The Cyprus Cement Public Company Limited

Unaudited condensed interim consolidated financial statements for the six months ended 30 June 2012

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The Cyprus Cement Public Company Limited

Declaration of the members of the Board of Directors and other responsible persons of the Company for the condensed interim consolidated financial statements

In accordance with Article 10 sections (3) (c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 ("Law"), we, the members of the Board of Directors and the other responsible persons for the condensed interim consolidated financial statements of The Cyprus Cement Public Company Limited (the "Company") for the period of six months ended 30 June 2012 we confirm that, to the best of our knowledge:

(a) the condensed interim consolidated financial statements that are presented on pages 4 to 21:

(i) were prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and in accordance with the provisions of Article 10, section (4) of the Law, and

(ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of The Cyprus Cement Public Company Limited and the businesses that are included in the condensed interim consolidated accounts as a total, and

(b) the interim management report provides a fair review of the information required by Article 10, section (6) of the Law.

Members of the Board of Directors

Name and surname and position	Signature
George St. Galatariotis (Executive Chairman)	
Thomas M. Schmidheiny (Vice-Chairman)	
Costas St. Galatariotis (Executive Director)	
Stavros G. St. Galatariotis (Executive Director)	
Vassos G. Lazarides (Finance Director)	
Tasos Anastasiou (Executive Director)	
Michalis Mouchiouttas (Director)	
Antonis Antoniou (Director)	

Responsible for the preparation of the condensed interim consolidated financial statements

Name and surname and position	Signature
Elena Stylianou (Finance Manager)	

Limassol
30 August 2012

The Cyprus Cement Public Company Limited

Interim management report
for the six months ended 30 June 2012

The Board of Directors, at a meeting held on 30 August 2012, reviewed and approved the unaudited condensed interim consolidated financial statements of the Group of The Cyprus Cement Public Company Limited for the six months ended 30 June 2012.

The consolidated results of the Group include also the results of its subsidiary company C.C.C. Tourist Enterprises Public Company and the results of the associated company Vassiliko Cement Works Public Company Limited.

The unaudited condensed interim consolidated financial statements, which are expressed in Euro, have been prepared in accordance with IAS 34 “Interim Financial Reporting” and comply with the provisions of the Cyprus Stock Exchange Laws and Regulations in relation to the announcement of interim financial results.

The same accounting policies and bases of estimates were applied in compiling the interim results for the first six months period of 2012 as those applied for the preparation of the annual financial statements for the year ended 31 December 2011. The results for the first six months period of 2012 have not been audited by the external auditors of the Group.

The condensed interim consolidated financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2011.

Principal activities of the Group

The principal activities of the Group are the development/improvement of land and the holding of strategic investments in companies operating in the hotel and tourism industry and in the manufacturing and sale of cement.

Review of the financial position of the Group

The turnover of the Group increased by 3,5% to €9,0 mln in comparison to €8,7 mln for the corresponding period of 2011. The increase is due to the increase in turnover of the subsidiary company, C.C.C. Tourist Enterprises Public Company Ltd. The operating loss before interest and depreciation (EBITDA) fell by 26% to €849 th. in comparison to €1.15 mln for the corresponding period of 2011. Also the unrealised foreign exchange loss decreased from €811 th to €164 th. As a result of the above the net loss for the period amounted to €3,9 mln (2011: loss €4,3 mln).

The total assets of the Group at the end of the six months period were €475,4 mln (31 December 2011: €447,8 mln), out of which €143,1 mln (31 December 2011: €144,5 mln) represent the net book value of property, plant and equipment, €272 mln (31 December 2011: €272 mln) investment property and €52,9 mln (31 December 2011: €52,9 mln) the investment in the associated company Vassiliko Cement Works Public Company Limited.

Under the current conditions, the expected results for 2012, may fluctuate, due to uncertainties in the market that are difficult to predict.

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 arising from adverse movements in foreign exchange rates and 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 acts, diseases and epidemics which are likely to influence tourist arrivals to the island.
- Increased competition within Cyprus and neighbouring countries
- The growth of the construction and real estate sectors

The Group is analyzing, monitoring and managing these risks through various control mechanisms, and forms, wherever possible, its strategy with a view to minimizing the effects of these risks.

Extracts of the results of the first six months of 2012 will be published in the newspaper "Simerini" on 31 August 2012.

