



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report and Consolidated Interim Financial Statements
Three months ended 31 March 2013



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VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report for the Three Months Ended 31 March 2013

On 24 May 2013, the Board of Directors of Vassiliko Cement Works Public Company Ltd approved the financial results of the Group for the three months that ended on 31 March 2013.

Financial results

The total turnover for the first three months of 2013 reached €14.983.000 compared to €14.570.000 for the corresponding period of 2012. Domestic demand for cement decreased further during the first three months of 2013 to 139.000 tons compared to 184.000 tons in 2012 (24,4% decrease). Cement and clinker exports on the other hand, reached 127.000 tons during the first three months of 2013 compared to 14.000 tons during the respective period of 2012.

The Company is focusing on further expansion of its sales in the Mediterranean region. The primary destinations in the first quarter of 2013 were Israel, Libya and Egypt.

The first three months of 2013 showed an operating loss of €1.771.000 versus a profit of €264.000 in 2012 as a result of the sharp reduction of volumes in the domestic market and the impairment by €175.000 of the current account in Cyprus Popular Bank.

Net financing costs for the respective periods were €622.000 and €966.000; the difference is mainly attributed to the reduction of loan balances as well as the drop of Euribor rate to a historic low level. The net loss for the first three months of 2013 was €2.591.000, compared to a loss of €796.000 for the corresponding period of 2012.

The management is taking additional measures for the containment of the production costs, both optimising production efficiency as well as reducing other costs relating to operations, overheads and the developing exports activities.

Prospects for the year

The domestic market conditions are not expected to improve during the current year; the management is monitoring carefully the Company's operating cost base in an on-going optimisation process to adjust to the new market conditions. All necessary measures are taken and further plans are in the pipeline to improve export processes, efficiency and the overall profitability on international export destinations, as the deterioration of the domestic market poses a significant challenge for the mid-term.


VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD
Consolidated Statement of Comprehensive Income
Three months ended 31 March 2013

	Three months ended 31 March	
	2013 €000	2012 €000
Revenue	14.983	14.570
Cost of sales	<u>(14.507)</u>	<u>(12.970)</u>
Gross profit	476	1.600
Other operating income	52	329
Distribution expenses	(702)	(589)
Administrative expenses	(661)	(646)
Other operating expenses	<u>(936)</u>	<u>(430)</u>
Operating (loss)/profit before financing costs	(1.771)	264
Financial income	5	1
Financial expenses	<u>(627)</u>	<u>(967)</u>
Net financing costs	(622)	(966)
Loss from investing activities	(26)	-
Share of loss from equity-accounted investees	<u>(170)</u>	<u>(91)</u>
Loss before tax	(2.589)	(793)
Taxation expense	<u>(2)</u>	<u>(3)</u>
Loss for the financial period	<u>(2.591)</u>	<u>(796)</u>
Other comprehensive loss		
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(237)
Other comprehensive loss for the period	<u>-</u>	<u>(237)</u>
Total comprehensive loss for the period	<u>(2.591)</u>	<u>(1.033)</u>
Loss attributable to:		
Equity holders of the parent	(2.591)	(796)
Non-controlling interest	<u>-</u>	<u>-</u>
	<u>(2.591)</u>	<u>(796)</u>
Total comprehensive loss attributable to:		
Equity holders of the parent	(2.591)	(1.033)
Non-controlling interest	<u>-</u>	<u>-</u>
	<u>(2.591)</u>	<u>(1.033)</u>
Basic and diluted loss per share (cents)	<u>(3,6)</u>	<u>(1,1)</u>



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Financial Position

31 March 2013

	31/3/13 €000	31/12/12 €000
ASSETS		
Property, plant and equipment	272.163	274.948
Intangible assets	12.800	12.805
Investment property	7.547	7.547
Investments in equity-accounted investees	9.099	9.269
Available-for-sale financial assets	571	597
Total non-current assets	302.180	305.166
Inventories	25.117	25.846
Trade and other receivables	11.108	10.152
Assets classified as held for sale	7.023	7.056
Other current assets	238	156
Cash and cash equivalents	766	3.390
Total current assets	44.252	46.600
Total assets	346.432	351.766
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	30.932	30.932
Reserves	196.915	199.506
Total equity attributable to equity holders of the parent	227.847	230.438
Total equity	227.847	230.438
LIABILITIES		
Interest bearing-loan and borrowings	83.574	86.174
Deferred tax liabilities	10.555	10.554
Provisions	400	400
Total non-current liabilities	94.529	97.128
Interest bearing-loan and borrowings	13.079	13.079
Tax payable	21	232
Trade and other payables	10.956	10.889
Total current liabilities	24.056	24.200
Total liabilities	118.585	121.328
Total equity and liabilities	346.432	351.766



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Changes in Equity Three months ended 31 March 2013

	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
Three months ended 31 March 2013								
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
Three months ended 31 March 2012								
Balance 1 January 2012	30.932	45.388	41.229	(447)	102.504	219.606	-	219.606
Loss for the period	-	-	-	-	(796)	(796)	-	(796)
Other comprehensive loss for the period	-	-	-	(237)	-	(237)	-	(237)
Total comprehensive loss for the period	-	-	-	(237)	(796)	(1.033)	-	(1.033)
Balance 31 March 2012	30.932	45.388	41.229	(684)	101.708	218.573	-	218.573



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Cash Flows Three months ended 31 March 2013

	Three months ended 31 March	
	2013 €000	2012 €000
Cash flows from operating activities		
Loss for the period	(2.591)	(796)
Adjustments for:		
Depreciation and amortisation charges	3.000	2.615
Interest income	(5)	(1)
Impairment of available-for-sale financial assets	26	-
Interest expense	627	967
Share of loss of equity-accounted investees	170	91
Gain on sale of property, plant and equipment	(23)	(6)
Income tax expense	2	3
Operating profit before changes in working capital	1.206	2.873
Changes in:		
Trade and other receivables	(956)	(2.212)
Inventories	729	167
Other current assets	(82)	-
Trade and other payables	1.351	1.246
Cash generated from operations	2.248	2.074
Interest paid	(820)	(1.466)
Taxes paid	(213)	(505)
<i>Net cash inflow from operating activities</i>	1.215	103
Cash outflows to investing activities		
Proceeds from sale of property, plant and equipment	5	6
Interest received	5	1
Acquisition of property, plant and equipment	(184)	(456)
<i>Net cash used in investing activities</i>	(174)	(449)
Cash flows from financing activities		
Repayment of loans	(2.601)	(2.561)
Dividends paid	(1.064)	-
<i>Net cash outflows to financing activities</i>	(3.665)	(2.561)
Net decrease of cash and cash equivalents	(2.624)	(2.907)
Cash and cash equivalents at 1 January	3.390	(3.337)
Cash and cash equivalents at 31 March	766	(6.244)



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 31 March 2013, are not audited by the Company's auditors and were approved by the Board of Directors on 24 May 2013.
- 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	
	2013	2012	2013	2012
	€000	€000	€000	€000
Hellenic Mining Group	-	-	89	77
Italcementi Group	517	194	262	150
KEO Plc	-	-	1	1
	517	194	352	228

ANTONIOS ANTONIOU
Executive Chairman

24 May 2013