



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report and Consolidated Interim Financial Statements
Six months ended 30 June 2013



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report and Consolidated Interim Financial Statements Six months ended 30 June 2013

Contents	Page
Report for the Six Months Ended 30 June 2013	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 Six Months Ended 30 June 2013

On 25 July 2013, the Board of Directors of Vassiliko Cement Works Public Company Ltd approved the financial results of the Group for the six months that ended on 30 June 2013.

Financial results

The total turnover for the first six months of 2013 reached €42.066.000 compared to €34.431.000 for the corresponding period of 2012. Domestic demand for cement continued its downward trend, during the first half of 2013 reaching to 281.000 tons compared to 409.000 tons in 2012 (31,3% decrease).

Cement and clinker exports on the other hand, reached 610.000 tons during the first six months of 2013 compared to 77.000 tons during the respective period of 2012. The Company is focusing on further expansion of its sales in the Mediterranean region and better placement in the market in terms of volumes and pricing. The exports destinations during the first half of 2013 were Israel, Libya, Egypt and Algeria.

The first six months of 2013 showed an operating loss of €5.606.000 versus a profit of €3.963.000 in 2012 as a result of the sharp reduction of volumes in the domestic market, reorganisation and early retirement costs of €524.000, and an impairment by €175.000 of the current account in Cyprus Popular Bank. Other operating income in 2012 also included gains from disposal of old plants of €650.000.

Loss from investing activities of €231.000 in 2013 relates to the impairment of quoted shares.

Net financing costs for the respective periods were €1.316.000 and €1.846.000; the decrease 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 six months of 2013 was €7.415.000, compared to a profit of €1.906.000 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.

Consolidated Statement of Comprehensive Income
Six months ended 30 June 2013

	Three months ended 30 June		Six months ended 30 June	
	2013 €000	2012 €000	2013 €000	2012 €000
Revenue	27.083	19.861	42.066	34.431
Cost of sales	(27.751)	(15.046)	(42.258)	(28.016)
Gross (loss)/profit	(668)	4.815	(192)	6.415
Other operating income	136	832	188	1.161
Distribution expenses	(1.763)	(805)	(2.465)	(1.394)
Administrative expenses	(756)	(712)	(1.417)	(1.358)
Other operating expenses	(784)	(431)	(1.720)	(861)
Operating (loss)/profit before financing costs	(3.835)	3.699	(5.606)	3.963
Financial income	1	3	6	4
Financial expenses	(695)	(883)	(1.322)	(1.850)
Net financing costs	(694)	(880)	(1.316)	(1.846)
Loss from investing activities	(205)	-	(231)	-
Share of loss from equity-accounted investees	(89)	(116)	(259)	(207)
(Loss)/profit before tax	(4.823)	2.703	(7.412)	1.910
Taxation expense	(1)	(1)	(3)	(4)
(Loss)/profit for the financial period	(4.824)	2.702	(7.415)	1.906
Other comprehensive loss				
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	(387)	-	(624)
Other comprehensive loss for the period	-	(387)	-	(624)
Total comprehensive (loss)/income for the period	(4.824)	2.315	(7.415)	1.282
(Loss)/profit attributable to:				
Equity holders of the parent	(4.824)	2.702	(7.415)	1.906
Non-controlling interest	-	-	-	-
	(4.824)	2.702	(7.415)	1.906
Total comprehensive (loss)/income attributable to:				
Equity holders of the parent	(4.824)	2.315	(7.415)	1.282
Non-controlling interest	-	-	-	-
	(4.824)	2.315	(7.415)	1.282
Basic and diluted (loss)/earnings per share (cents)	(6,7)	3,8	(10,3)	2,6