Copies of the Group's unaudited condensed interim consolidated financial statements are available, free of charge, at the company's office, 197 Makarios III Avenue, Gala Tower, 3030 Limassol, tel: 25891000 and in electronic form in the Galatariotis Group of Companies website (www.galatariotisgroup.com).

Limassol
30 August 2012

The Cyprus Cement Public Company Limited

Condensed interim consolidated income statement for the six months ended 30 June 2012

	Note	**30 June 2012 €**	30 June 2011 €
Sales		**8.983.764**	8.668.909
Cost of food and beverage consumed		**(799.574)**	(893.403)
Staff costs		**(4.272.235)**	(4.608.286)
Depreciation	9	**(904.297)**	(775.382)
Other costs		**(4.765.187)**	(4.314.835)
Other income-net		**21.360**	19.931
Operating loss		**(1.736.169)**	(1.903.066)
Finance costs	6	**(2.167.868)**	(1.866.775)
Foreign exchange loss	6	**(163.697)**	(810.708)
Share of profit of associates		**194.304**	262.614
Loss before tax		**(3.873.430)**	(4.317.935)
Tax		**(2.619)**	-
Loss for the period		**(3.876.049)**	(4.317.935)
Attributable to:			
Equity holders of the Company		**(2.970.372)**	(3.124.935)
Non-controlling interests		**(905.677)**	(1.193.000)
		(3.876.049)	(4.317.935)
Basic and fully diluted loss per share attributable to the shareholders of the Company (cent per share)	8	**(2,16)**	(2,27)

The notes on pages 11 to 21 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of comprehensive income for the six months ended 30 June 2012

	30 June 2012 €	30 June 2011 €
Loss for the period	**(3.876.049)**	(4.317.935)
Other comprehensive income:		
Share of movement of reserves of associated companies	**(157.872)**	(196.328)
Total comprehensive loss for the year	**(4.033.921)**	(4.514.263)
Attributable to:		
Shareholders of the Company	**(3.128.244)**	(3.321.263)
Non-controlling interests	**(905.677)**	(1.193.000)
	(4.033.921)	(4.514.263)

The notes on pages 11 to 21 are an integral part of these condensed interim consolidated financial statements.

The Cyprus Cement Public Company Limited

Condensed interim consolidated balance sheet as at 30 June 2012

	Note	**30 June 2012 €**	31 December 2011 €
Assets			
Non-current assets			
Property, plant and equipment	9	**143.065.843**	143.495.164
Investment property	10	**271.962.710**	271.960.330
Intangible assets		**2.564.749**	2.564.749
Investments in associates	12	**52.877.497**	52.841.065
Available-for-sale financial assets		**2.848**	2.848
		470.473.647	470.864.156
Current assets			
Inventories		**3.051.470**	3.136.933
Trade and other receivables		**1.438.274**	1.689.198
Cash and cash equivalents		**80.148**	1.720.146
Tax refundable		**343.527**	343.527
		4.913.419	6.889.804
Total assets		**475.387.066**	477.753.960
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	13	**59.172.679**	59.172.679
Share premium	13	**848.729**	848.729
Fair value reserve		**136.084.469**	136.242.341
Revenue reserve		**17.235.700**	17.235.700
Other reserves		**(15.032)**	(15.032)
Retained earnings		**88.931.029**	92.523.470
		302.257.574	306.007.887
Non-controlling interests		**22.448.520**	23.836.824
Total equity		**324.706.098**	329.844.711
Non current liabilities			
Borrowings	14	**59.660.098**	54.360.984
Deferred tax liabilities		**65.732.801**	65.732.801
Provisions		**1.952.381**	1.904.762
		127.345.280	121.998.547
Current liabilities			
Trade and other payables		**7.078.680**	5.508.846
Current tax liabilities		**3.207**	1.498
Borrowings	14	**16.253.805**	20.400.358
		23.335.692	25.910.702
Total liabilities		**150.680.972**	147.909.249
Total equity and liabilities		**475.387.066**	477.753.960

The notes on pages 11 to 21 are an integral part of these condensed interim consolidated financial statements.

