

**C.C.C. TOURIST ENTERPRISES PUBLIC
COMPANY LIMITED**

Interim Condensed Consolidated Financial Statements

For the period from 1 January 2014
to 30 June 2014

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

CONTENTS

	Page
Officers and professional advisers	1
Interim management report	2 - 4
Declaration of Directors and other responsible officers of the Company in respect of the preparation of the financial statements	5
Interim condensed consolidated statement of profit or loss and other comprehensive income	6
Interim condensed consolidated statement of financial position	7
Interim condensed consolidated statement of changes in equity	8
Interim condensed consolidated statement of cash flows	9
Notes to the Interim condensed consolidated financial statements	10 - 19

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Costas St. Galatariotis (Cypriot), Executive Chairman
George St. Galatariotis (Cypriot), Executive Director
Stavros G. St. Galatariotis (Cypriot), Executive Director
Alexis G. St. Galatariotis (Cypriot), Executive Director
Tasos Anastasiou (Cypriot), Executive Director
Vassos G. Lazarides (Cypriot), Finance Director
Michalis Mousiouttas (Cypriot), Director
Constantinos Pittas (Cypriot), Director
Riginos Tsanos (Cypriot), Director
Stephan Popper (Swiss), Director
(resigned on 18 March 2014)
Thomas M. Schmidheiny (Swiss), Vice Chairman, Director
(resigned on 20 June 2014)

Secretary

C.C.C. Secretarial Limited
Limassol, Cyprus

Independent Auditors

Deloitte Limited
Limassol, Cyprus

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM MANAGEMENT REPORT

For the period from 1 January 2014 to 30 June 2014

The Board of Directors, at a meeting held on 29th July 2014, reviewed and approved the unaudited interim condensed consolidated financial statements of C.C.C. Tourist Enterprises Public Company Limited for the period from 1 January to 30 June 2014.

The consolidated results include the results of the 50% (2013: 100%) holding in L' Union Nationale (Tourism and Sea Resorts) Limited ("L Union"), owning company of the luxurious hotel complex Le Meridien Limassol Spa & Resort.

The unaudited interim condensed consolidated financial statements, which are expressed in Euro, have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union (EU) and comply with the provisions of the Cyprus Stock Exchange Law and Regulations in relation to the announcement of interim financial results.

The same accounting principles and bases of computation were applied in compiling the interim results for the first six months period of 2014 as those applied for the preparation of the annual financial statements for the year ended 31 December 2013. The results for the six month period of 2014 have not been audited by the external auditors of the Group.

The interim condensed financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2013.

Principal activities of the Group

The principal activity of the Group is the 50% participation in L' Union (2013: 100%). L' Union's principal activities, is the erection and development of hotels, the carrying on of the business of hoteliers, the development and promotion of tourism and touristic activities, and the development of luxurious villas for sale.

Issue of share capital in L' Union Nationale (Tourism and Sea Resorts) Limited and change in its shareholding structure

On 23 October 2013, the Company signed an "Agreement and plan of Subscription" with Emerald Coast Properties Limited, "the Investor", according to which the Company's subsidiary, L' Union Nationale (Tourism and Sea Resorts) Limited, would have issued at par 20.000.000 shares of a new class, with a nominal value of €1 each, to be subscribed by the Investor, with the Company waiving its pre-emption rights. The conclusion of the transaction was subject to completion of certain conditions and to due diligence from the Investor, the scope of which was to verify certain parameters and representations.

On 31 January 2014, all conditions of the above agreement (the "Agreement") have been satisfied and the subsidiary company by a special Resolution on the same day issued and allotted 20.000.000 shares with nominal value of €1 each, to the Investor for the subscription price of €20.000.000. After the issue of the said new shares, the Company and the Investor each have 50% share in L' Union Nationale (Tourism and Sea Resorts) Limited and therefore as from the period ended 30 June 2014, the investment of the Company in L' Union Nationale (Tourism and Sea Resorts) Limited will be accounted for under the equity method in accordance with IFRS 11 "Joint Arrangements".

