



**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**

Report and Consolidated Interim Financial Statements  
Three months ended 31 March 2014



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report and Consolidated Interim Financial Statements Three months ended 31 March 2014

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# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report for the Three Months Ended 31 March 2014

On 29 May 2014, the Board of Directors of Vassiliko Cement Works Public Company Ltd approved the financial results of the Group for the first quarter of the year that ended on 31 March 2014.

### **Financial results**

The total revenue for the first quarter of 2014 reached €23.468.000 compared to €14.983.000 for the corresponding quarter of 2013.

The revenues increased through increased exports in neighbouring countries in which the Company has established a customer network. The domestic market still continues its downward trend.

Further to the increase of revenues, the cost structure of the Company also improved significantly. Other operating income from the trading of carbon emission rights also added €943.000 (2013 Q1: nil) to the operating profit of the quarter.

As a result, the operating profit for the first quarter of 2014 reached €2.513.000 (2013 Q1: loss €1.771.000), while the net profit for the quarter reached €1.881.000 (2013 Q1: loss €2.591.000).

### **Prospects for the year**

The Company will continue pursuing its exports orientated sales strategy throughout the year as the domestic market does not show any signs of slowing its downward trend; the management is monitoring carefully the market developments in the current uncertain environment and the Company's operating cost base to ensure competitiveness of its products.

During the second half of the year a new alternative fuels project, now under construction, will start its first operation, replacing traditional fossil fuels at the kiln, with alternative sources. Once in full operation, this new feeding system will have a positive financial and environmental impact for the Company.

# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Comprehensive Income

Three months ended 31 March 2014

	Three months ended 31 March	
	2014 €000	2013 €000
Revenue	23.468	14.983
Cost of sales	<u>(19.826)</u>	<u>(14.507)</u>
<b>Gross profit</b>	<b>3.642</b>	476
Other operating income	1.258	52
Distribution expenses	<u>(1.367)</u>	(702)
Administrative expenses	<u>(680)</u>	(661)
Other operating expenses	<u>(340)</u>	<u>(936)</u>
<b>Operating profit/(loss) before financing costs</b>	<b>2.513</b>	(1.771)
Financial income	-	5
Financial expenses	<u>(593)</u>	<u>(627)</u>
<b>Net financing costs</b>	<b>(593)</b>	(622)
Loss from investing activities	-	(26)
Share of loss from equity-accounted investees	<u>(38)</u>	<u>(170)</u>
<b>Profit/(loss) before tax</b>	<b>1.882</b>	(2.589)
Taxation expense	<u>(1)</u>	<u>(2)</u>
<b>Profit/(loss) for the financial period</b>	<b>1.881</b>	(2.591)
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the period</b>	<b>1.881</b>	(2.591)
<b>Profit/(loss) attributable to:</b>		
Equity holders of the parent	1.881	(2.591)
Non-controlling interest	<u>-</u>	<u>-</u>
	<b>1.881</b>	(2.591)
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the parent	1.881	(2.591)
Non-controlling interest	<u>-</u>	<u>-</u>
	<b>1.881</b>	(2.591)
Basic and diluted earnings/(loss) per share (cents)	<u>2,6</u>	<u>(3,6)</u>



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Financial Position

31 March 2014

	31/3/14 €000	31/12/13 €000
<b>ASSETS</b>		
Property, plant and equipment	261.372	263.726
Intangible assets	12.775	12.777
Investment property	7.667	7.667
Investments in equity-accounted investees	3.853	3.890
Available-for-sale financial assets	299	299
<b>Total non-current assets</b>	<b>285.966</b>	288.359
Inventories	18.255	20.626
Trade and other receivables	6.012	7.044
Assets classified as held for sale	3.133	3.133
Cash and cash equivalents	8.039	3.533
<b>Total current assets</b>	<b>35.439</b>	34.336
<b>Total assets</b>	<b>321.405</b>	322.695
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	30.932	30.932
Reserves	188.646	186.765
<b>Total equity attributable to equity holders of the parent</b>	<b>219.578</b>	217.697
<b>Total equity</b>	<b>219.578</b>	217.697
<b>LIABILITIES</b>		
Interest bearing-loan and borrowings	71.061	73.712
Deferred tax liabilities	11.490	11.490
Provisions	400	400
<b>Total non-current liabilities</b>	<b>82.951</b>	85.602
Interest bearing-loan and borrowings	13.400	13.400
Tax payable	20	20
Trade and other payables	5.456	5.976
<b>Total current liabilities</b>	<b>18.876</b>	19.396
<b>Total liabilities</b>	<b>101.827</b>	104.998
<b>Total equity and liabilities</b>	<b>321.405</b>	322.695


**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**
**Consolidated Statement of Changes in Equity**  
**Three months ended 31 March 2014**

	Share Capital	Share premium reserve	Revaluation reserve	Revaluation of investments available for sale reserve	Retained profits	Equity attributable to holders of parent	Non-controlling interest	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000
<b>Three months ended 31 March 2014</b>								
Balance 1 January 2014	30.932	45.388	47.925	-	93.452	217.697	-	217.697
Profit for the period	-	-	-	-	1.881	1.881	-	1.881
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1.881	1.881	-	1.881
Balance 31 March 2014	30.932	45.388	47.925	-	95.333	219.578	-	219.578
<b>Three months ended 31 March 2013</b>								
Balance 1 January 2013	30.932	45.388	51.925	-	102.193	230.438	-	230.438
Loss for the period	-	-	-	-	(2.591)	(2.591)	-	(2.591)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(2.591)	(2.591)	-	(2.591)
Balance 31 March 2013	30.932	45.388	51.925	-	99.602	227.847	-	227.847



