

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

Interim Condensed Consolidated Financial Statements

For the period from 1 January 2016  
to 30 June 2016

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the period from 1 January 2016 to 30 June 2016**

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## C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

### OFFICERS AND PROFESSIONAL ADVISERS

<b>Directors</b>	Costas St. Galatariotis, Executive Chairman George St. Galatariotis, Director Stavros G. St. Galatariotis, Director Alexios G. St. Galatariotis, Director Tasos Anastasiou, Director Michalis Mousiouttas, Director Constantinos Pittas, Director Riginos Tsanos, Director
<b>Secretary</b>	C.C.C. Secretarial Limited Limassol, Cyprus
<b>Independent Auditors</b>	Deloitte Limited Limassol, Cyprus

## C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

### INTERIM MANAGEMENT REPORT

**For the period from 1 January 2016 to 30 June 2016**

The Board of Directors, at a meeting held on 31<sup>st</sup> August 2016, 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 2016.

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 2016 as those applied for the preparation of the annual financial statements for the year ended 31 December 2015. The results for the six month period of 2016 have not been audited by the external auditors of the Company.

The interim condensed consolidated financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2015.

#### **Principal activities of the Company**

The principal activity of the Company is the investment of 24,98% in the share capital of L' Union Nationale (Tourism and Sea Resorts) Limited ("L'Union"). L' Union's principal activities, is the erection and development of hotels, the carrying on of the business of hotels, and the development and promotion of tourism and touristic activities. L' Union is the owner company of the luxurious hotel complex Le Meridien Limassol Spa & Resort ("Le Meridien") which is currently under full renovation. The renovation is expected to be completed within 2017.

#### **Review of the financial performance and current position of the Company**

##### *Financial performance*

The Company recognized a loss of € 14.820 for the period ended 30 June 2016, which is at the same level with the loss in the corresponding period of 2015 (30 June 2015: loss €17.535).

The results do not recognise any share in the profit / loss from the investment in L'Union Ltd since the Board of Directors has decided to reclassify the investment in this company from 'Investment in Associates' in the category 'Investments Available for Sale' from 1 January 2015.

##### *Current economic situation*

The total assets at the end of the period were €20,8 million (31 December 2015: €20,8 million) out of which €20,7 million represent the carrying value of the participation by 24,98% in L' Union. The equity of the Company decreased by €14.820 from 31 December 2015 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 2016 to 30 June 2016

#### Risks and uncertainties

The Company's activities are subject to various risks and uncertainties, the most significant of which are the risks connected with hotel operations of L' Union which is the main investment of the Company.

The hotel and tourist industry in general, 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 epidemics, which affect travelers;
- increases in labour and energy costs;
- increased competition within Cyprus and the neighbouring countries.
- the economic environment in Cyprus (see also note 9)

The Company 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 2016 will be published in the newspaper 'Simerini' on 1<sup>st</sup> September 2016.

Copies of the 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](http://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 interim condensed consolidated financial statements**

In accordance with Article 10 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Laws 190(1)/2007 until 2013, we, the members of the Board of Directors and the Company officials responsible for the drafting of the Interim financial statements of C.C.C. Tourist Enterprises Public Company Limited (the "Company") for the period 1 January 2015 until 30 June 2015, on the basis of our knowledge, declare that:

- a) the interim condensed consolidated financial statements which are presented on pages 5 to 16:
  - (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.

<b>Name</b>	<b>Position</b>	<b>Signature</b>
Costas St. Galatariotis	Executive Chairman	.....
George St. Galatariotis	Director	.....
Stavros G. St. Galatariotis	Director	.....
Alexios G. St. Galatariotis	Director	.....
Tasos Anastasiou	Director	.....
Michalis Mousiouttas	Director	.....
Constantinos Pittas	Director	.....
Riginos Tsanos	Director	.....

**Responsible for the preparation of the interim condensed consolidated financial statements**

<b>Name</b>	<b>Position</b>	<b>Signature</b>
Elena Stylianou	Finance Manager	.....

