

Results Indication for the Financial Year 2012 and Explanatory Note

The Board of Directors of Vassiliko Cement Works Public Company Ltd on the 21st February 2013 approved the results indication for the year 2012, which amounted to a loss after tax of €360.000 (2011 : loss €2.312.000), as this is presented on the Consolidated Statement of Comprehensive Income on page 2.

Total revenues for 2012 reached €69.475.000 compared to €87.666.000 during 2011. The reduction of revenues is attributed to the continuing recession in the economy, which affects heavily the whole construction industry in Cyprus and the domestic demand for cement. As a result, domestic cement sales for 2012 reached 781.000 tons compared to 1.152.000 tons in 2011 (decrease 32,2%). Exports during 2012 increased to 255.000 tons clinker and cement, compared to 50.000 tons during year 2011.

Other operating income of €5.717.000 (2011 : €1.573.000) includes gains from disposal of property plant and equipment of €2.100.000, part of which relates to old plants that discontinued operation, and gain from carbon emissions trading of € 2.720.000 million (2011 : €922.000).

Other operating expenses in 2012 of €2.031.000 (2011 : €9.787.000) include restructuring costs of €413.000. The corresponding figure for 2011 was €8.100.000.

Operating results for 2012 were also affected by the power cost; electricity price during 2012 increased by 25% compared to 2011, negatively affecting results by more than €3.500.000.

Investing activities show a loss of €41.000 (2011 : loss €8.000), which includes impairment of available-for-sale financial assets €1.078.000 (2011 : €1.814.000) and a gain from disposal of investment property of €1.126.000 (2011 : €790.000).

The result for the year was a net loss of €360.000, after a €2.000.000 charge for goodwill impairment, compared to a net loss of €2.312.000 for 2011.

Consolidated Statement of Comprehensive Income
Year ended 31 December 2012

	Year ended 31 December	
	2012 €000	2011 €000
Revenue	69.475	87.666
Cost of sales	(61.434)	(70.571)
Gross profit	8.041	17.095
Other operating income	5.717	1.573
Distribution expenses	(2.938)	(3.427)
Administrative expenses	(2.810)	(2.922)
Other operating expenses	(2.031)	(9.787)
Operating profit/(loss) before financing costs	5.979	2.532
Financial income	12	6
Financial expenses	(3.520)	(2.806)
Net financing costs	(3.508)	(2.800)
Loss from investing activities	(41)	(8)
Impairment of goodwill	(2.000)	-
Share of loss from equity-accounted investees	(515)	(33)
Profit/(loss) before tax	(85)	(309)
Taxation expense	(275)	(2.003)
Loss for the financial period	(360)	(2.312)
Other comprehensive income		
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	447	203
Net change in fair value of property	13.990	-
Tax on other comprehensive income	(976)	1.517
Other comprehensive income for the period	13.461	1.720
Total comprehensive income/(loss) for the period	13.101	(592)
Loss attributable to:		
Equity holders of the parent	(360)	(2.312)
Non-controlling interest	-	-
	(360)	(2.312)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	13.101	(592)
Non-controlling interest	-	-
	13.101	(592)
Basic and diluted loss per share (cents)	(0,5)	(3,2)

Notes

1. 2012 figures have not yet been audited by the Company's statutory auditors.

2. The accounting principles followed for the calculation of the profit indication of 2012 were the same as those used for the preparation of the financial statements for the year ended 31 December 2011.