K + G Complex Public Company Limited

Unaudited condensed interim consolidated financial statements for the six months ended 30 June 2013

Contents

K + G Complex 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 in 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 K + G Complex Public Company Limited (the “Company”) for the period of six months ended 30 June 2013, we confirm that, to the best of our knowledge:

(a) The condensed interim consolidated financial statements that are presented on pages 5 to 19:

(i) were prepared in accordance with the International Financial Reporting Standard IAS 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 K + G Complex 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	
Costas St. Galatariotis, Executive Director	
Vassos G. Lazarides, Finance Director	
Stavros G. St. Galatariotis, Executive Director	
Michalis Christoforou, Executive Director	
Tasos Anastasiou, Executive Director	

Responsible for the preparation of the condensed interim consolidated financial statements

Name and surname	Position	Signature
Elena Stylianou	Finance Manager	

Limassol
29 August 2013

K + G Complex Public Company Limited

Interim management report for the six months ended 30 June 2013

The Board of Directors, at a meeting held on 29 August 2013, reviewed and approved the unaudited condensed interim consolidated financial statements of K + G Complex Public Company Ltd for the six months period ended 30 June 2013.

The consolidated results include the results of its wholly owned subsidiary company Galatex Tourist Enterprises Limited as well as the share of the associated company The Cyprus Cement 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 Law and Regulations in relation to the announcement of interim financial results.

The same accounting principles and bases of estimates were applied in compiling the interim results for the first six months period of 2013 as those applied for the preparation of the annual financial statements for the year ended 31 December 2012. The results for the first six months period of 2013 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 2012.

Principal activities of the Group

The principal activities of the Group are the development and sale of land located in the Amathus area of Limassol, the sale of shops at Galatex Beach Centre, in the tourist area of Yermasogia in Limassol, and the holding of investments.

Review of the financial position of the Group

The net loss of the Group for the six months period ended 30 June 2013 was €2,98 million compared to a loss of €1,01 million for the corresponding period of 2012. The adverse change of the results compared to those of the last year/period is mainly due to the following:

- Loss of associated company: The share of loss of the associated company has increased by €735 thousands to €1.687 thousands compared to a loss of €953 thousand for the six month period to 30 June 2012.

- No sales of plots occurred during the period ended 30 June 2013. The revenue from the sale of plots for the first six months of 2012 were €888 thousands and gross profit from these sales amounted to €686 thousands.

- Impairment loss of €688 thousands which relates to the impairment of 47,5% of the uninsured deposits of the Company held in the Bank of Cyprus, following the decision of the Ministry of Finance and the Central Bank.

K + G Complex Public Company Limited

Interim management report for the six months ended 30 June 2013 (continued)

Review of the financial position of the Group (continued)

The total assets of the Group at the end of the six month period amounted to €107,4 millions (31 December 2012: €109,9 million) of which €90 million (31 December 2012: €91,7 millions) represent investments in associated companies, €7,2 millions (31 December 2012: €7,2 millions) stocks at cost and €1,5 millions cash at bank (31 December 2012: €3,6 millions).

Under the current conditions, the expected results for 2013, 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 that arises from adverse movements in foreign exchange rates, interest rates as well as operational risks.

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

- The operating environment of Cyprus and the conditions formed after the decision of the Eurogroup on 25 March 2013 (Note 1),
- International and national economic and geopolitical conditions,
- The growth of the construction and real estate sectors

The economic conditions prevailing in the Cyprus market together with the effects of the results of the Eurogroup decision taken on 25 March 2013 for Cyprus, create additional risks and uncertainties for the second half of 2013. Specifically, the current conditions, could have adverse effect, on the valuation of the Group's property, on its ability to obtain adequate liquidity or financing and on revenue due to any possible decrease in demand for products and services offered by the Group due to reduced consumer purchasing power.

The deterioration in operating conditions could also have an impact on the cash flow forecasts of the Groups' management and their estimation for the impairment of financial and non-financial assets.

The Group is in the process of negotiating the restructuring of the bank loans and expects that in the future it will be able to secure additional liquidity if needed.