The new funds will be primarily used for the renovation of the Le Meridien Limassol Spa and Resort which is expected to begin towards to the end of 2014, as well as for the strengthening of the subsidiary's working capital.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM MANAGEMENT REPORT (Cont'd)

For the period from 1 January 2014 to 30 June 2014 (Cont'd)

Principal activities of the Group (Cont'd)

Issue of share capital in L' Union Nationale (Tourism and Sea Resorts) Limited and change in its shareholding structure (Cont'd)

The Group recognized a loss of € 1.497.194 from the transaction described above which is the difference between the carrying value of the assets of the subsidiary attributable to the Company before and after the completion of the agreement.

In addition, the results of the subsidiary L'Union for the period ended 30 June 2013 and January 2014 are presented together with the loss of the above transaction in discontinued operations in the condensed interim profit or loss and other comprehensive income. On 1 February 2014, the Company's investment in L 'Union Nationale (Tourism and Sea Resorts) Limited is presented using the equity method in accordance with IFRS 11 "Joint Arrangements".

Review of the financial performance and current position of the Group

Financial performance

The results for the period are significantly affected by the transaction described above, where the Group recognized a loss of € 1,5 million. The results of L 'Union for January 2014, where the Company owned 100% of L'Union, are improved compared to the same month in 2013 (loss 1/2013: € 1.029.108, loss 1/2014: € 837.117). The loss of L'Union for the period February-June 2014, where the Company holds 50% of L'Union, amounted to € 1.993.089 (2013: loss €2.366.335). The improvement of results in L'Union is significantly affected by reduced financial costs.

As a result of the above, the net loss of the Group for 2014 was slightly better than in the previous period.

Current economic situation

The total assets of the Group at the end of the period were € 20,7 million (31/12/2013: € 101,6 million) of which € 20,4 million represent the 50% participation in L 'Union. The decrease in the Group's assets is mainly due to the transaction described above, where after the issue and allotment of 20.000.000 shares, the Company and the Investor have each a 50% ownership in L 'Union, and therefore, from the period ended 30 June 2014, the Company's investment in L 'Union is presented as a single line in the consolidated balance sheet of the Group by using the equity method of accounting in accordance with IFRS 11 "Joint Arrangements".

The equity of the Group decreased to € 20,6 million as at 30 June 2014 in comparison with € 23,9 million in 2013 as a result of the loss incurred during the period.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM MANAGEMENT REPORT (Cont'd)

For the period from 1 January 2014 to 30 June 2014 (Cont'd)

Risks and uncertainties

The Group's activities are subject to various risks and uncertainties. The most significant of which are credit risk, liquidity risk and market risk that arises from adverse movements in exchange rates, interest rates as well as operational risk.

The operations are affected by a number of factors including but not limited to:

- International and national economic and geopolitical conditions
- The impact of war, terrorist activity but also diseases, which affect travellers
- Increases in labour and energy costs
- Increased competition within Cyprus and the neighbouring countries
- Economic Environment in Cyprus (note 12).

The Group is analyzing, monitoring and managing these risks through various control mechanisms, and adjusts its strategy in order to mitigate to the degree this is feasible, the effects of these risks.

Extracts of the results of the first six months of 2014 will be published in the newspaper 'Simerini' on 1st August 2014.

Copies of the Group's unaudited condensed consolidated financial statements are available, free of charge, at the Company's registered office, 197 Makarios III Avenue, 3030, Limassol, as well as in electronic format on the website of the Galatariotis Group (www.galatariotis.com).

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

Declaration of Directors and other responsible officers of the Company in respect of the preparation of the financial statements

In accordance with Article 10 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 190(1)/2007 of 2011, we, the members of the Board of Directors and the Company officials responsible for the drafting of the Interim consolidated financial statements of C.C.C. Tourist Enterprises Public Company Limited (the "Company") for the period 1 January 2014 until 30 June 2014, on the basis of our knowledge, declare that:

- a) the interim condensed consolidated financial statements which are presented on pages 6 to 19:
- (i) have been prepared in accordance with the International Financial Reporting Standard IAS 34 "Interim Financial Reporting" and the provisions of section (4) of the above Law, and
 - (ii) provide a true and fair view of the assets and liabilities, the financial position and the profit or loss of C.C.C. Tourist Enterprises Public Company Limited and its operations that are included in the interim consolidated financial statements as a whole and
- b) the Interim management report provides a fair review of the information required by Article 10 section (6) of the above Law.