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2012

	Attributable to equity holders of the Company								
	Share capital €	Share premium [2] €	Fair value reserve[2] €	Other reserves €	Revenue reserve €	Retained earnings [1] €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2011	59.172.679	848.729	135.889.381	(15.032)	17.235.700	97.203.783	310.335.240	24.976.833	335.312.073
Comprehensive income									
Loss for the period	-	-	-	-	-	(3.124.935)	(3.124.935)	(1.193.000)	(4.317.935)
Other comprehensive income									
Share of fair value reserve of associated companies	-	-	(196.328)	-	-	-	(196.328)	-	(196.328)
Total other comprehensive income	-	-	(196.328)	-	-	-	(196.328)	-	(196.328)
Comprehensive income for the period	-	-	(196.328)	-	-	(3.124.935)	(3.321.263)	(1.193.000)	(4.514.263)
Balance at 30 June 2011	59.172.679	848.729	135.693.053	(15.032)	17.235.700	94.078.848	307.013.977	23.783.833	330.797.810

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2012 (continued)

	Note	Attributable to equity holders of the Company								
		Share capital €	Share premium [2] €	Fair value reserve[2] €	Other reserves €	Revenue reserve €	Retained earnings [1] €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2012		59.172.679	848.729	136.242.341	(15.032)	17.235.700	92.523.470	306.007.887	23.836.824	329.844.711
Comprehensive income										
Loss for the period		-	-	-	-	-	(2.970.372)	(2.970.372)	(905.677)	(3.876.049)
Other comprehensive income										
Share of fair value reserve of associated companies		-	-	(157.872)	-	-	-	(157.872)	-	(157.872)
Total other comprehensive income		-	-	(157.872)	-	-	-	(157.872)	-	(157.872)
Comprehensive income for the period		-	-	(157.872)	-	-	(2.970.372)	(3.128.244)	(905.677)	(4.033.921)
Transactions with owners										
Defence on deemed dividend distribution		-	-	-	-	-	(30.076)	(30.076)	(14.620)	(44.696)
Acquisition of non-controlling interest	11	-	-	-	-	-	(591.993)	(591.993)	(468.007)	(1.060.000)
Total transactions with owners		-	-	-	-	-	(622.069)	(622.069)	(482.627)	(1.104.696)
Balance at 30 June 2012		59.172.679	848.729	136.084.469	(15.032)	17.235.700	88.931.029	302.257.574	22.448.520	324.706.098

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2012 (continued)

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

(2) The share premium reserve and the fair value reserve are not available for distribution in the form of dividends.

The notes on pages 11 to 21 are an integral part of these condensed interim consolidated financial statements.

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of cash flows for the six months ended 30 June 2012

	Note	**30 June 2012 €**	30 June 2011 €
Cash flows from operating activities			
Cash generated from operations		**1.098.823**	592.375
Net cash from operating activities		**1.098.823**	592.375
Cash flows from investing activities			
Purchases of property, plant and equipment	9	**(474.976)**	(227.659)
Interest received		**21.360**	17.733
Additions in investment property	10	**(2.380)**	(64.000)
Receipts from the sale of property, plant and equipment		**-**	7.500
Receipts from the sale of investment property	10	**-**	230.000
Acquisition of non-controlling interest	11	**(1.060.000)**	-
Net cash used in investing activities		**(1.496.996)**	(36.426)
Cash flows from financing activities			
New loans	14	**7.083.000**	811.500
Repayment of loans		**(2.401.106)**	(2.157.140)
Interest paid		**(2.262.082)**	(1.866.775)
Net cash generated from/(used in) financing activities		**2.419.812**	(3.212.415)
Net increase/(decrease) in cash and bank overdrafts		**2.021.639**	(2.656.466)
Cash and bank overdrafts at beginning of period		**(11.427.191)**	(9.541.678)
Cash and bank overdrafts at end of period		**(9.405.552)**	(12.198.144)

The notes on pages 11 to 21 are an integral part of these condensed interim consolidated financial statements.

Notes to the unaudited condensed interim consolidated financial statements

1 General information

The Company was incorporated in Cyprus in 1951, as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113 and later became a public company. The Company is listed in the Cyprus Stock Exchange.

The condensed interim consolidated financial statements of the Company as at and for the six months ended 30 June 2012 comprise the Company and its subsidiaries (Note 11) together referred to as the “Group”, and the Group’s interests in associates (Note 12).

The condensed interim consolidated financial statements of the Group for the period ended 30 June 2012 and the consolidated financial statements as at 31 December 2011 are available upon request from the company’s office 197 Makarios III Avenue, Gala Tower, 3030 Limassol, and in electronic form in the Group’s website (www.galatariotisgroup.com).

The condensed interim consolidated financial statements have not been audited by the external auditors of the Group.

Principal activities

The principal activities of the Group are the development/improvement of land and the holding of strategic investments in companies operating in the hotel and tourism industry and in the industry of manufacturing and sale of cement.