Limassol, 31 August 2016

**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 2016 to 30 June 2016

	Note	Unaudited	
		30 June 2016	30 June 2015
		€	As restated €
Share of profit from associated company	6	898	929
Operating and administration costs		(14.517)	(17.536)
Net finance costs		(826)	(928)
<b>Loss before taxation</b>		<b>(14.445)</b>	<b>(17.535)</b>
Taxation		(375)	-
<b>Loss for the period</b>		<b>(14.820)</b>	<b>(17.535)</b>
<b>Total loss for the period</b>		<b>(14.820)</b>	<b>(17.535)</b>
<b>Loss per share</b>		<b>Cent</b>	<b>Cent</b>
Basic and fully diluted loss per share	4	(0,00)	(0,00)

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2016

	Notes	Unaudited 30 June 2016 €	Audited 31 December 2015 €
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in associated company	6	7.823	7.300
Available for sale investment	5	20.702.980	20.702.980
		<u>20.710.803</u>	<u>20.710.280</u>
<b>Current assets</b>			
Receivables from related companies	8	142.331	163.105
		<u>142.331</u>	<u>163.105</u>
<b>Total assets</b>		<u><u>20.853.134</u></u>	<u><u>20.873.385</u></u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	7	60.927.577	60.927.577
Share premium reserve		1.756.398	1.756.398
Revaluation reserve		(2.997.486)	(2.997.486)
Retained earnings		(38.870.852)	(38.856.032)
<b>Total equity</b>		<u>20.815.637</u>	<u>20.830.457</u>
<b>Current liabilities</b>			
Trade and other payables		400	15.500
Bank overdrafts		31.780	27.428
Payables to related companies	8	5.317	-
		<u>37.497</u>	<u>42.928</u>
<b>Total liabilities</b>		<u>37.497</u>	<u>42.928</u>
<b>Total equity and liabilities</b>		<u><u>20.853.134</u></u>	<u><u>20.873.385</u></u>



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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the period from 1 January 2016 to 30 June 2016

	Share capital €	Share premium reserve (note (a)) €	Revaluation reserve (note (c)) €	Accumulated losses (note (b)) €	Total €
<b>Balance 1 January 2015</b>	<b>60.927.577</b>	<b>1.756.398</b>	<b>2.963.612</b>	<b>(41.776.658)</b>	<b>23.870.929</b>
Transfer from revaluation reserve to accumulated losses due to reclassification of the investment in associated company as investment available for sale	-	-	(2.963.612)	(2.963.612)	-
Fair value loss on available for sale investment	-	-	(2.997.486)	-	(2.997.486)
Loss for the year	-	-	-	(42.986)	(42.986)
<b>Balance 31 December 2015</b>	<b>60.927.577</b>	<b>1.756.398</b>	<b>(2.997.486)</b>	<b>(38.856.032)</b>	<b>(20.830.457)</b>
<b>Balance 1 January 2015</b>	<b>60.927.577</b>	<b>1.756.398</b>	<b>2.963.612</b>	<b>(41.776.658)</b>	<b>23.870.929</b>
Loss for the period	-	-	-	(17.535)	(17.535)
Transfer from revaluation reserve to accumulated losses due to reclassification of the investment in associated company as investment available for sale	-	-	(2.963.612)	(2.963.612)	-
<b>Balance 30 June 2015- as restated</b>	<b>60.927.577</b>	<b>1.756.398</b>	<b>-</b>	<b>(38.830.581)</b>	<b>23.853.394</b>
<b>Balance 1 January 2016</b>	<b>60.927.577</b>	<b>1.756.398</b>	<b>(2.997.486)</b>	<b>(38.856.032)</b>	<b>20.830.457</b>
Loss for the period	-	-	-	(14.820)	(14.820)
<b>Balance 30 June 2016</b>	<b>60.927.577</b>	<b>1.756.398</b>	<b>(2.997.486)</b>	<b>(38.870.852)</b>	<b>20.815.637</b>

**Notes:**

- (a) Share premium reserve is not available to be distributed in the form of dividends.
- (b) 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 17% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividend paid for the years profits. This special contribution is payable by the Company on behalf of shareholders. For the purpose of calculating the deemed distribution, the term "profits" means the accounting profits as they are calculated in accordance with generally accepted accounting principles but after the transfer to reserves of any amount pursuant to any legislation.
- (c) Revaluation reserve as of 31 December 2015, represents accumulated gains and losses arising on the revaluation of the available for sale investment that has been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 January 2016 to 30 June 2016

	Unaudited	
	30 June 2016	30 June 2015
		As restated
	€	€
Net cash outflows from operating activities	(4.352)	(1.631)
Net decrease in cash and cash equivalents	(4.352)	(1.631)
Cash and cash equivalents as at 1 January 2016 / 2015	(27.428)	(32.362)
<b>Cash and cash equivalents as at 30 June</b>	<b>(31.780)</b>	<b>(33.993)</b>

## C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

#### 1. GENERAL

##### 1.1 *Incorporation and principal activity*

C.C.C. Tourist Enterprises Public Company Limited (the "Company") was incorporated in Cyprus on 27 March 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 registered office of the Company is at 197 Makarios Avenue III, Gala Tower, 3030 Limassol.