Name	Position	Signature
Costas St. Galatariotis	Executive Chairman	.....
George St. Galatariotis	Executive Director	.....
Stavros G. St. Galatariotis	Executive Director	.....
Alexis G. St. Galatariotis	Executive Director	.....
Tasos Anastasiou	Executive Director	.....
Vassos G. Lazarides	Finance Director	.....
Michalis Mousiouttas	Non Executive Director	.....
Constantinos Pittas	Non Executive Director	.....
Riginos Tsanos	Non Executive Director	.....

Responsible for the preparation of the condensed interim consolidated financial statements

Name	Position	Signature
Elena Stylianou	Finance Manager	.....

Limassol, 29 July 2014

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the period from 1 January 2014 to 30 June 2014

		Unaudited six months ended	
	Note	30/6/2014 €	30/6/2013 €
<u>Continuing operations</u>			
Share of loss in joint venture	7	(996.545)	-
Share of profit from related company		699	1.017
Operating and administration costs		(29.156)	(12.923)
Net finance costs		(1.053)	(399)
Loss before taxation		(1.026.055)	(12.305)
Taxation		-	-
Loss for the period from continuing operations		(1.026.055)	(12.305)
<u>Discontinued operations</u>			
Loss for the period from discontinued operations	4 (i)	(837.117)	(3.395.443)
Loss from loss of control in subsidiary company	4 (ii)	(1.497.124)	-
Loss for the period		(3.360.296)	(3.407.748)
Other comprehensive income for the period		-	-
Total loss for the period		(3.360.296)	(3.407.748)
Loss per share			
		σΕVT	σΕVT
Basic and fully diluted loss per share	3	(2,37)	(2,41)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	Notes	Unaudited 30/6/2014 €	31/12/2013 €
Assets			
Non-current assets			
Property, plant and equipment	5	-	97.500.000
Investment in partnership	6	-	1.150.396
Investment in joint venture	7	20.380.579	-
Investment in associated company	6	5.842	5.143
		<hr/> 20.386.421	<hr/> 98.655.539
Current assets			
Property under development		-	790.333
Inventories		-	752.054
Trade and other receivables		-	1.187.732
Receivables from related companies	10	280.156	149.325
Cash and cash equivalents		-	92.095
		<hr/> 280.156	<hr/> 2.971.539
Total assets		<hr/> 20.666.577	<hr/> 101.627.078
Equity and liabilities			
Capital and reserves			
Share capital	8	60.927.577	60.927.577
Capital reserves from the issue of shares at a premium		1.756.398	1.756.398
Other reserves		5.954.921	11.909.842
Retained earnings		(48.049.334)	(50.643.959)
Total equity		<hr/> 20.589.562	<hr/> 23.949.858
Non-current liabilities			
Bank loans	9	-	52.894.844
Deferred taxation		-	9.932.909
		<hr/> -	<hr/> 62.827.753
Current liabilities			
Trade and other payables		10.806	3.939.179
Loan payable to related companies	10	-	857.000
Amount payable to related companies	10	41.164	31.860
Bank overdrafts		25.045	10.021.428
		<hr/> 77.015	<hr/> 14.849.467
Total liabilities		<hr/> 77.015	<hr/> 77.677.620
Total equity and liabilities		<hr/> 20.666.577	<hr/> 101.627.078

The interim condensed consolidated financial statements were approved by the Board of Directors on 29 July 2014.

