



**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**

Report and Consolidated Interim Financial Statements  
Six months ended 30 June 2018



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report and Consolidated Interim Financial Statements Six months ended 30 June 2018

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# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report for the Six Months Ended 30 June 2018

On July 27th 2018, 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 30 June 2018.

### Financial results

Revenues for the first half of 2018 reached €49.603.000, compared to €52.812.000 for the respective period of 2017. Revenues were negatively affected by a drop in income from exports, as well as price decreases effective throughout the first half of 2018 for the domestic market. This is despite the increase of demand in the domestic market, which has grown steadily for a third consecutive year.

On the production front, there was a negative impact from fuel and electricity costs, negatively affecting the operating margins as compared to the previous year. The impact of the rising cost of traditional fuels was mitigated to some extent with the use of alternative non-fossil fuels.

The profits for the first half of 2018 were positively affected from financial income that relates to realised exchange differences of €440.000.

As a result, the profit for the period reached €8.902.000 compared to €11.777.000 for the same period of 2017.

### Transactions with related parties

The transactions with related parties for the first half of 2018 are presented on note 3 of the consolidated interim financial statements.

### Prospects for the year

Second half revenues are expected to remain at similar level, fuel prices remain high, while there is an increasing trend in the cost of electricity, both due to the high fuels costs, as well as to the peak-season tariff between June to September. Another important factor affecting performance this year is the rising cost of CO<sub>2</sub> emission rights. The main risks and uncertainties that may affect the results are presented on note 4 of the consolidated interim financial statements.

# **VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**

## **Consolidated Statement of Profit or Loss and Other Comprehensive Income** **Six months ended 30 June 2018**

	<b>Six months ended 30 June</b>	
	<b>2018 €000</b>	<b>2017 €000</b>
Revenue	<b>49.603</b>	52.812
Cost of sales	<b>(35.776)</b>	(35.114)
<b>Gross profit</b>	<b>13.827</b>	17.698
Other operating income	<b>488</b>	530
Distribution expenses	<b>(2.133)</b>	(2.438)
Administrative expenses	<b>(1.938)</b>	(1.660)
Other operating expenses	<b>(772)</b>	(781)
<b>Operating profit before financing costs</b>	<b>9.472</b>	13.349
Financial income	<b>440</b>	-
Financial expenses	<b>(231)</b>	(357)
<b>Net financial income/(expenses)</b>	<b>209</b>	(357)
Profit from investing activities	<b>32</b>	218
Share of profit from equity-accounted investees	<b>460</b>	392
<b>Profit before tax</b>	<b>10.173</b>	13.602
Taxation expense	<b>(1.271)</b>	(1.825)
<b>Profit for the financial period</b>	<b>8.902</b>	11.777
<b>Other comprehensive (loss)/income</b>		
Cash flow hedges – effective portion of changes in fair value	<b>(254)</b>	938
<b>Other comprehensive (loss)/income for the period</b>	<b>(254)</b>	938
<b>Total comprehensive income for the period</b>	<b>8.648</b>	12.715
<b>Profit attributable to:</b>		
Equity holders of the parent	<b>8.902</b>	11.777
Non-controlling interest	-	-
	<b>8.902</b>	11.777
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	<b>8.648</b>	12.715
Non-controlling interest	-	-
	<b>8.648</b>	12.715
<b>Basic and diluted earnings per share (cents)</b>	<b>12,4</b>	16,4



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Financial Position

30 June 2018

	30/6/18 €000	31/12/17 €000
<b>ASSETS</b>		
Property, plant and equipment	235.193	240.092
Intangible assets	12.413	12.413
Investment property	9.965	9.964
Investments in equity-accounted investees	4.189	3.828
Available-for-sale financial assets	193	200
<b>Total non-current assets</b>	<b>261.953</b>	<b>266.497</b>
Inventories	26.153	23.996
Trade and other receivables	6.899	6.400
<b>Total current assets</b>	<b>33.052</b>	<b>30.396</b>
<b>Total assets</b>	<b>295.005</b>	<b>296.893</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	30.932	30.932
Reserves	205.185	208.047
<b>Total equity attributable to equity holders of the parent</b>	<b>236.117</b>	<b>238.979</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>236.117</b>	<b>238.979</b>
<b>LIABILITIES</b>		
Interest bearing-loan and borrowings	19.109	23.062
Deferred taxation	20.250	19.630
Provisions for liabilities and charges	300	300
<b>Total non-current liabilities</b>	<b>39.659</b>	<b>42.992</b>
Bank overdraft	3.761	27
Interest bearing-loan and borrowings	7.907	7.907
Tax payable	749	(50)
Trade and other payables	6.812	7.038
<b>Total current liabilities</b>	<b>19.229</b>	<b>14.922</b>
<b>Total liabilities</b>	<b>58.888</b>	<b>57.914</b>
<b>Total equity and liabilities</b>	<b>295.005</b>	<b>296.893</b>



