To: Mr. Nondas Cl. Metaxas,
Director General of Cyprus Stock Exchange,
Nicosia

1st February 2013

Dear Mr. Metaxas,

ANNOUNCEMENT

BLUE – Profit Warning for final accounts 2012 due to extraordinary event

Pursuant to the provision of the CSE and SEC Regulations and in order to fully inform the shareholders and the investing public in general, we wish to inform you that the results for the year ended on the 31st December 2012, are expected to be influenced negatively from the exposure to Orphanides Public Company Ltd by about €215.000.

Orphanides Public Company Ltd ownes to Blue Island Plc about €283.000 but after VAT adjustments and insurance covering the final amount that we will write-off will be about €215.000.

The final results for 2012 however, are expected to be positive. More information will be given when the indicative results will be announced (end of February).

Yours Sincerely,

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Yiannos Economides
Secretary

Copy: Cyprus Securities and Exchange Commission