The principal activity of the Company is the investment of 24,98% in the share capital of L' Union Nationale (Tourism and Sea Resorts) Limited ("L' Union"). L' Union's principal activities, is the erection and development of hotels, the carrying on of the business of hoteliers, and the development and promotion of tourism and touristic activities. L' Union is the owner company of the luxurious hotel complex Le Meridien Limassol Spa & Resort ("Le Meridien") which is currently under full renovation. The renovation is expected to be completed within 2017.

The hotel complex Le Meridien Limassol Spa and Resort is situated along the coast to the east of the ancient town of Amathunta occupying an area of 91.170 sq.m. fronting the sea for 270 meters. An area of 73.778 sq.m is owned on a freehold basis whilst an area of 17.392 sq.m is being leased from the Government of Cyprus for a period of 99 years starting from the year 1986.

##### 1.2 *Interim Condensed Consolidated Financial Statements*

The Interim Condensed Consolidated Financial Statements, refer to the financial statements of the Company and its associate C.C.C. Secretarial Limited which is consolidated using the equity method.

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

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The Interim Condensed 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.

The accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2016 are consistent with those followed for the preparation of the Consolidated Financial Statements for the year ended 31 December 2015 and must be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2015. The condensed consolidated financial statements are presented in Euro.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the period from 1 January 2016 to 30 June 2016

**3. RESTATEMENT**

In the interim condensed consolidated financial statements of the Company for the period ended 30 June 2015, the investment in L'Union was accounted for as an associated company and therefore a share of profit of €128.891 had been recognized.

During the preparation of the annual financial statements for the year ended 31 December 2015, the Board of Directors decided to reclassify the investment in L'Union from "Investment in associated company" to "Available for sale investment" with effect from 1 January 2015. The Board of Directors believes that this classification reflects better the economical substance of the events in accordance with the level of influence of the Company in the financial and operating policy decisions of L'Union with the most important ones being the complete renovation of the hotel complex and the future business model plans. As a result, the investment is accounted for at fair value in accordance with the principles of "IAS 39: *Financial instruments: Recognition and measurement*".

As a result of the reclassification, the following line items of the interim condensed consolidated statement of profit or loss and other comprehensive income have been restated, as follows:

**Interim condensed consolidated statement of profit or loss and other comprehensive income**

**Six months ended 30 June 2015**

	<b>As previously reported</b>	<b>Restatement</b>	<b>As restated</b>
	€	€	€
Share of profit from associated companies	129.820	( 128.891)	929
<b>Loss for the period</b>	<b>111.356</b>	<b>( 128.891)</b>	<b>(17.535)</b>
<b>Total loss for the period</b>	<b>111.356</b>	<b>( 128.891)</b>	<b>(17.535)</b>

**4. BASIC AND FULLY DILUTED LOSS PER SHARE**

	<b>Six months ended</b>	
	<b>30 June 2016</b>	<b>30 June 2015</b>
	€	<b>As restated</b> €
Loss for the period	(14.820)	(17.535)
Weighted average number of shares	141.692.040	141.692.040
	<b>cent</b>	<b>cent</b>
Basic and fully diluted loss per share	(0,00)	(0,00)

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the period from 1 January 2016 to 30 June 2016

**5. AVAILABLE FOR SALE INVESTMENT**

	<b>30 June 2016</b>	<b>31 December 2015</b>
	€	€
Investment in L' Union Nationale (Tourist and Sea Resorts) Limited	20.702.980	20.702.980

Details of available for sale investment at the end of the reporting period are as follows:

<b>Name of the entity</b>	<b>Principal activity</b>	<b>% Holding 30 June 2016/ 31 December 2015</b>
L' Union Nationale (Tourist and Sea Resorts) Limited	Hotel Operations	24,98%

The movement of available for sale investment is the following:

	<b>2016</b>	<b>2015</b>
	€	€
<b>Assets</b>		
<b>Balance 1 January</b>	<b>20.702.980</b>	-
Reclassification from investment in associate on 1 January 2015 (i), (ii)	-	23.700.466
<b>Balance 1 January – as restated</b>	<b>20.702.980</b>	<b>23.700.466</b>
Net fair value loss on available for sale investment recognised in other comprehensive income (v)	-	(2.997.486)
<b>Balance 30 June/ 31 December</b>	<b>20.702.980</b>	<b>20.702.980</b>