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 2013 will be published in the newspaper "Simerini" on 30 August 2013.

K + G Complex Public Company Limited

Interim management report for the six months ended 30 June 2013 (continued)

Copies of the Group’s unaudited condensed interim consolidated financial statements are available, at the Company’s registered office at 197 Makarios III Avenue, Gala Tower, 3030 Limassol and in electronic form at the Galatariotis Group of Companies website (www.galatariotisgroup.com).

Limassol,
29 August 2013

K + G Complex Public Company Limited

Condensed interim consolidated statement of comprehensive income for the six months ended 30 June 2013

	Note	**30 June 2013 €**	30 June 2012 €
Revenue		**-**	888.000
Cost of sales		**-**	(202.163)
Gross profit		**-**	685.837
Administrative expenses		**(312.446)**	(374.661)
Selling and marketing expenses		**(85.226)**	(78.823)
Other losses - net	7	**(688.195)**	-
Other income - net	6	**254.732**	305.983
Operating (loss)/profit		**(831.135)**	538.336
Finance costs	9	**(444.520)**	(582.150)
Share of loss of associated companies	13	**(1.687.025)**	(952.128)
Loss before tax		**(2.962.680)**	(995.942)
Income tax expense		**(14.220)**	(16.145)
Loss for the period		**(2.976.900)**	(1.012.087)
Other comprehensive loss for the period			
Share of reserve movements of associated companies	13	**-**	(250.127)
Total comprehensive loss for the period		**(2.976.900)**	(1.262.214)
Loss per share (cent per share):			
- Basic and fully diluted	11	**(2,98)**	(1,01)

The notes on pages 9 to 19 are an integral part of these condensed interim consolidated financial statements.

K + G Complex Public Company Limited

Condensed interim consolidated balance sheet as at 30 June 2013

	Note	**30 June 2013 €**	31 December 2012 €
Assets			
Non-current assets			
Property, plant and equipment	12	**44.239**	48.949
Investments in associates	13	**90.027.050**	91.714.075
Non-current receivables		**2.066.953**	1.815.643
		92.138.242	93.578.667
Current assets			
Inventories		**7.233.931**	7.233.932
Trade and other receivables		**6.439.126**	5.404.734
Tax refundable		**82.737**	82.737
Cash and cash equivalents		**1.518.588**	3.556.239
		15.274.383	16.277.642
Total assets		**107.412. 625**	109.856.309
Equity and liabilities			
Capital and reserves			
Share capital	14	**17.000.000**	17.000.000
Share premium	14	**1.757.006**	1.757.006
Reserve of changes in equity of associate company		**(4.034.508)**	(4.034.508)
Reserve arising on translation of share capital into Euro		**86.014**	86.014
Retained earnings		**73.785.927**	76.762.827
Total equity		**88.594.439**	91.571.339
Non-current liabilities			
Borrowings	15	**14.397.199**	14.656.949
Deferred income tax liabilities		**25.870**	25.870
		14.423.069	14.682.819
Current liabilities			
Trade and other payables		**411.743**	590.950
Current income tax liabilities		**18.005**	30.035
Borrowings	15	**3.965.369**	2.981.166
		4.395.117	3.602.151
Total liabilities		**18.818.186**	18.284.970
Total equity and liabilities		**107.412.625**	109.856.309

The notes on pages 9 to 19 are an integral part of these condensed interim consolidated financial statements.

K + G Complex Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2013

	Share capital €	Share premium [2] €	Reserve arising on translation of share capital into Euro €	Reserve of changes in equity of associated company [2] €	Retained earnings [1] €	Total €
Balance at 1 January 2012	17.000.000	1.757.006	86.014	(788.344)	80.617.189	98.671.865
Comprehensive loss						
Loss for the period	-	-	-	-	(1.012.087)	(1.012.087)
Other comprehensive loss						
Effect of share of reserves in associated companies	-	-	-	(250.127)	-	(250.127)
Total comprehensive loss for the period	-	-	-	(250.127)	(1.012.087)	(1.262.214)
Balance at 30 June 2012	17.000.000	1.757.006	86.014	(1.038.471)	79.605.102	97.409.651
Balance at 1 January 2013	17.000.000	1.757.006	86.014	(4.034.508)	76.762.827	91.571.339
Comprehensive loss						
Loss for the period	-	-	-	-	(2.976.900)	(2.976.900)
Other comprehensive loss						
Effect of share of reserves in associated companies	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(2.976.900)	(2.976.900)
Balance at 30 June 2013	17.000.000	1.757.006	86.014	(4.034.508)	73.785.927	88.594.439