Director

Director

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2014 to 30 June 2014

	CAPITAL RESERVES*				
	Share capital €	Share premium account €	Revaluation reserve €	Accumulated losses €	Total €
1 January 2013	60.927.577	1.756.398	28.044.427	(44.629.304)	46.099.098
Reversal of revaluation of land and buildings	-	-	(20.131.724)	-	(20.131.724)
Reversal of deferred tax liability relating to the reduction in the carrying amount of land and buildings	-	-	3.997.139	-	3.997.139
Loss for the year	-	-	-	(6.014.655)	6.014.655
31 December 2012	<u>60.927.577</u>	<u>1.756.398</u>	<u>11.909.842</u>	<u>(50.643.959)</u>	<u>23.949.858</u>
Balance 1 January 2013	60.927.577	1.756.398	28.044.427	(44.629.304)	46.099.098
Loss for the period	-	-	-	(3.407.748)	(3.407.748)
Balance 30 June 2013	<u>60.927.577</u>	<u>1.756.398</u>	<u>28.044.427</u>	<u>(48.037.052)</u>	<u>42.691.350</u>
Balance 1 January 2014	60.927.577	1.756.398	11.909.842	(50.643.959)	23.949.858
Loss for the period	-	-	-	(3.360.296)	(3.360.296)
Transfer from revaluation reserve to accumulated losses due to loss of control in subsidiary company (Note 4)	-	-	(5.954.921)	5.954.921	-
Balance 30 June 2014	<u>60.927.577</u>	<u>1.756.398</u>	<u>5.954.921</u>	<u>(48.049.334)</u>	<u>20.589.562</u>

* Capital reserves are not available to be distributed in the form of dividends.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 30 August 2011 and 17% thereafter) will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 January 2014 to 30 June 2013

	Six months ended	
	30/6/2014	30/6/2013
	€	€
Net cash outflows from operating activities	(103.644)	(759.404)
Cash flows from investing activities		
Cash flow effect from loss of control in subsidiary company	9.533.916	-
Payments for the acquisition of property, plant and equipment	(25.984)	(311.116)
Net cash inflow/(outflow) from investing activities	9.507.932	(311.116)
Cash flows from financing activities		
Repayment of bank loans	-	(11.705)
New loans	500.000	-
Net cash inflow/(outflow)from financing activities	500.000	(11.705)
Net increase/(decrease) in cash and cash equivalents	9.904.288	(1.082.225)
Cash and cash equivalents as at 1 January 2014 / 2013	(9.929.333)	(8.860.013)
Cash and cash equivalents as at 30 June	(25.045)	(9.942.238)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

1. GENERAL

1.1 *Incorporation and principal activity*

C.C.C. Tourist Enterprises Public Company Limited (the "Company") was incorporated in Cyprus in 1989 as a private limited liability company and on 5 June 1991 was converted into a public company in accordance with the provisions of the Companies Law, Cap.113.

The Company holds 50% (2013: 100%) of the share capital of the company L'Union Nationale (Tourism and Sea Resorts) Limited (the "L' Union") which was incorporated in Cyprus in 1981. The subsidiary company is the owner company of the luxurious hotel complex Le Meridien Limassol Spa & Resort ("Le Meridien").

The principal activity of the Group is the 50% participation in L' Union (2013: 100%). L' Union's principal activities, is the erection and development of hotels, the carrying on of the business of hoteliers, the development and promotion of tourism and touristic activities, and the development of luxurious villas for sale.

1.2 *Seasonality*

The Group's results are affected by seasonality that relates to the tourist industry and as such the Group's results in the second half of the year are generally better than the first half mainly due to the summer period.

1.3 *Condensed Interim Financial Statements*

The Condensed Interim Consolidated Financial Statements, refer to the consolidated financial statements of the Company and its participation in the joint venture L' Union Nationale (Tourism and Sea Resorts) Limited and its 20% share in C.C.C. Secretarial Limited.

These interim condensed financial statements have not been audited by the Group's external auditors.

2. SIGNIFICANT ACCOUNTING POLICIES

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as adopted by the European Union (EU).

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required for the annual financial statements.

Apart from the accounting policy discussed below and relates to discontinued operations, the accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2014 are consistent with those followed for the preparation of the Consolidated Financial Statements for the year ended 31 December 2013 and must be read in conjunction with the annual financial statements for the year ended 31 December 2013. The condensed consolidated financial statements are presented in Euro.

Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is recognised as met only when the sale is highly probable and the asset (or disposal Group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Non-current Assets Held for Sale and Discontinued Operations (Cont'd)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and Disposal Group) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group (cash generating unit) that has either been disposed of, or classified as held for sale, and

- represents a separate major line of business or geographical area of operation
- is a subsidiary acquired exclusively with a view to resale
- is part of a single coordinated plan to dispose of a major line of business or geographical area of operation

Results of discontinued operations for the current year and comparatives are separately disclosed in order to evaluate the financial effects of discontinued operations.

