



**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**

Report and Consolidated Interim Financial Statements  
Nine months ended 30 September 2016



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report and Consolidated Interim Financial Statements Nine months ended 30 September 2016

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# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report for the Nine Months Ended 30 September 2016

On November 17th 2016, 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 2016.

### Financial results

Revenues for the first nine months of 2016 reached €71.025.000, compared to €66.270.000 for the respective period of 2015 and operating profit before financing costs improved further, increasing to €20.086.000 versus €9.650.000.

Financial expenses decreased to €523.000, versus €777.000 in the corresponding period of 2015, while the associated companies had a positive contribution with €304.000 compared to a loss of €315.000 in the same period of 2015.

As a result, the profit for the nine month period in 2016 increased to €17.395.000 relative to €7.168.000 in the comparative period of 2015.

### Prospects for the 2016

The stronger revenues, seen during the first nine months of the year, continue, however energy costs are now increasing, after a period of lower prices. The Company continues to pursue its strategy to develop further alternative sources of energy, replacing fossil fuels to reduce the impact of increasing fuel prices, as well as improve its overall environmental performance.


**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**

Consolidated Statement of Comprehensive Income  
 Nine months ended 30 September 2016

	Three months ended 30 September		Nine months ended 30 September	
	2016 €000	2015 €000	2016 €000	2015 €000
Revenue	21.998	21.078	71.025	66.270
Cost of sales	(13.673)	(15.251)	(44.057)	(49.541)
<b>Gross profit</b>	<b>8.325</b>	<b>5.827</b>	<b>26.968</b>	<b>16.729</b>
Other operating income	262	-	702	342
Distribution expenses	(1.276)	(1.062)	(4.021)	(3.741)
Administrative expenses	(912)	(733)	(2.573)	(2.304)
Other operating expenses	(304)	(519)	(990)	(1.376)
<b>Operating profit before financing costs</b>	<b>6.095</b>	<b>3.513</b>	<b>20.086</b>	<b>9.650</b>
Financial income	209	4	225	188
Financial expenses	(162)	(94)	(523)	(777)
<b>Net financial income/(expenses)</b>	<b>47</b>	<b>(90)</b>	<b>(298)</b>	<b>(589)</b>
Profit/(loss) from investing activities	73	(175)	95	(99)
Share of profit/(loss) from equity-accounted investees	170	(120)	304	(315)
<b>Profit before tax</b>	<b>6.385</b>	<b>3.128</b>	<b>20.187</b>	<b>8.647</b>
Taxation expense	(885)	(636)	(2.792)	(1.479)
<b>Profit for the financial period</b>	<b>5.500</b>	<b>2.492</b>	<b>17.395</b>	<b>7.168</b>
<b>Other comprehensive (loss)/income</b>				
Cash flow hedges – effective portion of changes in fair value	(56)	-	109	-
<b>Other comprehensive (loss)/income for the period</b>	<b>(56)</b>	<b>-</b>	<b>109</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>5.444</b>	<b>2.492</b>	<b>17.504</b>	<b>7.168</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	5.500	2.492	17.395	7.168
Non-controlling interest	-	-	-	-
	<b>5.500</b>	<b>2.492</b>	<b>17.395</b>	<b>7.168</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	5.444	2.492	17.504	7.168
Non-controlling interest	-	-	-	-
	<b>5.444</b>	<b>2.492</b>	<b>17.504</b>	<b>7.168</b>
Basic and diluted earnings per share (cents)	7,6	3,5	24,2	10,0



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Financial Position 30 September 2016


	30/9/16 €000	31/12/15 €000
<b>ASSETS</b>		
Property, plant and equipment	238.141	240.548
Intangible assets	12.359	12.355
Investment property	9.027	9.027
Investments in equity-accounted investees	3.770	3.345
Available-for-sale financial assets	130	135
<b>Total non-current assets</b>	<b>263.427</b>	265.410
Inventories	23.114	21.048
Trade and other receivables	5.025	4.914
Assets classified as held for sale	624	360
Cash and cash equivalents	3.471	8.639
<b>Total current assets</b>	<b>32.234</b>	34.961
<b>Total assets</b>	<b>295.661</b>	300.371
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	30.932	30.932
Reserves	200.177	194.183
<b>Total equity attributable to equity holders of the parent</b>	<b>231.109</b>	225.115
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<b>231.109</b>	225.115
<b>LIABILITIES</b>		
Interest bearing-loan and borrowings	32.946	47.189
Deferred tax liabilities	17.546	15.156
Provisions	170	400
<b>Total non-current liabilities</b>	<b>50.662</b>	62.745
Interest bearing-loan and borrowings	7.907	7.907
Tax payable	308	221
Trade and other payables	5.675	4.383
<b>Total current liabilities</b>	<b>13.890</b>	12.511
<b>Total liabilities</b>	<b>64.552</b>	75.256
<b>Total equity and liabilities</b>	<b>295.661</b>	300.371



