C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

Interim Condensed Consolidated Financial Statements

For the period from 1 January 2013
to 30 June 2013

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period from 1 January 2013 to 30 June 2013

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OFFICERS AND PROFESSIONAL ADVISERS

Directors	Costas St. Galatariotis, Executive Chairman
	Thomas M. Schmidheiny (Swiss), Vice Chairman, Director
	George St. Galatariotis (Cypriot), Executive Director
	Stavros G. St. Galatariotis (Cypriot), Executive Director
	Alexis G. St. Galatariotis (Cypriot), Executive Director
	Tasos Anastasiou (Cypriot), Executive Director
	Vassos G. Lazarides (Cypriot), Finance Director
	Michalis Mousiouttas (Cypriot), Director
	Constantinos Pittas (Cypriot), Director
	Stephan Popper (Swiss), Director
	Riginos Tsanos (Cypriot), Director
	Costas St. Galatariotis (Alternate director of Thomas M. Schmidheiny and Stephan Popper)
Secretary	C.C.C. Secretarial Limited Limassol, Cyprus
Independent Auditors	Deloitte Limited Limassol, Cyprus

INTERIM MANAGEMENT REPORT

For the period from 1 January 2013 to 30 June 2013

The Board of Directors, at a meeting held on 30th July 2013, reviewed and approved the unaudited interim condensed consolidated financial statements of C.C.C. Tourist Enterprises Public Company Ltd for the period from 1 January to 30 June 2013.

The consolidated results include the results of its wholly owned subsidiary company L' Union Nationale (Tourism and Sea Resorts) Ltd, owning company of the luxurious hotel complex Le Meridien Limassol Spa & Resort as well as 50% interest in the L' Union Branded Residences Partnership (the "Partnership"). The Partnership was incorporated on 7 October 2011 with main purpose the development of up-market residential properties to a plot owned by the partners that is adjacent to the hotel complex.

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 2013 as those applied for the preparation of the annual financial statements for the year ended 31 December 2012 except from the change in accounting policy as explained in note 3 of these condensed financial statements and relates to the adoption of IFRS11 "Joint Ventures". The results for the first six months period of 2013 have not been audited by the external auditors of the Group.

The interim condensed financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2012.

Principal activities of the Group

The principal activity of the Group, which has not changed during the period, is the erection and development of hotels, the carrying on of the business of hoteliers, the development and promotion of tourism and touristic activities and the development of luxurious villas for sale.

Review of the financial performance and current position of the Group

Financial performance

The turnover of the Group decreased by 22,20% to €6,7 million compared to €8,6 million in the same period of 2012 due to the significant decrease in the reservations observed after the Eurogroup decision (Note 13) in March 2013.
The Group made successful efforts to maintain\reduce operating expenses. Financial expenses increased by €295.779 but at the same time the Group achieved an exchange profit of €143.197 compared to a loss of €163.697 for the same period of 2012. Further results included a 50% loss of the Partnership, amounting to €138.426 which relates to 47,5% impairement of unsecured deposits in the Bank of Cyprus. As a result, the net loss for the period was increased by €639.305 compared to the same period in 2012.

Financial position

The total assets of the Group at the end of the period were €122,8 million (31/12/2012 €122,7 million) of which €118,2 million (2012: €118,9 million) relate to the carrying value of the Group's property, plant and equipment and substantially reflect the hotel's land and buildings. Net assets decreased from €46,1 million as at 31/12/2012 to €42,6 million as at 30 June 2013 as a result of the loss of the period.

INTERIM MANAGEMENT REPORT (Cont'd)

For the period from 1 January 2013 to 30 June 2013 (Cont'd)

Risks and uncertainties

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

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

- International and national economic and geopolitical conditions
- The impact of war, terrorist activity but also diseases, which affect travellers
- Increases in labour and energy costs
- Increased competition within Cyprus and the neighbouring countries
- Economic Environment in Cyprus (note 13).

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

Extracts of the results of the first six months of 2013 will be published in the newspaper 'Simerini' on 1st August 2013.

