



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report and Consolidated Interim Financial Statements
Nine months ended 30 September 2014



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report and Consolidated Interim Financial Statements Nine months ended 30 September 2014

Contents	Page
Report for the Nine Months Ended 30 September 2014	1
Consolidated Statement of Comprehensive Income	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Changes in Equity	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Interim Financial Statements	6
Statement of the members of the Board of Directors and other responsible persons of the Company for the interim financial statements	7



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report for the Nine Months Ended 30 September 2014

On 20 November 2014, the Board of Directors of Vassiliko Cement Works Public Company Ltd approved the financial results of the Group for the first nine months of the year that ended on 30 September 2014.

The Board of Directors, taking into account the financial results, decided the payment of an interim dividend for 2014 of 2 cents per share to the entitled shareholders who will be registered on the CSE members register on 5 December 2014. The total interim dividend payable is €1.439.000. No interim dividend was paid during 2013.

Financial results

The total revenues for the first nine months of 2014 reached €62.888.000 compared to €58.572.000 for the first nine months of 2013. The operating profit for the period reached €6.068.000 compared to a loss of €6.981.000 during the respective period of 2013.

Further to the normalisation of operations after the disruption at the first half of 2013, the improvement is also attributed to the increase of cement and clinker exports, as well as to further cuts in the cost structure of the Company and improving production efficiency. On the other hand the domestic market consumption continued its downward trend throughout the nine-month period of 2014.

Other operating income of €2.410.000 for the first nine months of the year (9-months 2013: €1.306.000) includes income from the trading of carbon emission rights of €1.539.000 (9-months 2013: €896.000).

The net profit for the first nine months of 2014 reached €4.245.000 as opposed to a loss of €9.485.000

Prospects for the year

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

The new alternative fuels feeding equipment that started operation during the third quarter of the year, will replace a substantial percentage of the use of traditional fossil fuels, with other alternative sources resulting in positive financial savings as well as improved environmental impact for the Company.



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Comprehensive Income

Nine months ended 30 September 2014

	Three months ended 30 September		Nine months ended 30 September	
	2014 €000	2013 €000	2014 €000	2013 €000
Revenue	19.573	16.506	62.888	58.572
Cost of sales	(16.494)	(16.734)	(52.219)	(58.992)
Gross profit/(loss)	3.079	(228)	10.669	(420)
Other operating income	845	1.118	2.410	1.306
Distribution expenses	(1.214)	(845)	(3.865)	(3.310)
Administrative expenses	(778)	(698)	(2.116)	(2.115)
Other operating expenses	(352)	(722)	(1.030)	(2.442)
Operating profit/(loss) before financing costs	1.580	(1.375)	6.068	(6.981)
Financial income	8	-	11	6
Financial expenses	(459)	(592)	(1.617)	(1.914)
Net financing costs	(451)	(592)	(1.606)	(1.908)
Loss from investing activities	(115)	-	(66)	(231)
Share of loss from equity-accounted investees	(60)	(102)	(148)	(361)
Profit/(loss) before tax	954	(2.069)	4.248	(9.481)
Taxation expense	(1)	(1)	(3)	(4)
Profit/(loss) for the financial period	953	(2.070)	4.245	(9.485)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	953	(2.070)	4.245	(9.485)
Profit/(loss) attributable to:				
Equity holders of the parent	953	(2.070)	4.245	(9.485)
Non-controlling interest	-	-	-	-
	953	(2.070)	4.245	(9.485)
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	953	(2.070)	4.245	(9.485)
Non-controlling interest	-	-	-	-
	953	(2.070)	4.245	(9.485)
Basic and diluted earnings/(loss) per share (cents)	1,3	(2,9)	5,9	(13,2)