(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 reserve of changes in equity of associated company are not available for distribution in the form of dividends.

The notes on pages 9 to 19 are an integral part of these condensed interim consolidated financial statements.

K + G Complex Public Company Limited

Condensed interim consolidated statement of cash flows for the six months ended 30 June 2013

	Note	**30 June 2013 €**	30 June 2012 €
Cash flows from operating activities			
Cash used in operations		**(1.466.932)**	(168.800)
Net cash used in operations		**(1.466.932)**	(168.800)
Cash flows from investing activities			
Interest received	6	**53.959**	305.183
Loans granted to related companies	17(d)	**(904.431)**	(4.007.000)
Loan repayments received from related companies	17(d)	**-**	2.088.715
Net cash from investing activities		**(850.472)**	(1.613.102)
Cash flows from financing activities			
Repayment of borrowings		**-**	(537.145)
Repayment of borrowings from holding company		**-**	(966.000)
Interest paid		**(444.520)**	(582.150)
Net cash used in financing activities		**(444.520)**	(2.085.295)
Net decrease in cash, cash equivalents and bank overdrafts		**(2.761.924)**	(3.867.197)
Cash, cash equivalents and bank overdrafts at beginning of the period		**3.439.435**	9.116.676
Cash, cash equivalents and bank overdrafts at end of period		**677.511**	5.249.479

The notes on pages 9 to 19 are an integral part of these condensed interim consolidated financial statements.

K + G Complex Public Company Limited

Notes to the unaudited condensed interim consolidated financial statements

1 General information

K + G Complex Public Company Limited (the “Company”), was incorporated in Cyprus in June 1980 as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113 and in May 1981 it was converted into a public company. The Company is listed in the Cyprus Stock Exchange.

The condensed interim consolidated financial statements of the Company for the six months ended 30 June 2012 consist of the Company and its subsidiary (Note 18) which together are referred to as the “Group” and the Group’s interest in associated companies (Note 13).

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 2012 are available upon request from the Company’s registered office at 197 Makarios III Avenue, Gala Tower, CY-3030 Limassol, Cyprus, and in electronic form at the Group’s website (www.galatariotisgroup.com).

The principal activities of the Group, which are unchanged from last year, are the following:

(a) development and sale of shops at Galatex Beach Center
(b) development and sale of land located in the Amathus area of Limassol
(c) holding of investments

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

Cyprus Operating environment

The Cyprus economy has been adversely affected over the last few years by the international credit crisis and the instability in the financial markets. During 2012 there was a considerable tightening of financing availability from Cypriot financial institutions, mainly resulting from financial instability in relation to the Greek sovereign debt crisis, including the impairment of Greek Government Bonds, and its impact on the Cyprus economy. In addition, following its credit downgrades, the ability of the Republic of Cyprus to borrow from international markets has been significantly affected. The Cyprus government entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund, in order to obtain financial support.

Cyprus and the Eurogroup (together with the International Monetary Fund) reached an agreement on 25 March 2013 on the key elements necessary for a future macro-economic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing and to restore the viability of the financial sector, with the view of restoring sustainable economic growth and sound public finances over the coming years.

