



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report and Consolidated Interim Financial Statements
Six months ended 30 June 2016



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VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report for the Six Months Ended 30 June 2016

On July 28th 2016, the Board of Directors of Vassiliko Cement Works Public Company Ltd approved the financial results of the Group for the first half of the year that ended on 30 June 2016.

The Board of Directors, taking into account the financial results and the liquidity of the Company, decided the payment of an interim dividend for 2016 of 8 cents per share to the entitled shareholders who will be registered on the CSE members register on 9 August 2016. The total interim dividend payable is €5.754.876. The interim dividend for 2015 was €4.316.157.

Financial results

Revenues for the first half of 2016 reached €49.027.000, compared to €45.192.000 for the respective half of 2015, as a result of growing demand in both the exports and domestic markets. In addition to the improvements in revenues, there were also significant improvements in operating margins and financing costs. As a result, the operating profit before financing costs increased to €13.991.000 from €6.137.000 and the profit for the period increased to €11.895.000 from €4.676.000.

Prospects for the 2016

The stronger demand, seen in the first half of the year, continues and together with the projected continuation of the lower energy costs, indicate positive prospects for the Company for the remainder of the year.



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Comprehensive Income
Six months ended 30 June 2016

	Three months ended 30 June		Six months ended 30 June	
	2016 €000	2015 €000	2016 €000	2015 €000
Revenue	22.713	26.146	49.027	45.192
Cost of sales	(12.263)	(18.780)	(30.384)	(34.290)
Gross profit	10.450	7.366	18.643	10.902
Other operating income	246	251	440	351
Distribution expenses	(1.282)	(1.551)	(2.745)	(2.679)
Administrative expenses	(762)	(757)	(1.661)	(1.571)
Other operating expenses	(275)	(471)	(686)	(866)
Operating profit before financing costs	8.377	4.838	13.991	6.137
Financial income	-	-	13	-
Financial expenses	(159)	(204)	(358)	(499)
Net financing costs	(159)	(204)	(345)	(499)
(Loss)/profit from investing activities	(7)	38	22	76
Share of profit/(loss) from equity-accounted investees	119	(147)	134	(195)
Profit before tax	8.330	4.525	13.802	5.519
Taxation expense	(1.132)	(702)	(1.907)	(843)
Profit for the financial period	7.198	3.823	11.895	4.676
Other comprehensive (loss)/income				
Cash flow hedges – effective portion of changes in fair value	(288)	-	165	-
Other comprehensive (loss)/income for the period	(288)	-	165	-
Total comprehensive income for the period	6.910	3.823	12.060	4.676
Profit attributable to:				
Equity holders of the parent	7.198	3.823	11.895	4.676
Non-controlling interest	-	-	-	-
	7.198	3.823	11.895	4.676
Total comprehensive income attributable to:				
Equity holders of the parent	6.910	3.823	12.060	4.676
Non-controlling interest	-	-	-	-
	6.910	3.823	12.060	4.676
Basic and diluted earnings per share (cents)	10,0	5,3	16,5	6,5



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Financial Position 30 June 2016

	30/6/16 €000	31/12/15 €000
ASSETS		
Property, plant and equipment	236.437	240.548
Intangible assets	12.359	12.355
Investment property	9.027	9.027
Investments in equity-accounted investees	3.600	3.345
Available-for-sale financial assets	92	135
Total non-current assets	261.515	265.410
Inventories	20.932	21.048
Trade and other receivables	5.615	4.914
Assets classified as held for sale	406	360
Cash and cash equivalents	14.029	8.639
Total current assets	40.982	34.961
Total assets	302.497	300.371
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	30.932	30.932
Reserves	206.243	194.183
Total equity attributable to equity holders of the parent	237.175	225.115
Non-controlling interest	-	-
Total equity	237.175	225.115
LIABILITIES		
Interest bearing-loan and borrowings	34.922	47.189
Deferred tax liabilities	16.676	15.156
Provisions	170	400
Total non-current liabilities	51.768	62.745
Interest bearing-loan and borrowings	7.907	7.907
Tax payable	234	221
Trade and other payables	5.413	4.383
Total current liabilities	13.554	12.511
Total liabilities	65.322	75.256
Total equity and liabilities	302.497	300.371



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Changes in Equity Six months ended 30 June 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
Six months ended 30 June 2016								
Balance 1 January 2016	30.932	45.388	45.260	(75)	103.610	225.115	-	225.115
Profit for the period	-	-	-	-	11.895	11.895	-	11.895
Other comprehensive income for the period	-	-	-	165	-	165	-	165
Total comprehensive income for the period	-	-	-	165	11.895	12.060	-	12.060
Balance 30 June 2016	30.932	45.388	45.260	90	115.505	237.175	-	237.175
Six months ended 30 June 2015								
Balance 1 January 2015	30.932	45.388	46.553	-	97.819	220.692	-	220.692
Profit for the period	-	-	-	-	4.676	4.676	-	4.676
Total comprehensive income for the period	-	-	-	-	4.676	4.676	-	4.676
Balance 30 June 2015	30.932	45.388	46.553	-	102.495	225.368	-	225.368

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

	Six months ended 30 June	
	2016 €000	2015 €000
Cash flows from operating activities		
Profit for the period	11.895	4.676
Adjustments for:		
Depreciation and amortisation charges	7.300	7.800
Interest income	(13)	-
Impairment of available-for-sale financial assets	43	30
Interest expense	355	499
Share of (profit)/loss of equity-accounted investees	(134)	195
Gain on sale of property, plant and equipment	-	(6)
Taxation expense	1.907	843
Operating profit before changes in working capital	21.307	14.037
Changes in:		
Trade and other receivables	(701)	411
Inventories	1.076	(537)
Trade and other payables	702	2.333
Cash generated from operations	22.384	16.244
Interest paid	(166)	(363)
Taxes paid	(379)	(20)
<i>Net cash inflow from operating activities</i>	21.839	15.861
Cash outflows to investing activities		
Proceeds from sale of property, plant and equipment	-	7
Interest received	13	-
Dividends received	128	-
Acquisition of property, plant and equipment	(4.073)	(1.272)
Acquisition of share in associate company	(250)	(199)
<i>Net cash used in investing activities</i>	(4.182)	(1.464)
Cash flows from financing activities		
Repayment of loans	(12.267)	(9.063)
<i>Net cash outflows to financing activities</i>	(12.267)	(9.063)
Net increase of cash and cash equivalents	5.390	5.334
Cash and cash equivalents at 1 January	8.639	2.887
Cash and cash equivalents at 30 June	14.029	8.221

Notes to the Consolidated Interim Financial Statements

- 1 The interim financial statements relate to the period from 1 January to 30 June 2016, are not audited by the Company's auditors and were approved by the Board of Directors on 28 July 2016.
- 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	
	2016 €000	2015 €000	2016 €000	2015 €000
Hellenic Mining Group	-	-	142	185
Italcementi Group	-	-	24	275
KEO Plc	-	-	1	1
Cyprus Cement Group	-	-	60	30
Enerco - Energy Recovery Ltd	311	-	383	-
	311	-	610	491

5. 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.

