities of the subsidiary company So Easy Stores Ltd will be affected by developments in the domestic market and the retail sector generally.

On behalf of the Board

AIA

Andreou Philokypros
Executive Chairman

Limassol

November 17, 2011