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Changes in Equity Nine months ended 30 September 2016

	Share Capital	Share premium reserve	Revaluation reserve	Cash flow hedges – effective portion of changes in fair value	Retained profits	Equity attributable to holders of parent	Non-controlling interest	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000
<b>Nine months ended 30 September 2016</b>								
Balance 1 January 2016	30.932	45.388	45.260	(75)	103.610	225.115	-	225.115
Profit for the period	-	-	-	-	17.395	17.395	-	17.395
Other comprehensive income for the period	-	-	-	109	-	109	-	109
Total comprehensive income for the period	-	-	-	109	17.395	17.504	-	17.504
Dividends	-	-	-	-	(11.510)	(11.510)	-	(11.510)
Balance 30 September 2016	30.932	45.388	45.260	34	109.495	231.109	-	231.109
<b>Nine months ended 30 September 2015</b>								
Balance 1 January 2015	30.932	45.388	46.553	-	97.819	220.692	-	220.692
Profit for the period	-	-	-	-	7.168	7.168	-	7.168
Total comprehensive income for the period	-	-	-	-	7.168	7.168	-	7.168
Dividends	-	-	-	-	(4.316)	(4.316)	-	(4.316)
Balance 30 September 2015	30.932	45.388	46.553	-	100.671	223.544	-	223.544

 **VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**  
**Consolidated Statement of Cash Flows**  
**Nine months ended 30 September 2016**

	<b>Nine months ended 30 September</b>	
	<b>2016 €000</b>	<b>2015 €000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	17.395	7.168
Adjustments for:		
Depreciation and amortisation charges	10.300	11.600
Change in fair value of investment property	-	225
Interest income	(225)	(4)
Impairment of available-for-sale financial assets	6	39
Interest expense	523	743
Share of (profit)/loss of equity-accounted investees	(304)	315
Gain on sale of property, plant and equipment	-	(9)
Taxation expense	2.792	1.479
<b>Operating profit before changes in working capital</b>	<b>30.223</b>	<b>21.556</b>
<b>Changes in:</b>		
Trade and other receivables	(111)	235
Inventories	(1.106)	396
Trade and other payables	1.083	(2.626)
<b>Cash generated from operations</b>	<b>30.089</b>	<b>19.561</b>
Interest paid	(441)	(860)
Taxes paid	(306)	(21)
<i>Net cash inflow from operating activities</i>	<b>29.342</b>	<b>18.680</b>
<b>Cash outflows to investing activities</b>		
Proceeds from sale of property, plant and equipment	-	11
Interest received	225	4
Dividends received	128	-
Acquisition of property, plant and equipment	(8.859)	(2.369)
Acquisition of share in associate company	(250)	(199)
<i>Net cash used in investing activities</i>	<b>(8.756)</b>	<b>(2.553)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(14.244)	(11.127)
Dividends paid	(11.510)	(4.316)
<i>Net cash outflows to financing activities</i>	<b>(25.754)</b>	<b>(15.443)</b>
<b>Net (decrease)/increase of cash and cash equivalents</b>	<b>(5.168)</b>	<b>684</b>
Cash and cash equivalents at 1 January	8.639	2.887
Cash and cash equivalents at 30 September	<b>3.471</b>	<b>3.571</b>

**Notes to the Consolidated Interim Financial Statements**

1. The interim financial statements relate to the period from 1 January to 30 September 2016, are not audited by the Company's auditors and were approved by the Board of Directors on 17 November 2016.
2. 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.
3. 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	
	2016 €000	2015 €000	2016 €000	2015 €000
Hellenic Mining Group	-	-	227	271
Italcementi Group	-	-	29	402
KEO Plc	-	-	2	1
Cyprus Cement Group	-	-	90	50
Enerco - Energy Recovery Ltd	525	299	791	227
	<b>525</b>	<b>299</b>	<b>1.139</b>	<b>951</b>

4. Main risks and uncertainties  
The uncertain economic conditions, the limited availability of financing for individuals and businesses by the banking system in general, energy prices and exchange rates, could affect:
  - (1) the Group's income and operating costs,
  - (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 markets 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 is taking measures to limit exposure to certain risks and mitigate any possible negative consequences.

Other risks and uncertainties faced by the Group are detailed on note 35 of the Annual Report and Financial Statements for 2015.





# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## 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 2016 to 30 September 2016 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 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

George Galatariotis

Costas Galatariotis

Stavros Galatariotis

Costas Koutsos

Charalambos Panayiotou

Leondios Lazarou

Maurizio Mansi Montenegro

Antonis Mikellides

Handwritten signatures of the Board of Directors members in blue ink over dotted lines.

### Company Officials

George Sideris

General Manager

George Savva

Financial Manager

Handwritten signatures of the General Manager and Financial Manager in blue ink over dotted lines.

Mr Christophe Allouchery was not present during the meeting for the approval of the financial statements and therefore did not sign this statement.

17 November 2016