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

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

In accordance with Article 10 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 190(1)/2007 of 2011, we, the members of the Board of Directors and the Company officials responsible for the drafting of the Interim consolidated financial statements of C.C.C. Tourist Enterprises Public Company Limited (the “Company”) for the period 1 January 2013 until 30 June 2013, on the basis of our knowledge, declare that:

a) the interim condensed consolidated financial statements which are presented on pages 5 to 15:

   (i) have been prepared in accordance with the International Financial Reporting Standard IAS 34 “Interim Financial Reporting” and the provisions of section (4) of the above Law, and

   (ii) provide a true and fair view of the assets and liabilities, the financial position and the profit or loss of C.C.C. Tourist Enterprises Public Company Limited and its operations that are included in the interim consolidated financial statements as a whole and

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

Name	**Position**	**Signature**
Costas St. Galatariotis	Executive Chairman	……………………………………
Thomas M. Schmidheiny (Swiss)	Vice Chairman Non Executive Director	……………………………………
George St. Galatariotis	Executive Director	……………………………………
Stavros G. St. Galatariotis	Executive Director	……………………………………
Alexis G. St. Galatariotis	Executive Director	……………………………………
Tasos Anastasiou	Executive Director	……………………………………
Vassos G. Lazarides	Finance Director	……………………………………
Michalis Mousiouttas	Non Executive Director	……………………………………
Constantinos Pittas	Non Executive Director	……………………………………
Riginos Tsanos	Non Executive Director	……………………………………
Stephan Popper (Swiss)	Non Executive Director	……………………………………

Limassol, 30 July 2013

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2013 to 30 June 2013

	Notes	Unaudited Six months ended 30/6/2013 €	Revised 30/6/2012 €
Revenue		**6.707.078**	8.620.284
Operating and administration costs		**(7.262.924)**	(8.737.656)
		(555.846)	(117.372)
Depreciation		**(953.613)**	(875.770)
Net finance costs		**(1.903.060)**	(1.607.281)
Exchange gain/(loss)		**143.197**	(163.697)
Share of profit of associate and joint venture		**(138.426)**	(4.323)
Loss before taxation		**(3.407.748)**	(2.768.443)
Taxation	4	**-**	-
Loss for the period		**(3.407.748)**	(2.768.443)
Other comprehensive income for the period		**-**	-
Total comprehensive loss for the period		**(3.407.748)**	(2.768.443)
		cent	**cent**
Basic and fully diluted loss per share	5	**(2,41)**	(1,95)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	Unaudited 30/6/2013 €	Revised Audited 31/12/2012 €
Assets			
Non-current assets			
Property, plant and equipment	6	118.271.510	118.951.447
Investment in associate / joint venture	8	1.114.580	1.263.311
		119.386.090	120.214.758
Current assets			
Property under development	7	790.333	790.333
Inventories		826.764	849.122
Trade and other receivables		1.392.195	811.242
Receivable balance from parent company		144.500	-
Cash and cash equivalents		164.537	70.554
		3.318.329	2.521.251
Total assets		122.704.419	122.736.009
Equity and liabilities			
Capital and reserves			
Share capital	9	60.927.577	60.927.577
Other reserves		29.800.825	29.800.825
Retained earnings		(48.037.052)	(44.629.304)
Total equity		42.691.350	46.099.098
Non-current liabilities			
Bank and other loans	10	50.851.768	47.354.961
Deferred taxation		12.549.195	12.549.195
		63.400.963	59.904.156
Current liabilities			
Trade and other payables		5.802.222	3.882.937
Bank loans	10	703.109	3.919.251
Bank overdrafts		10.106.775	8.930.567
		16.612.106	16.732.755
Total liabilities		80.013.069	76.636.911
Total equity and liabilities		122.704.419	122.736.009

The interim condensed consolidated financial statements were approved by the Board of Directors on 30 July 2013.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2013 to 30 June 2013