The share capital increase and change in the shareholding structure of L'Union as described in the note 4, has resulted in the loss of control in the subsidiary company and therefore the results of the subsidiary L'Union for the period ended 30 June 2013 and for January 2014 are presented together with the loss of the above transaction in discontinued operations in the condensed interim profit or loss and other comprehensive income.

3. BASIC AND FULLY DILUTED LOSS PER SHARE

	Six months ended	
	30/6/2014	30/6/2013
	€	€
Loss for the period	3.360.296	3.407.748
Weighted average number of shares	141.692.040	141.692.040
	cent	cent
Basic and fully diluted loss per share	2,37	2,41

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

4. LOSS FROM DISCONTINUED OPERATIONS

On 23 October 2013, the Company signed an "Agreement and plan of Subscription" with Emerald Coast Properties Limited, "the Investor", according to which the Company's subsidiary, L' Union Nationale (Tourism and Sea Resorts) Limited, would have issued at par 20.000.000 shares of a new class, with a nominal value of €1 each, to be subscribed by the Investor, with the Company waiving its pre-emption rights. The conclusion of the transaction was subject to completion of certain conditions and to due diligence from the Investor, the scope of which was to verify certain parameters and representations.

On 31 January 2014, all conditions of the above agreement (the "Agreement") have been satisfied and the subsidiary company by a special Resolution on the same day issued and allotted 20.000.000 shares with nominal value of €1 each, to the Investor for the subscription price of €20.000.000. After the issue of the said new shares, the Company and the Investor each have 50% share in L' Union Nationale (Tourism and Sea Resorts) Limited and therefore as from the period ended 30 June 2014, the investment of the Company in L' Union Nationale (Tourism and Sea Resorts) Limited will be accounted for under the equity method in accordance with IFRS 11 "Joint Arrangements".

The Group recognized a loss of € 1.497.124 from the transaction described above which is the difference between the carrying value of the assets of the subsidiary attributable to the Company before and after the completion of the agreement (See note 4 (ii)).

In addition, the results of the subsidiary L'Union for the period ended 30 June 2013 and January 2014 are presented together with the loss of the above transaction in discontinued operations in the condensed interim profit or loss and other comprehensive income. On 1 February 2014, the Company's investment in L'Union Nationale (Tourism and Sea Resorts) Limited is presented using the equity method in accordance with IFRS 11 "Joint Arrangements".

(i) Results from discontinued operations

	Six months ended	
	30/06/2014	30/06/2013
	€	€
Revenue	440.688	6.707.078
Operating and administration costs	(844.996)	(7.250.619)
Depreciation	(155.424)	(953.613)
Net finance costs	(277.385)	(1.759.863)
Share of loss in a partnership	-	(138.426)
Loss before taxation	(837.117)	(3.395.443)
Taxation	-	-
Loss for the period from discontinued operations	(837.117)	(3.395.443)

Note:

The above results for the period ended 30/06/13 relate to the 100% results of L' Union for all the period whereas for the period ended 30/06/2014 relate to the 100% of the results of L' Union only for January 2014 in which the Company's share was 100%.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

4. LOSS FROM DISCONTINUED OPERATIONS (Cont'd)

(ii) Effect of loss of control in subsidiary company

	31/01/2014
	€
Property, plant and equipment	97.370.558
Investment in partnership	1.150.396
Property under development	790.333
Inventories	758.532
Trade and other receivables	397.800
Cash and cash equivalents	(9.533.916)
Trade and other payables	(3.879.006)
Deferred taxation	(9.932.909)
Loans	(54.247.540)
Net position	22.874.248
Net position of L' Union before issue of shares	(22.874.248)
Share of net position L' Union after issue of shares	21.377.124
Loss from loss of control	(1.497.124)
 <u>(iii) Net cash inflow on loss of control in subsidiary company</u>	
Cash and cash equivalent in L' Union on the date of loss of control	9.533.916
Cash flow effect from loss of control in subsidiary company	9.533.916