- (i) The Board of Directors has decided to reclassify its investment in L'Union from "Investment in associated company" to "Available for sale investment" with effect from 1 January 2015. The Board of Directors believes that this classification reflects better the economical substance of the events in accordance with the level of influence of the Company in the financial and operating policy decisions of L'Union with the most important ones being the complete renovation of the hotel complex and the future business model plans. As a result, the investment is accounted for at fair value in accordance with the principles of "IAS 39: Financial instruments: Recognition and measurement".

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

5. AVAILABLE FOR SALE INVESTMENT (Cont'd)

- (ii) As per the requirements of "IAS 39: Financial instruments: Recognition and measurement", the investment in L'Union was fair valued on initial recognition. The management of the Company has assessed that the share of net assets value of its investment in L'Union as at 31 December 2014 (€23.700.466), represents the investment's fair value as at 1 January 2015. This assessment was based on the fact that the transactions carried out with the other 75,02% shareholder of L'Union during 2014 represents market transactions.
- (iii) L'Union has the following shares as of 31 December 2015:
- 20.000.000 ordinary shares of €1,71 each which are owned by the Company (Class "A" shares)
  - 20.000.000 ordinary shares of €1 each which are owned by the investor (Class "B" shares)
  - 40.076.336 ordinary shares of €1,31 each which are owned by the Company (Class "C" shares)

All above shares rank pari passu in all respects (including without any restriction in relation to voting and dividends) except from (i) the holders of Class "A" shares shall alone be entitled to appoint and remove one "A" Director of the associated company and to vote in relation to the appointment, election or removal of the one "A" Director of the associated company, (ii) the holders of Class "B" shares shall alone be entitled to appoint and remove three "B" Directors of the associated company and to vote in relation to the appointment, election or removal of the three "B" Directors of the associated company, (iii) the holders Class "C" shares shall alone be entitled to appoint and remove an unlimited number of "C" Directors of the associated company and to vote in relation to the appointment, election or removal of the "C" Directors of the associated company and (iv) as far as the return of capital on winding up of the associated company is concerned the proportion of rights of Class "A" shares, Class "B" shares and Class "C" shares will be 1,71 from 4,02, 1,00 from 4,02 and 1,31 from 4,02 respectively.

As of 31 December 2015 and 30 June 2016, the Company and the investor have one and four appointed directors, respectively. In addition, general meetings decisions will be taken by a simple majority unless otherwise specified by law.

- (iv) Based on agreement signed on 30 September 2014 with the investor, the Company has a ("call option") to compel L'union to issue solely and exclusively to the Company shares at fair value which together with the existing shareholding (24,98%) will constitute 50% of the issued L'Union shares. The option is exercisable after 3 years and before the lapse of 6 years from the Share Capital Restructuring (between 30 September 2017 and 30 September 2020).

(v) Valuation method and key assumptions

The valuation of L'Union as of 31 December 2015 was prepared by the management of the Company, using the discounted cash flow (DCF) method.

The key inputs/assumptions used in the valuation are the following:

- Discount rate: 10%
- Projection period: 10 years
- Annual growth rate in revenue: 2% - 3%
- Terminal growth rate: 3%

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the period from 1 January 2016 to 30 June 2016

**5. AVAILABLE FOR SALE INVESTMENT (Cont'd)**

(v) Valuation method and key assumptions (Cont'd)

The Management of the Company did not proceed with a valuation exercise of the investment in L'Union on 30 June 2016 because there was no significant change in the circumstances and underlying assumptions related to the investment in L'Union on 30 June 2016 in comparison to what was used in the valuation on 31 December 2015. As a result, the Board of Directors considers that the fair value of the investment in L'Union has remained the same as on 31 December 2015.

**6. INVESTMENT IN ASSOCIATED COMPANY**

	<b>30 June 2016</b>	<b>31 December 2015</b>
	€	€
Investment in associated company- C.C.C. Secretarial Limited	7.823	7.300
	<b>7.823</b>	<b>7.300</b>
	<b>7.823</b>	<b>7.300</b>

Details of the Company's investment in associated company at the end of the reporting period are as follows:

<b>Name of associated Company</b>	<b>Principal activity</b>	<b>% Holding</b>	
		<b>30 June 2016</b>	<b>31 December 2015</b>
C.C.C. Secretarial Limited	Secretarial and other professional services	20%	20%

The principal activity of C.C.C. Secretarial Limited is the provision of administrative and other related services. The Company's share in the share capital of the associated company is 20%. The investment in the associated company is accounted for in the consolidated financial statements using the equity method.