	CAPITAL RESERVES*				
	Share capital €	**Share premium account €**	**Revaluation reserve €**	**Accumulated losses €**	**Total €**
1 January 2012	60.927.577	1.756.398	47.394.927	(38.071.929)	72.006.973
Comprehensive income					
Reversal of revaluation of land and buildings/transfer of excess depreciation to retained earnings	-	-	(23.635.967)	482.141	(23.153.826)
Reversal of deferred tax liability relating to the reduction in the carrying amount of land and buildings	-	-	4.285.467	-	4.285.467
Loss for the year	-	-	-	(7.039.516)	(7.039.516)
31 December 2012	60.927.577	1.756.398	28.044.427	(44.629.304)	46.099.098
Balance 1 January 2012	60.927.577	1.756.398	47.394.927	(38.071.929)	72.006.973
Loss for the period	-	-	-	(2.768.443)	(2.768.443)
Defence contribution on deemed distribution on profits of the year 2009	-	-	-	(44.696)	(44.696)
Balance 30 June 2012	60.927.577	1.756.398	47.394.927	(40.885.068)	69.193.834
Balance 1 January 2013	60.927.577	1.756.398	28.044.427	(44.629.304)	46.099.098
Loss for the period	-	-	-	(3.407.748)	(3.407.748)
Balance 30 June 2013	60.927.577	1.756.398	28.044.427	(48.037.052)	42.691.350

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period from 1 January 2013 to 30 June 2013

	Six months ended	
	30/6/2013	30/6/2012
	€	€
Net cash (outflow)/inflow from operating activities	(759.404)	1.011.709
Cash flows from investing activities		
Payments for the acquisition of property, plant and equipment	(311.116)	(397.150)
Net cash used in investing activities	(311.116)	(397.150)
Cash flows from financing activities		
Repayment of loans	(11.705)	(2.677.990)
New loans	-	3.500.000
Net cash(outflow) /inflow/from financing activities	(11.705)	822.010
Net (decrease)/increase in cash and cash equivalents	(1.082.225)	1.436.569
Cash and cash equivalents as at 1 January 2013 / 2012	(8.860.013)	(8.334.555)
Cash and cash equivalents as at 30 June 2013	(9.942.238)	(6.897.986)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2013 to 30 June 2013

1. GENERAL

1.1 *Incorporation and principal activity*

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

The Company acquired all the share capital of subsidiary company L’Union Nationale (Tourism and Sea Resorts) Limited (the “subsidiary company”) which was incorporated in Cyprus in 1981. The subsidiary company is the owner company of the luxurious hotel complex Le Meridien Limassol Spa & Resort and a 50% partnership in L’ Union Branded Residences (the “Partnership”). The Partnership was incorporated in Cyprus on 7 October 2011 with main purpose the development of up-market residential properties to a plot owned by the partners that is adjacent to the hotel complex.

The principal activities of the Group, is the erection and development of hotels, the carrying on of the business of hoteliers, the development and promotion of tourism and touristic activities and the development of luxurious villas for sale.

1.2 *Seasonality*

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

1.3 *Condensed Interim Financial Statements*

The Condensed Interim Consolidated Financial Statements, refer to the consolidated financial statements of the Company and its wholly owned subsidiary L’ Union Nationale (Tourism and Sea Resorts) Limited as well as to a 50% interest in the L’ Union Branded Residences Partnership (the “Partnership”). The Partnership was incorporated with main purpose the development of up-market residential properties to a plot owned by the partners that is adjacent to the hotel complex.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Apart from the change in the accounting policy as discussed in note 3, the accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2013 are consistent with those followed for the preparation of the Consolidated Financial Statements for the year ended 31 December 2012. This must be read in conjuction with the annual financial statemetns for the year ended 31 December 2012. The condensed consolidated financial statements are presented in Euro.

Going concern basis

During the year ended 30 June 2013, the Group incurred a loss before taxation of €3.407.748 (2012: €2.768.443) and at 30 June 2013, its current liabilities exceeded its current assets by € 13.293.777 (31 December 2012: €14.211.504). The availability and accessibility of liquid assets (cash) that will allow the Group to be consistent and repay its obligations are important factors in the assessment of the Group to be considered as a going concern for the preparation of consolidated financial statements.

The economic events as described in note 13 and together with the effects of the results of the Eurogroup decision taken on 25 March 2013 for Cyprus, 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 consolidated financial statements have been prepared on a going concern basis, which anticipates the realization of assets and satisfaction of liabilities in the normal course of business. Therefore, the financial statements do not include any adjustments relating to the recovery of assets recorded and the amount and classification of liabilities or any other adjustments that may be necessary.