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

5. PROPERTY, PLANT AND EQUIPMENT

The movement of the Group's property plant and equipment over the period was as follows:

	30/6/2014	31/12/2013
	€	€
Balance 1 January 2014 / 2013	97.500.000	118.951.446
Additions	25.984	582.954
Disposals / Write offs	-	(19.174)
Depreciation	(155.426)	(1.883.502)
Reversal of previous revaluation	-	(20.131.724)
Effect from loss of control in subsidiary company	4 (ii) (97.370.558)	-
Balance 30 June 2014 / 31 December 2013	-	97.500.000

6. INVESTMENT IN PARTNERSHIP AND ASSOCIATED COMPANY

	2014	2013
	€	€
Investment in associated company (i)	5.842	5.143
Investment in partnership (ii)	-	1.150.396
	5.842	1.155.539

Notes:

- (i) The associated company is C.C.C. Secretarial Limited. The principal activity of C.C.C. Secretarial Limited is the provision of administrative and other related services. The Group's share in the share capital of the associate is 20%. The investment is accounted for in the financial statements using the equity method.
- (ii) The Group participates with a 50% share, through L' Union to the partnership L 'Union Branded Residences. The investment is shown in the accounts according to the equity method from 1st of January 2013.

7. INVESTMENT IN JOINT VENTURE

	2014	2013
	€	€
Investment in joint venture	20.380.579	-
	20.380.579	-

Participation in joint venture

The share capital increase and change in the shareholding structure of L'Union, as described in note 4, has resulted in the loss of control in the subsidiary company and therefore as from 1 February 2014 the Company's investment in L 'Union Nationale (Tourism and Sea Resorts) Limited is presented using the equity method in accordance with IFRS 11 "Joint Arrangements".

Details of the Group's investment in joint venture at the end of the reporting period is as follows:

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

7. INVESTMENT IN JOINT VENTURE (Cont'd)

Name of joint venture	Principal activity	Proportion of ownership interest and voting rights held by the Group	
		30/06/2014	31/12/2013
L' Union Nationale (Tourism and Sea Resorts) Limited	Hotel operations	50%	100%

The Group's movement of the investment in joint venture during the period is as follows:

	30/06/2014
	€
Balance 1 January 2014	-
Effect of loss of control in subsidiary company (note 4(ii))	21.377.124
Share of loss of joint venture	(996.545)
	<u>20.380.579</u>

The interim financial information in regards of the Group's investment in joint venture is as follows:

	30/06/2014
	€
Current assets	13.854.012
Non-current assets	96.862.169
Current liabilities	(5.887.321)
Non- current liabilities	(64.067.701)
Net financial position	<u>40.761.159</u>

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	10.070.219
Current liabilities (excluding trade and other payables)	(1.112.061)
Non-current liabilities (excluding trade and other payables)	(64.067.701)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

7. INVESTMENT IN JOINT VENTURE (Cont'd)

	01/02/2014- 30/06/2014
	€
Revenue	6.162.853
Operating and administration costs	(6.277.137)
Depreciation	(774.184)
Net finance costs	(1.104.621)
	(1.993.089)
Loss before taxation	(1.993.089)
Taxation	-
	(1.993.089)
Loss for the period from continuing operations	(1.993.089)
Group's share (50%) of the loss	996.545
 Reconciliation of the above summarized financial information to the carrying amounts of the interest in the joint venture recognized in the interim consolidated financial statements.	
Net assets of the joint venture	40.761.159
Proportion of the Group's ownership, interest in the joint venture	50%
	20.380.579
	20.380.579

The Company has contingent liabilities in respect of corporate guarantees given to L 'Union for its bank loans.