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Changes in Equity

Six months ended 30 June 2018

	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>Six months ended 30 June 2018</b>								
Balance 1 January 2018	30.932	45.388	42.790	254	119.615	238.979	-	238.979
Profit for the period	-	-	-	-	8.902	8.902	-	8.902
Other comprehensive loss for the period	-	-	-	(254)	-	(254)	-	(254)
Total comprehensive income for the period	-	-	-	(254)	8.902	8.648	-	8.648
Dividends	-	-	-	-	(11.510)	(11.510)	-	(11.510)
Balance 30 June 2018	30.932	45.388	42.790	-	117.007	236.117	-	236.117
<b>Six months ended 30 June 2017</b>								
Balance 1 January 2017	30.932	45.388	44.337	(558)	113.922	234.021	-	234.021
Profit for the period	-	-	-	-	11.777	11.777	-	11.777
Other comprehensive income for the period	-	-	-	938	-	938	-	938
Total comprehensive income for the period	-	-	-	938	11.777	12.715	-	12.715
Dividends	-	-	-	-	(10.071)	(10.071)	-	(10.071)
Balance 30 June 2017	30.932	45.388	44.337	380	115.628	236.665	-	236.665



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Cash Flows

Six months ended 30 June 2018

	Six months ended 30 June	
	2018 €000	2017 €000
<b>Cash flows from operating activities</b>		
Profit for the period	8.902	11.777
Adjustments for:		
Depreciation and amortisation charges	7.350	6.800
Interest income	(440)	-
Change in fair value of available for sale financial assets	7	(46)
Interest expense	231	297
Share of profit of equity-accounted investees	(460)	(392)
Gain on sale of investment property	-	(104)
Gain on sale of property, plant and equipment	-	(47)
Taxation expense	1.271	1.825
<b>Operating profit before changes in working capital</b>	<b>16.861</b>	<b>20.110</b>
<b>Changes in:</b>		
Trade and other receivables	(499)	(830)
Inventories	(2.157)	(1.506)
Trade and other payables	(466)	840
<b>Cash generated from operations</b>	<b>13.739</b>	<b>18.614</b>
Interest paid	(252)	(318)
Taxes paid	153	13
<b>Net cash inflow from operating activities</b>	<b>13.640</b>	<b>18.309</b>
<b>Cash outflows to investing activities</b>		
Proceeds from sale of property, plant and equipment	-	48
Proceeds from sale of investment property	-	560
Interest received	440	-
Dividends received	100	50
Acquisition of property, plant and equipment	(2.451)	(5.837)
<b>Net cash used in investing activities</b>	<b>(1.911)</b>	<b>(5.179)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(3.953)	(3.953)
Dividends paid	(11.510)	(10.071)
<b>Net cash outflows to financing activities</b>	<b>(15.463)</b>	<b>(14.024)</b>
<b>Net decrease of cash and cash equivalents</b>	<b>(3.734)</b>	<b>(894)</b>
Cash and cash equivalents at 1 January	(27)	6.335
<b>Cash and cash equivalents at 30 June</b>	<b>(3.761)</b>	<b>5.441</b>



# 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 June 2018, are not audited by the Company's auditors and were approved by the Board of Directors on 27 July 2018.
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, HeidelbergCement 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:

	<b>Sales</b>		<b>Purchases</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Hellenic Mining Group	-	-	<b>186</b>	151
HeidelbergCement Group	-	-	<b>2.380</b>	1.955
KEO Plc	-	-	<b>3</b>	1
Cyprus Cement Group	-	-	<b>70</b>	60
Enerco - Energy Recovery Ltd	<b>447</b>	905	<b>823</b>	818
	<b>447</b>	905	<b>3.462</b>	2.985

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 36 of the Annual Report and Financial Statements for 2017.





# 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 2018 to 30 June 2018 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

Stavros Galatariotis

Costas Koutsos

Charalambos Panayiotou

Maurizio Mansi Montenegro

Stelios Anastasiades

Antonios Katsifos

### Company Officials

George Savva

Chief Financial Officer

Mr. Costas Galatariotis, Mr. Antonis Mikellides and Mr. Christophe Allouchery were not present during the meeting for the approval of the financial statements and therefore did not sign this statement.

27 July 2018