1 General information (continued)

Cyprus Operating environment (continued)

Based on this agreement The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below € 100.000 in accordance with EU legislation. More specifically, the uninsured depositors of Laiki are entitled to receive 18% of the equity of Bank of Cyprus. This would be managed by the liquidator and its proceeds will be shared between the uninsured depositors. The Bank of Cyprus uninsured depositors have received in total 81% of the Bank of Cyprus new shares through a conversion of 47,5% of their deposits (amounts over €100.000). The holders of equity and other mezzanine instruments have received approximately 1% of the Bank of Cyprus new equity instruments. These instruments have not been admitted for trading in the Stock exchange as yet. The fair value of these instruments is still unknown and very difficult to calculate due to the unavailability of public information and active market. Management's preliminary assessment is that the Company's deposits held in these two Banks, at 26 March 2013, have suffered an impairment of approximately €688.195. In addition the corporate tax rate increased from 10% to 12,5%.

On 22 March 2013 the House of Representatives voted legislation relating to capital controls affecting transactions executed through banking institutions operating in Cyprus. The extent and duration of the capital controls is decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013 and have subsequently been relaxed but are still in place.

The uncertain economic conditions in Cyprus, the unavailability of financing, the imposition of the above mentioned capital controls together with the current instability of the banking system and the anticipated overall economic recession, could affect the ability (1) the ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company's trade and other debtors to repay the amounts due to the Company and (3) the ability of the Company to generate sufficient turnover and to sell its existing inventories.

The deterioration of operating conditions could also have an impact on the cash flow forecasts of the Company's management and their assessment of impairment of financial and non-financial assets.

The Company's management has assessed:

(1) whether any impairment provisions are deemed necessary for the Company's financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Provisions for trade receivables are determined using the incurred loss model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables that arose from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are.

(2) whether the net realisable value for the Company s inventory exceeds cost. Where net realisable value is below cost, the excess should be charged to the profit or loss for the year. The demand for many kinds of real estate properties has been significantly affected and transactions are less frequent, therefore the estimated selling price is highly judgmental.

1 General information (continued)

Cyprus Operating environment (continued)

The Board of Directors management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Group.

On the basis of the evaluation performed, the Board of Directors management has concluded that impairment has been recognised as disclosed in Note 7.

The Board of Directors management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

2 Basis of preparation

This unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2013 have been prepared in accordance with the International Accounting Standard 34, 'Interim financial reporting' as adopted by the EU. The condensed interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

3 Accounting policies

All the accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended 31 December 2012, except the following set out below:

The Board of Directors decided to early adopt the following accounting standards to conform with the accounting policies of investments in associates:

- IFRS 10,"Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)).

- IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)).

- IFRS 12, "Disclosure of Interests in Other entities" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)).

- IAS 27, "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)).

- IAS 28, "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)).

3 Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

The adoption of these accounting standards in future periods will not have a material effect on the interim financial statements.

Financial risk management

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

The unaudited condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2012. There have been no changes in the risk management policies since 31 December 2012.

4 Estimates

The preparation of the condensed interim consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. The significant judgments and estimations made by Management in applying the Group's accounting policies were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012, and no significant changes are expected.

5 Segment information

The revenue of the Group relates to income from the sale of immovable property in Cyprus.

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 preresented are as follows:

(1) Development and sale of land

(2) Holding of investments

The management of the Group assesses the performance of the operating segments based on a measure of adjusted (loss)/profit before interest, taxes, depreciation and amortization (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 are provided to the Management of the Group for the reportable segments is as follows:

Segment results

	Development and sale of land €	Holding of investments €	Total €
Six months ended 30 June 2013			
Revenue	-	-	-
EBITDA	(392.962)	-	(392.962)
Share of loss of associated companies	-	(1.687.025)	(1.687.025)
Six months ended 30 June 2012			
Revenue	888.000	-	888.000
EBITDA	244.953	-	244.953
Share of loss of associated companies	-	(952.128)	(952.128)

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

	30 June 2013 €	30 June 2012 €
EBITDA for reportable segments	**(392.962)**	244.953
Depreciation	**(692.905)**	(11.800)
Interest received	**254.732**	305.183
(Loss)/profit from operations	**(831.135)**	538.336
Finance costs	**(444.520)**	(582.150)
Share of loss of associated companies	**(1.687.025)**	(952.128)
Loss before tax	**(2.962.680)**	(995.942)

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 2012.