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Financial Position

30 June 2013

	30/6/13 €000	31/12/12 €000
ASSETS		
Property, plant and equipment	267.852	274.948
Intangible assets	12.800	12.805
Investment property	7.547	7.547
Investments in equity-accounted investees	9.010	9.269
Available-for-sale financial assets	367	597
Total non-current assets	297.576	305.166
Inventories	20.459	25.846
Trade and other receivables	10.438	10.152
Assets classified as held for sale	7.023	7.056
Other current assets	-	156
Cash and cash equivalents	1.347	3.390
Total current assets	39.267	46.600
Total assets	336.843	351.766
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	30.932	30.932
Reserves	192.091	199.506
Total equity attributable to equity holders of the parent	223.023	230.438
Total equity	223.023	230.438
LIABILITIES		
Interest bearing-loan and borrowings	79.555	86.174
Deferred tax liabilities	10.375	10.554
Provisions	400	400
Total non-current liabilities	90.330	97.128
Interest bearing-loan and borrowings	13.079	13.079
Tax payable	21	232
Trade and other payables	10.390	10.889
Total current liabilities	23.490	24.200
Total liabilities	113.820	121.328
Total equity and liabilities	336.843	351.766



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Changes in Equity Six months ended 30 June 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
Six months ended 30 June 2013								
Balance 1 January 2013	30.932	45.388	51.925	-	102.193	230.438	-	230.438
Loss for the period	-	-	-	-	(7.415)	(7.415)	-	(7.415)
Total comprehensive loss for the period	-	-	-	-	(7.415)	(7.415)	-	(7.415)
Balance 30 June 2013	30.932	45.388	51.925	-	94.778	223.023	-	223.023
Six months ended 30 June 2012								
Balance 1 January 2012	30.932	45.388	41.229	(447)	102.504	219.606	-	219.606
Profit for the period	-	-	-	-	1.906	1.906	-	1.906
Other comprehensive loss for the period	-	-	-	(624)	-	(624)	-	(624)
Total comprehensive income for the period	-	-	-	(624)	1.906	1.282	-	1.282
Balance 30 June 2012	30.932	45.388	41.229	(1.071)	104.410	220.888	-	220.888



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Cash Flows Six months ended 30 June 2013

	Six months ended 30 June	
	2013 €000	2012 €000
Cash flows from operating activities		
(Loss)/profit for the period	(7.415)	1.906
Adjustments for:		
Depreciation and amortisation charges	8.174	5.639
Interest income	(6)	(4)
Impairment of available-for-sale financial assets	231	-
Interest expense	1.322	1.850
Share of loss of equity-accounted investees	259	207
Loss/(gain) on sale of property, plant and equipment	23	(652)
Income tax expense	3	4
Operating profit before changes in working capital	2.591	8.950
Changes in:		
Trade and other receivables	(286)	(5.173)
Inventories	5.387	(5.168)
Other current assets	156	-
Trade and other payables	582	3.301
Cash generated from operations	8.430	1.910
Interest paid	(1.363)	(2.137)
Taxes paid	(393)	(503)
<i>Net cash inflow from/(outflow to) operating activities</i>	6.674	(730)
Cash outflows to investing activities		
Proceeds from sale of property, plant and equipment	5	652
Interest received	6	4
Acquisition of property, plant and equipment	(1.044)	(3.514)
<i>Net cash used in investing activities</i>	(1.033)	(2.858)
Cash flows from financing activities		
Repayment of loans	(6.620)	(5.133)
Dividends paid	(1.064)	-
<i>Net cash outflows to financing activities</i>	(7.684)	(5.133)
Net decrease of cash and cash equivalents	(2.043)	(8.721)
Cash and cash equivalents at 1 January	3.390	(3.337)
Cash and cash equivalents at 30 June	1.347	(12.058)

Notes to the Consolidated Interim Financial Statements

- 1 The interim financial statements relate to the period from 1 January to 30 June 2013, are not audited by the Company's auditors and were approved by the Board of Directors on 25 July 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 €000	2012 €000	2013 €000	2012 €000
Hellenic Mining Group	-	26	169	187
Italcementi Group	6.414	194	462	300
KEO Plc	-	-	3	2
Cyprus Cement Group	-	-	3	2
	6.414	220	637	491

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(l)/2007 ("Law"), we the members of the Board of Directors, the General Manager and the Financial Manager of Vassiliko Cement Works Public Company Ltd we confirm that, to the best of our knowledge:

- (a) The interim financial statements for the period 1 January 2013 to 30 June 2013 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

George Galatariotis

Costas Galatariotis

Stavros Galatariotis

Costas Koutsos

Charalambos Panayiotou

Leondios Lazarou

Serge Schmidt

Rena Rouvitha Panou

Maurizio Mansi Montenegro

Company Officials

George Sideris

General Manager

George Savva

Financial Manager

25 July 2013