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Financial Position

30 September 2014

	30/9/14 €000	31/12/13 €000
ASSETS		
Property, plant and equipment	254.717	263.726
Intangible assets	12.778	12.777
Investment property	7.671	7.667
Investments in equity-accounted investees	3.743	3.890
Available-for-sale financial assets	314	299
Total non-current assets	279.223	288.359
Inventories	21.086	20.626
Trade and other receivables	6.161	7.044
Assets classified as held for sale	3.015	3.133
Cash and cash equivalents	1.243	3.533
Total current assets	31.505	34.336
Total assets	310.728	322.695
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	30.932	30.932
Reserves	189.946	186.765
Total equity attributable to equity holders of the parent	220.878	217.697
Total equity	220.878	217.697
LIABILITIES		
Interest bearing-loan and borrowings	62.467	73.712
Deferred tax liabilities	11.490	11.490
Provisions	400	400
Total non-current liabilities	74.357	85.602
Interest bearing-loan and borrowings	9.972	13.400
Tax payable	20	20
Trade and other payables	5.501	5.976
Total current liabilities	15.493	19.396
Total liabilities	89.850	104.998
Total equity and liabilities	310.728	322.695



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Changes in Equity

Nine months ended 30 September 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
Nine months ended 30 September 2014								
Balance 1 January 2014	30.932	45.388	47.925	-	93.452	217.697	-	217.697
Profit for the period	-	-	-	-	4.245	4.245	-	4.245
Total comprehensive income for the period	-	-	-	-	4.245	4.245	-	4.245
Dividends	-	-	-	-	(1.079)	(1.079)	-	(1.079)
Special contribution for defence	-	-	-	-	15	15	-	15
Balance 30 September 2014	30.932	45.388	47.925	-	96.633	220.878	-	220.878
Nine months ended 30 September 2013								
Balance 1 January 2013	30.932	45.388	51.925	-	102.193	230.438	-	230.438
Loss for the period	-	-	-	-	(9.485)	(9.485)	-	(9.485)
Total comprehensive loss for the period	-	-	-	-	(9.485)	(9.485)	-	(9.485)
Balance 30 September 2013	30.932	45.388	51.925	-	92.708	220.953	-	220.953

**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD****Consolidated Statement of Cash Flows****Nine months ended 30 September 2014**

	Nine months ended 30 September	
	2014 €000	2013 €000
Cash flows from operating activities		
Profit/(loss) for the period	4.245	(9.485)
Adjustments for:		
Depreciation and amortisation charges	11.760	12.086
Interest income	(11)	(6)
(Impairment reversal)/impairment of available-for-sale financial assets	(14)	231
Impairment of Assets classified as held for sale	152	-
Interest expense	1.588	2.034
Share of loss of equity-accounted investees	148	361
(Gain)/loss on sale of property, plant and equipment	(1)	23
Taxation expense	3	4
Operating profit before changes in working capital	17.870	5.248
Changes in:		
Trade and other receivables	883	422
Inventories	(460)	4.385
Other current assets	-	156
Trade and other payables	(193)	(5.229)
Cash generated from operations	18.100	4.982
Interest paid	(1.886)	(2.127)
Taxes paid	(3)	(394)
<i>Net cash inflow from operating activities</i>	16.211	2.461
Cash outflows to investing activities		
Proceeds from sale of property, plant and equipment	1	5
Interest received	11	6
Acquisition of property, plant and equipment	(2.775)	(1.304)
<i>Net cash used in investing activities</i>	(2.763)	(1.293)
Cash flows from financing activities		
Proceeds from new loans raised	-	870
Repayment of loans	(14.674)	(9.242)
Dividends paid	(1.064)	(1.064)
<i>Net cash outflows to financing activities</i>	(15.738)	(9.436)
Net decrease of cash and cash equivalents	(2.290)	(8.268)
Cash and cash equivalents at 1 January	3.533	3.390
Cash and cash equivalents at 30 September	1.243	(4.878)



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Notes to the Consolidated Interim Financial Statements

- 1 The interim financial statements relate to the period from 1 January to 30 September 2014, are not audited by the Company's auditors and were approved by the Board of Directors on 20 November 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	2013	2014	2013
	€000	€000	€000	€000
Hellenic Mining Group	-	-	180	244
Italcementi Group	8.374	9.623	350	1.307
KEO Plc	1	-	2	4
Cyprus Cement Group	-	-	46	15
	8.375	9.623	578	1.570

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 the Cypriot economy does not allow a safe prediction for the remaining of the current year, which may affect negatively the future financial performance, cash flows and financial position of the Group. Considering the above uncertainties the Group's Management has taken 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(I)/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 30 September 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
Antonis Mikellides

Company Officials

George Sideris	General Manager
George Savva	Financial Manager

20 November 2014