6 Other income – net

	30 June 2013 €	30 June 2012 €
Interest income:		
Bank balances	**53.959**	141.513
Related parties (Note 17 (b))	**200.773**	163.670
Other income	**-**	800
	254.732	305.983

7 Other losses – net

	30 June 2013 €	30 June 2012 €
Available-for-sale financial assets:		
Impairment loss	**688.195**	-

The impairment on available for sale financial assets relates to impairment loss of the uninsured deposits retained by the Company in the Bank of Cyprus amounting to €688.195, which was based on the conversion of 47,5% of these deposits in shares of Bank of Cyprus and subsequent impairment to nil value of these shares that will be granted.

8 Expenses by nature

	30 June 2013 €	30 June 2012 €
Changes in inventories	**-**	202.163
Depreciation of property, plant and equipment	**4.710**	11.800
Auditors' remuneration	**10.600**	10.250
Management consultancy and secretarial fees (Note 17 (a))	**205.868**	273.600
Selling and marketing expenses	**85.226**	78.823
Salaries and fees of Directors and key management personnel	**23.419**	27.016
Other expenses	**67.849**	51.995
Total cost of sales, administrative and other operating expenses	**397.672**	655.647

9 Finance costs

	30 June 2013 €	30 June 2012 €
Interest expense:		
Bank borrowings and overdrafts	**443.674**	553.715
Balances with related companies (Note 17 (b))	**846**	28.435
	444.520	582.150

10 Tax

Tax charge for the period consists corporation tax, defence tax and deferred taxation. Income tax expense is recognised based on the expected annual income tax rate expected for the full financial year.

The corporation tax rate as at 31 December 2012 was 10% and increased to 12,5% as from 1 January 2013.

11 Loss per share

	30 June 2013	30 June 2012
Loss for the period attributable to equity holders of the Company – (€)	**(2.976.900)**	**(1.012.087)**
Number of ordinary shares in issue during the period	**100.000.000**	**100.000.000**
Loss per share-basic and fully diluted (cent per share)	**(2,98)**	**(1,01)**

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

12 Property, plant and equipment

	Total €
Six months ended 30 June 2012	
Opening net book amount	72.462
Depreciation charge	(11.800)
Net book amount as at 30 June 2012	60.662
Six months ended 30 June 2013	
Opening net book amount	48.949
Depreciation charge	(4.710)
Net book amount as at 30 June 2013	44.239

13 Investments in associates

	€
Six months ended 30 June 2012	
At the beginning of period	98.141.304
Share of loss after tax	(952.128)
Share of changes in equity	(250.127)
At the end of period	96.939.049
Six months ended 30 June 2013	
At the beginning of period	91.714.075
Share of loss after tax	(1.687.025)
At the end of period	90.027.050

The associated company is The Cyprus Cement Public Company Limited. Its main activities are the development of land and the holding of strategic investments in companies operating in hotel and tourism industry and in the sector manufacturing and sale of cement. The interest held by the Group to The Cyprus Cement Public Company Limited, which is listed in the Cyprus Stock Exchange, is 32,07%.

14 Share capital and share premium

	Number of shares	Share capital €	Share premium €	Total €
At 1 January 2012/30 June 2012	100 000 000	17.000.000	1.757.006	18.757.006
At 1 January 2013/30 June 2013	100 000 000	17.000.000	1.757.006	18.757.006

The total authorized number of ordinary shares is 500 000 000 shares (2012: 500 000 000 shares) with a par value of €0,17 per share (2012: €0,17 per share). All issued shares are fully paid. All issued shares carry equal voting rights.