The Group's management is of the opinion that the preparation of these interim condensed consolidated financial statements on a going concern basis is appropriate for the following reasons:

i. During the year 2013, the management of the subsidiary company secured an increase of its overdraft limit for further €2.000.000 to cover possible liquidity needs until September 2013, as well as a waiver for principal installment in the amount of €2,8 million.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2013 to 30 June 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern basis (continued)

ii. Historically, the Group was able to raise the necessary liquidity from financial institutions in Cyprus. Based on a valuation obtained from an independent professional valuer in February 2013, the market value of the subsidiary company's immovable property, significantly exceeds the levels of the Group's borrowings and together with the financial support provided by the Group's parent company, The Cyprus Cement Public Company Limited, the Group's management is of the opinion that will be able to secure liquidity in case this is required in the future.

Although the management of the Group is unable to predict the developments which could have an impact on the economy of Cyprus and consequently what effects, if any, could have on the future financial performance, cash flows and financial position of the Group, positive developments might arise in connection to the tourism industry, like possible reductions of operating costs (energy, personnel and other goods) as well as interest rate cuts. At the same time as a result of collective effort, an increase in the tourist arrivals in Cyprus could emerge. All the above will have a positive impact on the Group's results.

3. ADOPTION OF NEW STANDARD / RESTATEMENT OF COMPARATIVES

Regarding the Group's investment in the joint venture L 'Union Branded Residences, the Group has applied, for the first time the new standard IFRS 11 "Joint Ventures", which replaces the standard IAS 31 "Interest in Joint Ventures",.

IFRS 11 was first adopted on the 1st of January 2013. Under IFRS 11, the use of the equity method is mandatory unlike IAS 31 in which the method of proportionate consolidation was allowed and was used by the Group from the date of incorporation of the joint venture L 'Union Branded Residences in 2011.

Following the above, the comparative figures of the interim condensed consolidated financial statement of comprehensive income and the the interim condensed consolidated financial position have been restated to conform with the application of the equity method used from 1st January 2013.

As a result, the interim condensed consolidated financial statements for the financial position and statement of comprehensive income as at 31st December 2012 and for the period ended 30 June 2012, respectively, have been restated from the amounts reported as follows:

Assets of consolidated financial position	**As stated before 31 December 2012**	**Restatements and reclassification 31 December 2012**	**As stated before 31 December 2012**
Property under development	2.220.027	(1.429.694)	790.333
Trade debtors and prepayments	821.105	(9.863)	811.242
Joint Venture account	5.728	1.257.583	1.263.311
Cash and cash equivalent	507.794	(437.240)	70.554
Trade and other payables	(4.502.151)	619.214	(3.882.937)
Total effect of restatements	(947.497)	-	(947.497)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2013 to 30 June 2013

3. ADOPTION OF NEW STANDARD / RESTATEMENT OF COMPARATIVES (CONTINUED)

Assets of consolidated financial position	**As stated before 01 January 2012- 30 June 2012**	**Restatements and reclassifications 01 January 2012- 30 June 2012**	**As stated before 01 January 2012- 30 June 2012**
Other administration expenses and exchange loss	(9.540.570)	4.793	(9.535.777)
Share of profit of related company	470	(4.793)	(4.323)
Net effect of restatement	(9.540.100)	-	(9.540.100)

4. TAXATION

	Six months ended	
	30/6/2013	**30/6/2012**
Taxation charge	**€**	**€**
Deferred tax (ii)	-	-

Notes:

(i) As per the Income Tax Law of 2002 the Company and its subsidiary are subject to corporation tax rate of 12,5% on the total taxable profits.

(ii) As at 31 December 2012 the Group's tax losses which are carried forward to be set-off with future profits of the following 5 years amounted to €24.661.282 (2011: €54.284.944). The taxable losses of the Company that are carried forward amounts to €160.275 (2011: €1.134.490).

(iii) The corporation tax rate on 31 December 2012 was 10%. On 25 March 2013 after the agreement between Eurogroup and the republic of Cyprus, the corporation tax rate increased to 12,5%.