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Cash Flows

Three months ended 31 March 2014

	Three months ended 31 March	
	2014 €000	2013 €000
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period	1.881	(2.591)
Adjustments for:		
Depreciation and amortisation charges	3.895	3.000
Interest income	-	(5)
Impairment of available-for-sale financial assets	-	26
Interest expense	593	627
Share of loss of equity-accounted investees	38	170
Gain on sale of property, plant and equipment	-	(23)
Taxation expense	1	2
<b>Operating profit before changes in working capital</b>	<b>6.408</b>	<b>1.206</b>
<b>Changes in:</b>		
Trade and other receivables	1.032	(956)
Inventories	2.371	729
Other current assets	-	(82)
Trade and other payables	(400)	1.351
<b>Cash generated from operations</b>	<b>9.411</b>	<b>2.248</b>
Interest paid	(712)	(820)
Taxes paid	(1)	(213)
<i>Net cash inflow from operating activities</i>	<b>8.698</b>	<b>1.215</b>
<b>Cash outflows to investing activities</b>		
Proceeds from sale of property, plant and equipment	-	5
Interest received	-	5
Acquisition of property, plant and equipment	(1.540)	(184)
<i>Net cash used in investing activities</i>	<b>(1.540)</b>	<b>(174)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(2.652)	(2.601)
Dividends paid	-	(1.064)
<i>Net cash outflows to financing activities</i>	<b>(2.652)</b>	<b>(3.665)</b>
<b>Net increase/(decrease) of cash and cash equivalents</b>	<b>4.506</b>	<b>(2.624)</b>
Cash and cash equivalents at 1 January	3.533	3.390
Cash and cash equivalents at 31 March	<b>8.039</b>	<b>766</b>

**Notes to the Consolidated Interim Financial Statements**

- 1 The interim financial statements relate to the period from 1 January to 31 March 2014, are not audited by the Company's auditors and were approved by the Board of Directors on 29 May 2014.
- 2 The interim financial statements comply with the International Accounting Standard 34 "Interim Financial Statements".
- 3 The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. The interim financial statements are expressed in thousands of Euro.

**4 Transactions with related companies**

The Company enters into various transactions with the Hellenic Mining Group, Italcementi Group, Cyprus Cement Group, associated and related companies. These transactions include the rendering of technical, administrative, commercial and other services to the Group as well as the purchase and sale of raw materials, spare parts and other goods and services at mutually agreed prices. During the period the transactions with the above were as follows:

	Sales		Purchases	
	2014 €000	2013 €000	2014 €000	2013 €000
Hellenic Mining Group	-	-	54	89
Italcementi Group	3.787	517	8	262
KEO Plc	-	-	2	1
Cyprus Cement Group	-	-	13	-
	3.787	517	77	352

**5. Main risks and uncertainties**

The main risks and uncertainties faced by the Group remain the same as those presented in Note 35 of the Annual Report and Financial Statements of the Group for the year ended 31 December 2013.

The uncertain economic conditions in Cyprus, the limited availability of financing for individuals and businesses by the banking system in general, the loss and/or blockage of funds, together with the resolution measures of the banking system and the potential continuation or worsening of the economic recession, could affect:

(1) the ability of the Group to obtain new borrowings, or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions,

(2) the ability of the Group's trade and other debtors to repay the amounts due to the Group, and

(3) the cash flow forecasts of the Group and the assessment of impairment of other financial and non financial assets.

The uncertainty regarding the course of developments in Cyprus economy does not allow a safe prediction for the remaining of the current year of the impact that may have on the Cyprus economy, which may affect negatively the future financial performance, cash flows and financial position of the Group. Considering the above uncertainties the Group's Management is taking increased measures to limit any negative consequences.



**Statement of the members of the Board of Directors, the General Manager and the Financial Manager of the Company for the interim financial statements**

In accordance with Article 10 of the Transparency Requirements (Securities for Trading on Regulated Market) Law 190(l)/2007 (“Law”), we the members of the Board of Directors, the General Manager and the Financial Manager of Vassiliko Cement Works Public Company Ltd, confirm that to the best of our knowledge:

- (a) The interim financial statements for the period from 1 January 2014 to 31 March 2014 that are presented on pages 1 to 6:
- i. were prepared in accordance with the International Financial Reporting Standards and in accordance with the provisions of Article 10 (4) of the Law, and
  - ii. give a true and fair view of the assets and liabilities, the financial position and the profits or losses of Vassiliko Cement Works Public Company Ltd and the businesses that are included in the consolidated financial statements as a total, and
- (b) the interim report gives a fair review of the information required under Article 10 (6) of the Law.

**Members of the Board of Directors**

Antonios Antoniou

Maurizio Caneppele

George Galatariotis

Costas Galatariotis

Stavros Galatariotis

Costas Koutsos

Charalambos Panayiotou

Leondios Lazarou

Serge Schmidt

Rena Rouvitha Panou

Maurizio Mansi Montenegro

**Company Officials**

George Sideris

General Manager

George Savva

Financial Manager

29 May 2014