The movement of the investment in associated company during the period is as follows:

	<b>2016</b>	<b>2015</b>
	€	€
<b>Opening balance 1 January</b>	<b>7.300</b>	<b>5.978</b>
Share of profit before taxation	898	2.026
Share of tax	(375)	(704)
	<b>7.823</b>	<b>7.300</b>
<b>Closing balance 30 June/ 31 December</b>	<b>7.823</b>	<b>7.300</b>

The financial information with regards to the Company's investment in associated company is as follows:

	<b>30 June 2016</b>	<b>31 December 2015</b>
	€	€
Current assets	220.544	157.942
Non-current assets	25.163	33.247
Current liabilities	(187.228)	(135.327)
Non-current liabilities	(19.364)	(19.364)
	<b>39.115</b>	<b>36.498</b>
<b>Net financial position</b>	<b>39.115</b>	<b>36.498</b>

## C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2016 to 30 June 2016

#### 7. SHARE CAPITAL

	30 June 2016 €	31 December 2015 €
<b>Authorised</b>		
150.000.000 ordinary shares of € 0,43 each	64.500.000	64.500.000
<b>Issued and fully paid shares</b>		
141.692.040 ordinary shares of € 0,43 each	60.927.577	60.927.577

#### 8. RELATED PARTY TRANSACTIONS

The ultimate parent company of the Company is George S. Galatariotis & Sons Limited. The parent company of the Company is The Cyprus Cement Public Company Limited.

The following transactions were carried out with related parties:

Name	Nature of transactions	30 June 2016 €	31 December 2015 €
C.C.C. Secretarial Limited	Management fees	(2.380)	(3.117)

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

Name	Nature	Amounts due from/to related parties	
		30 June 2016 €	31 December 2015 €
L' Union Nationale (Tourism and Sea Resorts) Limited	Financing	142.331	142.331
The Cyprus Cement Public Company Ltd	Financing	(5.317)	20.774
		<b>137.014</b>	<b>163.105</b>

#### 9. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

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



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the period from 1 January 2016 to 30 June 2016**

**10. OPERATING ENVIRONMENT IN CYPRUS**

In the course of recent years, the Cyprus economy has been adversely affected by the crisis in the Cyprus banking sector and the inability of the Republic of Cyprus to secure financing 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 of €10 billion, which resulted into an agreement and to the Eurogroup decision of 25 March 2013. The decision included, among other, the restructuring of the two largest banks in Cyprus through "bail in", safeguarding deposits of up to €100.000.

Despite the adverse external economic environment in several European and international economies, the Cyprus economy shows positive growth trends and signs of stabilisation, which have led to the upgrade of the credit rating and perceived future prospects of the Republic of Cyprus by all major international credit rating agencies. This has significantly contributed towards the efforts of the Republic of Cyprus to raise significant amounts of capital from international financial markets. Furthermore, Cypriot banks have been recapitalized and have restructured their operations, which resulted in the complete abolishment of all restrictive measures on deposits and transactions imposed during 2013.

The return of the economy to positive- better than anticipated- growth trends, the public administration reform, the stabilisation and restoration of confidence in the financial system, have all acted as catalysts in the fulfilment of the Programme in advance of the expiration of the original timeframe, with just €7,25 billion eventually utilised, out of the total of €10 billion provisioned by the Economic Adjustment Programme ("the Programme"). During March 2016, the decision of the Cyprus Government to exit the Programme, prior to the expiration of the original timeframe, was endorsed by the Eurogroup and has been accepted by the International Monetary Fund. At the same time, the Eurogroup has emphasised the need for additional reforms for the Cyprus economy to continually improve. Until full settlement of the financial assistance obtained by the Cyprus economy, Cyprus shall remain under the supervision of the Troika, with the latter to be conducting, bi annual reviews and when rendered necessary, make recommendations for further measures deemed necessary.

Cyprus has promising long - term prospects, with anticipated positive economic growth within 2016. Nevertheless the uncertain economic conditions in Cyprus could negatively affect the operations of L' Union which is the main asset of the Company. The Company's management 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 Company.