2 Statement of compliance

These unaudited condensed interim consolidated financial statements of the Group have been prepared in accordance with the International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union (EU). These condensed interim consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2011.

3 Significant accounting policies

All the accounting policies, presentation of results and calculation methods, applied for the preparation of these unaudited condensed interim consolidated financial statements of the Group for the six months period ended 30 June 2012, are consistent with those used during the preparation of the annual consolidated financial statements for the year ended 31 December 2011.

3 Significant accounting policies (continued)

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2012. This adoption did not have any material effect on the Group's accounting policies.

At the date of approval of these condensed interim financial statements the following IFRS have been issued by the IASB but they have not yet been effective:

(i) Adopted by the European Union

Amendments

- Amendment to IAS 1 "Financial Statements Presentation" on Presentation of Items of Other Comprehensive Income" (effective for annual periods beginning on or after 1 July 2012).

- Amendments to IAS 19 "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013).

(ii) Not adopted by the European Union

New standards

- IFRS 9 "Financial Instruments" (and subsequent amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2015).

- IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013).

- IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013).

- IFRS 12 "Disclosure of Interests in Other entities" (effective for annual periods beginning on or after 1 January 2013).

- IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013).

- IAS 27 "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013).

- IAS 28 " Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013).

3 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

(ii) Not adopted by the European Union (continued)

Amendments

- Amendment to IAS 12 “Income Taxes” on deferred tax relating to recovery of underlying assets (effective for annual periods beginning on or after 1 January 2012).

- Amendment to IFRS 1 “First-time adoption of International Financial Reporting Standards” on severe hyperinflation and removal of fixed dates for First Time Adopters (effective for annual periods beginning on or after 1 July 2011).

- Amendments to IFRS 7 “Financial Instruments: Disclosures” on Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013).

- Amendments to IAS 32 “Financial Instruments: Presentation” on Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).

- Amendment to IFRS 1 “First-time adoption of International Financial Reporting Standards” on the application of IFRS 9 “Financial Instruments” and IAS 20 “Accounting for Government Grants and Disclosure on Government Assistance” – exemption on the retrospective application of IFRSs in relation to government grants (effective for annual periods beginning on or after 1 January 2013).

- Annual Improvements 2011 (effective for annual periods beginning on or after 1 January 2013).

New IFRICs

- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine” (effective for annual period beginning on or after 1 January 2013).

The Board of Directors is expected to evaluate the effects of these accounting standards when they will be adopted by the European Union.

Financial risk management

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statement: they should be read in conjunction with the group’s annual financial statements as at 31 December 2011. There have been no changes in the risk management department since year end or in any risk management policies.

4 Estimates

The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies. Actual results may differ from these estimates. The significant judgments made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2011, and no significant changes are expected.

5 Segment information

Operating segments are presented in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources and assessing performance of the operating segment. All operating segments used by the Group, meet the definition of a reportable segment as per IFRS 8.

The basic operating segments of the Group for which segment information is presented are as follows:

(1) Investment property

(2) Hotel and tourism

(3) Cement - strategic investment in Vassiliko Cement Works Public Company Limited

The "other" operating segment of the Group relates to secretarial and managerial services offered to related parties.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not allocated to segments. Other information presented, is accounted as per the financial statements.

5 Segment information (continued)

The segment information which is provided to the Management of the Group for the reportable segments is as follows:

	Hotel and tourism	Investment property	Cement	Other	Total
	€	€	€	€	€
Six months ended 30 June 2012					
Revenue	8.620.284	-	-	363.480	8.983.764
Adjusted EBITDA	(122.136)	(187.485)	-	(539.713)	(849.334)
Share of profit of associated companies	-	-	194.304	-	194.304
Six months ended 30 June 2011					
Revenue	8.381.409	-	-	287.500	8.668.909
Adjusted EBITDA	(591.544)	(125.859)	-	(428.014)	(1.145.417)
Share of profit of associated companies	-	-	262.614	-	262.614

A reconciliation of adjusted EBITDA to loss before tax is as follows:

	30 June 2012	30 June 2011
	€	€
Adjusted EBITDA for reportable segments	**(849.334)**	(1.145.417)
Depreciation	**(904.297)**	(775.382)
Interest received	**17.462**	17.733
Operating loss	**(1.736.169)**	(1.903.066)
Finance costs and foreign exchange differences	**(2.331.565)**	(2.677.483)
Share of profit of associated companies	**194.304**	262.614
Loss before tax	**(3.873.430)**	(4.317.935)

The segment assets and liabilities did not have any significant changes from the amounts presented in the annual consolidated financial statements of the Group for the year ended 31 December 2011.