8. SHARE CAPITAL

	2014	2013
	€	€
Authorised		
150.000.000 ordinary shares of € 0,43 each	64.500.000	64.500.000
	64.500.000	64.500.000
Issued and fully paid shares		
Balance 1 January		
141.692.040 (2013: 141.692.040) ordinary shares of € 0,43 each	60.927.577	60.927.577
	60.927.577	60.927.577
Balance 30 June/31 December		
141.692.040 (2013: 141.692.040) ordinary shares of € 0,43 each	60.927.577	60.927.577
	60.927.577	60.927.577

9. LOANS

The movement to the bank loans over the period was as follows:

	2014	2013
	€	€
Balance 1 January 2014/2013	52.894.844	51.274.212
New loans	-	52.500.000
Repayments of capital and interest capitalized in previous years	-	(51.199.101)
Repayments of interest during the year	-	(2.508.245)
Exchange loss	-	(75.111)
Capitalised interest	214.740	2.903.089
Effect from loss of control in subsidiary company	(53.109.584)	-
	-	52.894.844
Balance 30 June 2014/ 31 December 2013	-	52.894.844

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

10. RELATED PARTY TRANSACTIONS

The ultimate parent company of the Group is George S. Galatariotis & Sons Limited.

The parent company of the Group is The Cyprus Cement Public Company Limited.

Details of the transactions between the Group and other related parties are disclosed below.

The following balances were outstanding at the end of the reporting period:

Name	Natural of transactions	Amounts owed from / (to) related parties	
		2014	2013
The Cyprus Cement Public Limited	Financing	137.825	149.325
L' Union Nationale (Tourism and Sea Resorts) Limited	Financing	142.331	-
Receivable balances with related companies		280.156	149.325
K + G Complex Public Company Limited	Financing	-	(857.000)
Loan payable to related companies		-	(857.000)
C.C.C. Secretarial Limited	Trading	(41.164)	(31.860)
Payable balances to related companies		(41.164)	(31.860)

11. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Memorandum of Understanding with Emerald Coast Properties Limited ("Emerald")

On 6 June 2014, the Board of Directors of the Company has signed a Memorandum of Understanding with the Emerald Coast Properties Limited (the "Emerald") which holds the remaining 50% of the issued shares of L' Union Nationale (Tourism and Sea Resorts) Limited ("L' Union ") under which:

- The issued share capital of L' Union will increase approximately by €52,5 million through the issue of new shares to Emerald (and simultaneous waiver of all and any pre-emption rights of the Company). The number and class of shares will depend on several factors which will be assessed according to the Financial status of L' Union and particular its assets and liabilities (the "Share Capital Restructuring").

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

11. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD (Cont'd)

Memorandum of Understanding with Emerald Coast Properties Limited ("Emerald") (Cont'd)

- Upon completion of the Share Capital Restructuring, Emerald should end up holding at least 75% plus one share of the issued share capital of L'Union.
- The proceeds from issue of shares will be used exclusively for the repayment of bank debt of L'Union to the Bank of Cyprus Public Company Ltd.
- The Company will maintain one director at the Board of Directors of L'Union.
- The Company will have a "call" option to compel L'Union to issue solely and exclusively to the Company shares which together with the L'Union shares held by CCCT will constitute 50% of the issued L'Union shares at the material time, exercisable after 3 years and before the lapse of 6 years from the Share Capital Restructuring.
- Increased needs for capital expenditure for the hotel Le Meridien Limassol Spa & Resort renovation will be financed by Emerald.
- With the commencement of the hotel renovation the Bank debts will be fully settled.

From this transaction, it is expected to arise an accounting profit of approximately € 3 million (the exact amount will be calculated only after the completion of the Agreement). The completion of the Share Capital Restructuring, which is subject to certain conditions and bank approval, has been agreed to be finalised within a period of 90 days from the signing date of the Memorandum of Understanding.

There were no other significant events after the end of the financial period, which have a bearing on the understanding of the financial statements.

12. OPERATING ENVIRONMENT IN CYPRUS

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2013 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

Following the positive outcome of the first, second, third and fourth quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through "bail in" for Laiki Bank and Bank of Cyprus, and the imposition of capital controls together with the current situation of the banking system and the continuing overall economic recession, could affect negatively the operations of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2014 to 30 June 2014

12. OPERATING ENVIRONMENT IN CYPRUS (Cont'd)

The Group's management however, is not in the position to predict all developments which may have an impact on the Cyprus economy and consequently what effect, if any, could have on the future financial performance, cash flows and financial position of the Group.

The Group's management is of the opinion that is taking all the necessary measures to maintain the viability of the Group and maintain/expand its operations in the present business and economic environment.