A group, which for tax purposes consists of the parent company and all the subsidiaries where the company controls, directly or indirectly, at least 75% of the issued share capital would be entitled to transfer losses and offset them against profits among the companies of the Group, where the surrendering company and the claimant company are members of the same group for the whole of the tax year (Group Relief). The Company and its subsidiary company are entitled to the group relief provisions as set out above.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2013 to 30 June 2013

5. BASIC AND FULLY DILUTED LOSS PER SHARE

	Six months ended 30/6/2013 €	Six months ended 30/6/2012 €
Loss for the period	3.407.748	2.768.443
Weighted average number of shares	141.692.040	141.692.040
	cent	**cent**
Basic and fully diluted loss per share	2,41	1,95

6. PROPERTY, PLANT AND EQUIPMENT

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

	30/6/2013 €	Revised 31/12/2012 €
Balance 1 January 2012 / 2013	118.951.447	143.337.010
Additions	311.116	662.436
Disposals / Write offs	(37.440)	(34.641)
Depreciation	(953.613)	(1.859.532)
Revaluation	-	(23.153.826)
Balance 30 June 2012 / 2013	118.271.510	118.951.447

7. PROPERTY UNDER DEVELOPMENT

	30/6/2013 €	Revised 31/12/2012 €
Balance 1 January 2013 (as illustrated before) – (Note 3)	-	2.220.027
Adjustment from adoption of new standard – Note 3	-	(1.429.694)
Balance 1 January 2013/ 1 January 2012 (Revised)	790.333	790.333
Disposal	-	-
Balance 30 June 2013 / 31 December 2012	790.333	790.333

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2013 to 30 June 2013

8. ASSOCIATED COMPANY / PARTNERSHIP

	2013	2012
	€	€
Investment in associated company (i)	9.118	5.728
Investment in partnership (ii)	1.105.462	1.257.583
	1.114.580	1.263.311

Notes:

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

(ii) The Group participates with a 50% share to the partnership L 'Union Branded Residences. The investment is shown in the accounts according to the equity method from 1st of January 2013 (see Note 3). On 30 June 2013 the investment in the partnership is recorded after taking into account an impairment loss of € 127.607 with respect to the unsecured deposits of the partnership in Bank of Cyprus calculated based on capitalization of 47,5% of these deposits and impairment at a zero value of the Bank of Cyprus shares that will be provided.

9. SHARE CAPITAL

	30/06/2012	31/12/2011
	€	€
Authorised		
150.000.000 ordinary shares of € 0,43 each	64.500.000	64.500.000
Issued and fully paid shares		
Balance 1 January		
141.692.040 (2012:141.692.040) ordinary shares of € 0,43 each	60.927.577	60.927.577
Balance 30 June/31 December		
141.692.040 (2012: 141.692.040) ordinary shares of € 0,43 each	60.927.577	60.927.577

10. LOANS

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

	1/1/2013 30/6/2013	1/1/2012 30/6/2012
	€	€
Balance 1 January 2012 / 2013	51.274.212	50.539.938
Repayments	(11.705)	(2.677.990)
Exchange (gain)/loss	(140.315)	163.697
New loans	-	3.500.000
Capitalised interest	432.685	751.044
Balance 30 June 2012 / 2013	51.554.877	52.276.689

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2013 to 30 June 2013

11. RELATED PARTY TRANSACTIONS

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

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

During the period C.C.C. Secretarial Limited charged the Company and the subsidiary company, administration and other services, an amount of €87.480 (01/01/2012-30/06/2012: €89.480). At the period end the amount owed to C.C.C. Secretarial Limited in respect of those services was €17.864 (31/12/2012: €53.446) which is included in trade creditors.

12. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

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

13. OPERATING ENVIRONMENT IN CYPRUS

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 macroeconomic 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. 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. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatization. The Eurogroup requested the Cypriot authorities and the European Commission, in liaison with the European Central Bank, and the International Monetary Fund to finalize the Memorandum of Understanding in April 2013 which will then be followed by the formal approval of the Board of Directors of the European Stability Mechanism as well as by the ratification by Eurozone member states through national parliamentary (or equivalent) approvals.

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.

The Group’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 Group.

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