6 Finance cost /foreign exchange loss

	30 June 2012 €	30 June 2011 €
Interest expense:		
Bank borrowings and bank overdrafts	**(2.098.386)**	(1.863.726)
Related party balances (Note 16 (c))	**(69.482)**	(3.049)
	(2.167.868)	(1.866.775)
Net foreign exchange transaction loss on financing activities	**(163.697)**	(810.708)
	(2.331.565)	(2.677.483)

7 Tax

Income tax is recognised based on annual income tax rate expected for the full financial year. The tax for the period represents corporation tax and defence contribution of previous years. No deferred tax has been recognised for the six months ended 30 June 2012, mainly because the credit balance for unused tax losses is recognised up to the extent of the debit balance relating to temporary differences.

8 Loss per share

	30 June 2012 €	30 June 2011 €
Loss attributable to the equity holders of the Company	**(2.970.372)**	(3.124.935)
Number of ordinary shares in issue	**137.610.883**	137.610.883
Basic and fully diluted loss per share – cent per share	**(2,16)**	(2,27)

There is no difference between the basic and the fully diluted loss per share for the current or prior period.

9 Property, plant and equipment

	Total €
Six months ended 30 June 2011	
Opening net book amount at the beginning of the period	144.828.525
Additions	227.659
Depreciation charge	(775.382)
Disposals	(11.000)
Net book amount as at 30 June 2011	144.269.802
Six months ended 30 June 2012	
Opening net book amount at the beginning of the period	143.495.164
Additions	474.976
Depreciation charge	(904.297)
Net book amount as at 30 June 2012	143.065.843

10 Investment property

	30 June 2012 €	30 June 2011 €
At beginning of period	**271.960.330**	272.090.000
Additions	**2.380**	64.000
Disposals	**-**	(230.000)
At end of period	**271.962.710**	271.924.000

11 Investment in subsidiaries

The condensed interim consolidated financial statements include The Cyprus Cement Public Company Limited (the "Company") and its subsidiary companies, which are collectively referred to as the "Group". Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of shares with voting rights.

The details of subsidiary companies which are all registered in Cyprus are as follows:

Name	Country of incorporation	Principal activities	% held 30 June 2012 %	% held 31 December 2011 %
CCC Laundries Limited	Cyprus	Dormant (1)	**100,00**	100,00
C.C.C. Tourist Enterprises Public Company Limited	Cyprus	Holding of investments in hotel and tourism	**67,29**	67,29
C.C.C. Secretarial Limited	Cyprus	Secretarial and administration services	**53,46**	53,46
Subsidiaries of CCC Laundries Limited				
White Linen (Famagusta) Limited	Cyprus	Dormant (1)	**63,00**	63,00
CCC Laundries (Paphos) Limited	Cyprus	Dormant (1)	**100,00**	71,00
Subsidiaries of C.C.C. Tourist Enterprises Public Company Limited				
L'Union Nationale (Tourism and Sea Resorts) Limited	Cyprus	Hotel and tourism	**67,29**	67,29

(1) The subsidiary companies of the Group, which were operating in the past in the industrial laundry and dry-cleaning services industry have ceased their activities during 2007.

On 12 March 2012 an agreement was signed under which the subsidiary CCC Laundries Limited acquired the remaining 29% of the share capital of the subsidiary CCC Laundries (Paphos) Limited from the non-controlling interests for a consideration of €1.060.000.

12 Investment in associates

	30 June 2012 €	30 June 2011 €
At beginning of period	**52.841.065**	53.100.400
Share of profit after tax	**482.218**	262.614
Share of loss after tax - prior year	**(287.914)**	-
Share of reserves	**(157.872)**	(196.328)
At end of period	**52.877.497**	53.166.686

The Group has the following investment in associate which is listed in the Cyprus Stock Exchange:

			% held	
Name	**Country of incorporation**	**Principal activity**	**30 June 2012 %**	31 December 2011 %
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	**25,3**	25,3

13 Share capital and share premium

	30 June 2012			30 June 2011		
	Number of shares	**Ordinary share capital €**	**Share premium €**	**Number of shares**	**Ordinary share capital €**	**Share premium €**
Issued and fully paid						
At beginning and at end of period	**137.610.883**	**59.172.679**	**848.729**	137.610.883	59.172.679	848.729

The authorised share capital of the Company is €86.000.000 divided into 200 000 000 ordinary shares (2010: 200 000 000 shares) with a par value of €0,43 per share. All issued shares are fully paid.