15 Borrowings

	30 June 2013 €	31 December 2012 €
Current		
Bank overdrafts	**841.077**	116.804
Bank borrowings	**3.124.292**	2.864.362
	3.965.369	2.981.166
Non-current		
Bank borrowings	**14.397.199**	14.656.949
Total borrowings	**18.362.568**	17.638.115

Movement in bank loans during the period is analyzed as follows:

	30 June 2013 €	30 June 2012 €
Balance at 1 January	**17.521.311**	19.112.780
Repayments	**(423.300)**	(1.083.842)
Interest expenses	**423.480**	546.698
Balance at 30 June	**17.521.491**	18.575.636

The bank loans are repayable by monthly installments by July 2018. The bank loans and overdrafts are secured as follows:

(i) By guarantees from the holding company C.C.C. Holdings & Investments Public Company Limited (Note 17(e)).

(ii) By Company guarantee not to mortgage its assets.

The Company's bank borrowings and bank overdrafts are arranged at floating rates. For borrowings at floating rates the interest rate reprises on a monthly basis exposing the Group to cash flow interest rate risk.

The carrying amounts of bank overdrafts, current and non-current borrowings approximate their fair value.

16 Contingencies

As at 30 June 2013, 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 2012.

17 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments Public Company Limited, registered in Cyprus, which owns 83,27% of the Company's shares. The remaining issued share capital is widely held. The ultimate holding company of the Group is George S. Galatariotis & Sons Limited.

The related companies are companies under common control and companies controlled by the Directors of the Company.

The following transactions were carried out with related parties:

(a) Purchases of services

	30 June 2013 €	30 June 2012 €
Related company:		
Management, consultancy, rental and secretarial fees	**205.868**	273.600
Selling and marketing expenses	**85.226**	78.823
	291.094	352.423

The recharge of costs from related companies is based on the time spent by its employees on the affairs of the Group and office space allocated to the Group.

(b) Interest (on)/from balances with related parties

	30 June 2013 €	30 June 2012 €
Interest paid:		
Balance with holding company	**(846)**	**(28.435)**
Interest received:		
Balance with associated company	**200.773**	**163.670**

17 Related party transactions (continued)

(c) Period/year end balances

	30 June 2013 €	31 December 2012 €
Receivables from related parties:		
Associated company	**41.774**	41.774
Related companies	**1.939**	1.939
	43.713	43.713
Payables to related parties:		
Associated company	**209.090**	198.746
Holding company	**25.607**	24.761
	234.697	223.507

Balances with related parties bear average annual interest at the rate of 7% (2012: 7%), are not secured and they are payable/receivable on demand.

(d) Loans to related parties

	30 June 2013 €	31 December 2012 €
Loans to ultimate holding and associated companies:		
At beginning of period/year	**6.152.329**	3.803.860
Loans advanced during year	**904.431**	3.670.000
Loans repaid during year	**-**	(1.652.548)
Interest charged	**199.345**	331.017
At end of period/year	**7.256.105**	6.152.329

The loans to related companies carry average interest rate of 6,25% per annum.

The loan to the ultimate holding company is secured by corporate guarantee amounting to €4.260.000 of Galatariotis Enterprises Limited and is repayable on demand. The loans to related companies are unsecured and are repayable on demand.

(e) Loan guarantees from related companies

The bank loans of the Group are secured by guarantees from the holding company C.C.C. Holdings & Investments Public Company Limited for an unlimited amount.

(f) Transactions with Directors and related parties

Apart from the transactions and balances with Directors and key management and other related parties referred to above, there were no other material transactions with the Company as at 30 June 2013, in which the Directors or the related parties had a material interest.

18 Subsidiary undertakings

The subsidiary of K + G Complex Public Company Limited is the following:

	% holding	Country of incorporation	Activities
Galatex Tourist Enterprises Limited	100%	Cyprus	Property development

19 Seasonality

The results of the Group are not significantly affected by seasonal fluctuations.

20 Events after the balance sheet date

On 30 July 2013 the Ministry of Finance and the Central Bank of Cyprus announced that the procedure of recapitalization of the Bank of Cyprus was completed. The final conversion rate of the uninsured deposits into shares of the bank was set at 47,5%. The fair value of the Group's financial assets as at 30 June 2013 was adjusted accordingly (Note 7).

There were no other material post balance sheet events, which have a bearing on the understanding of the unaudited condensed interim consolidated financial statements.