14 Borrowings

	30 June 2012 €	31 December 2011 €
Current		
Bank overdrafts	**9.485.700**	13.147.337
Loans to related parties (Note 16(e))	**1.273.005**	1.190.005
Bank loans	**5.495.100**	6.063.016
	16.253.805	20.400.358
Non-current		
Bank loans	**59.660.098**	54.360.984
Total borrowings	**75.913.903**	74.761.342

14 Borrowings (continued)

The movement in loans during the period is analysed as follows:

	30 June 2012 €	30 June 2011 €
Balance as at 1 January	**61.614.005**	62.176.204
New loans	**7.083.000**	811.500
Repayments	**(3.445.973)**	(3.570.398)
Foreign exchange losses	**132.304**	810.708
Capitalised interest	**1.044.867**	1.413.258
Balance as at 30 June	**66.428.203**	61.641.272

The exchange loss relates to the retranslation of the Swiss Franc denominated loans of the subsidiary company into Euro at the balance sheet date. During the period the subsidiary company converted two of the above mentioned loans denominated in Swiss franc amounting to €11.3 million to Euro and realised an exchange loss of €91.017.

The foreign exchange rates used at 30 June 2012 to translate non-current borrowings denominated in foreign currencies were €1 = 1,1944 Swiss francs (31 December 2011: €1 = 1,2414 Swiss francs).

15 Contingent liabilities and commitments

As at 30 June 2012, there were no capital commitments for the Group which were not provided for in the condensed interim consolidated financial statements.

There were no significant changes in the Group's contingencies from those that were presented in the annual consolidated financial statements for the year ended 31 December 2011.

16 Related party transactions

The Group is controlled by C.C.C. Holdings & Investments Public Company Limited, which is registered in Cyprus and listed in the Cyprus Stock Exchange. The ultimate holding company is George S. Galatariotis & Sons Limited.

16 Related party transactions (continued)

The following transactions were carried out with related parties:

(a) Sales of services

	30 June 2012 €	30 June 2011 €
Secretarial and administration services:		
Ultimate holding company	**17.000**	2.000
Parent company	**27.480**	27.500
Other related companies	**319.000**	258.000
	363.480	287.500

The above sales of services were made at commercial terms and conditions.

(b) Purchases of services

	30 June 2012 €	30 June 2011 €
Rents:		
Ultimate holding company	**104.814**	104.814

The rent paid was at commercial terms and conditions. The rental agreement is renewable on an annual basis.

(c) Interest on balances with related parties

	30 June 2012 €	30 June 2011 €
Interest payable:		
Parent company	**3.145**	2.669
Related parties	**66.337**	380
	69.482	3.049

16 Related party transactions (continued)

(d) Period/year end balances arising from sales/purchases of services

	30 June 2012 €	31 December 2011 €
Receivable from related parties:		
Other related companies	**20.762**	60.459
Associated companies	**1.434**	1.250
Ultimate parent company	**17.550**	32.810
	39.746	94.519
Payable to related parties:		
Parent company	**90.092**	90.092
Other related companies	**71.138**	16.618
Company that exercises significant influence over the Group	**542.970**	653.194
	704.200	759.904

Balances with related parties are unsecured, bear average annual interest at the rate of 7% (2011: 7%) and are repayable on demand.

(e) Period/year end balances arising from financing facilities

	30 June 2012 €	31 December 2011 €
Loans from related parties:		
Company that exercises significant influence over the Group	**1.273.005**	1.190.005

The above loans were granted during 2011. These loans are unsecured, bear annual average interest at the rate of 7% and are repayable on demand.

17 Seasonality

The Group's results are affected by the seasonality which relate to the tourism industry and as a result the Group's results in the second half of the year are generally better than those of the first half.

18 Partnership

On 7 October 2011, the joint venture of L' Union Branded Residences Partnership was established by the subsidiary company L' Union Nationale Ltd in co-operation with Starom Property Developers Limited ("Partner") which owns 50%. The main objective of the joint venture is the development of luxury residential properties on land situated next to the hotel of the subsidiary. After the disposal of a part of the plot (2.843 sq.m.) from the subsidiary to the partner, the total land plot to be developed belongs jointly to the subsidiary and the partner. During the six months ended 30 June 2012, additions of €52.775 have been incurred.

19 Events after the balance sheet date

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