

The Cyprus Cement Public Company Limited

Unaudited condensed interim consolidated financial statements for the six months ended 30 June 2014

Contents

	Page
Declaration of the members of the Board of Directors and other responsible persons of the Company for the condensed interim consolidated financial statements	1
Interim management report	2 – 4
Condensed interim consolidated statement of comprehensive income	5
Condensed interim consolidated balance sheet	6
Condensed interim consolidated statement of changes in equity	7 – 8
Condensed interim consolidated statement of cash flows	9
Notes to the unaudited condensed interim consolidated financial statements	10 - 24

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 2014 we confirm that, to the best of our knowledge:

- (a) the condensed interim consolidated financial statements that are presented on pages 5 to 24:
 - (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)	
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
28 August 2014

The Cyprus Cement Public Company Limited

Interim management report for the period from 1 January 2014 to 30 June 2014

The Board of Directors, at a meeting held on 28 August 2014, reviewed and approved the unaudited condensed interim consolidated financial statements of the Group of The Cyprus Cement Public Company Limited for the period 1 January 2014 to 30 June 2014.

The consolidated results of the Group include also the results of its subsidiary company C.C.C. Tourist Enterprises Public Company Ltd (“CCCT”) and the results of the associated company Vassiliko Cement Works Public Company Limited. The Group participates in the joint venture L’Union Nationale (Tourism and Sea Resorts) Ltd via CCCT.

The unaudited condensed interim consolidated financial statements of the Group, 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 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 2014 as those applied for the preparation of the annual financial statements for the year ended 31 December 2013. The results for the first six months period of 2014 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 2013.

Principal activities of the Group

The principal activities of the Group are the development/utilisation 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 and other related activities.

Issue of share capital of subsidiary, L’ Union Nationale (Tourism and Sea Resorts) Limited.

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

On 31 January 2014, all conditions of the above agreement have been satisfied and the subsidiary company by a Special Resolution issued and allotted on the same date 20.000.000 shares with nominal value of €1 each, to the Investor for the subscription price of €20.000.000. After the issue of the said new shares, C.C.C. Tourist Enterprises Public Company Limited and the Investor each have 50% share in L’ Union Nationale (Tourism and Sea Resorts) Limited (“L’ Union”) and therefore as from 1 February 2014, the investment of C.C.C. Tourist Enterprises Public Company Limited in L’ Union Nationale (Tourism and Sea Resorts) Limited is accounted for under the equity method in accordance with IFRS 11 “Joint Arrangements”.

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

The Cyprus Cement Public Company Limited

Interim management report for the six months ended 30 June 2014 (continued)

Principal activities of the Group (continued)

The Group recognized in 2014 a loss of € 1.497.194 from the transaction described above which is the difference between the carrying value of the assets of the subsidiary attributable to the Company before and after the completion of the agreement.

Review of the financial position of the Group

The net loss of the Group for the six months ended 30 June 2014 amounted to €3,59 mlns in comparison to a loss of €6,38 mlns for the corresponding period of 2013. The positive variation of the results compared to the corresponding previous period is mainly due to the following reasons:

- Profit of associated company: The share of profit of the associated company amounted to €833 thousands compared to a loss of €1,88 mlns for the 6 months ended 30 June 2013.
- The results for the period are significantly affected by the transaction of the subsidiary of CCCT (L' Union) described above, where the Group recognized a loss of € 1,5 million at the date of loss of control of L' Union. The loss of L' Union for the six months ended 30 June 2014 amounted to €2,8 mlns (30 June 2013: €3,3 mlns). The improved results of L' Union are mainly due to lower finance costs of the company. The results of L' Union for the period 1 January 2014 to 31 January 2014 in which the Group was still in control and for the period ended 30 June 2013 are presented in discontinued operations in the condensed interim consolidated statement of comprehensive income and amounted to € 842 thousands and € 3,3 million respectively. The share of loss of the joint venture "L' Union" amounted to € 997 thousands, during the first six months of 2014.

The decrease in the Group's assets is mainly due to the transaction described above, where after the issue and allotment of 20.000.000 shares, the Group and the Investor have each a 50% ownership in L' Union, and therefore, from the period ended 30 June 2014, the Group's investment in L' Union is presented as a single line in the consolidated balance sheet of the Group by using the equity method of accounting in accordance with IFRS11 "Joint Arrangements". As at 31 December 2013 and before the transactions, the financial statements of L' Union were fully consolidated. The assets as at 30 June 2014 consist mainly of investment property amounting to € 272 million (31 December 2013: € 272 million), investments in the associate company Vassiliko Cement Works Public Company Limited amounting to € 53,1 million (31 December 2013: € 52,6 million), property and investment in the joint venture L' Union amounting to € 20,3 million (31 December 2013: €-).

Developments/Prospects

On 6 June 2014, the subsidiary ("CCCT") entered into an agreement for the disposal of an additional 25% of its interest in L' Union, as described in Note 13.

Under the current conditions, the expected results for 2014, may fluctuate, due to uncertainties in the market that are difficult to predict.

The Cyprus Cement Public Company Limited

Interim management report for the six months ended 30 June 2014 (continued)

Principal risks and uncertainties

The Group's activities are influenced by various risks and uncertainties related to the construction and tourist industries in general. These activities are influenced by a number of factors which include but are not limited to the following:

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

- The operating environment of Cyprus and the conditions created after the Eurogroup decisions on 25 March 2013 (Note 1).
- National and international economic and geopolitical factors.
- The global financial crisis which affected the tourism, the construction industry and real estate sector.
- The impact of war, terrorist acts, deceases and epidemics which are likely to influence tourists' arrivals on the island.
- Increased competition within Cyprus and the neighbouring countries.
- Increases in labour and energy costs.

The Group monitors these risks through various mechanisms and revises its strategy in order to mitigate, to the extent this is possible, the impact of such risks.

The principal financial risks and uncertainties faced by the Group are outlined in Notes 1 and 2 of the financial statements.

Extracts of the results of the first six months of 2014 will be published in the newspaper "Simerini" on 1 September 2014.

Copies of the unaudited condensed interim consolidated financial statements are available 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
28 August 2014

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of comprehensive income for the six months ended 30 June 2014

	Note	30 June 2014 €	30 June 2013 €
Continuing operations			
Sales		413.812	288.350
Operating and administrative expenses		(879.663)	(862.327)
Depreciation	5	(13.006)	(15.636)
		<u>(478.857)</u>	<u>(589.613)</u>
Finance costs	6	(604.477)	(572.521)
Share of (loss)/profit of associates		832.876	(1.876.000)
Share of loss of joint venture		(996.545)	-
Loss before tax		<u>(1.246.803)</u>	<u>(3.038.134)</u>
Tax		-	(24.888)
Loss for the period for continuing operations		<u>(1.246.803)</u>	<u>(3.063.022)</u>
Discontinued operations			
Loss for the period from discontinued operations	14	(841.923)	(3.313.943)
Loss from loss of control in subsidiary	14	(1.497.124)	-
		<u>(2.339.047)</u>	<u>(3.313.943)</u>
Loss for the period		<u>(3.585.850)</u>	<u>(6.376.965)</u>
Other comprehensive income for the period			
Share of movement of reserves of associates		3.795	-
Total comprehensive loss for the period		<u>(3.582.055)</u>	<u>(6.376.965)</u>
Attributable to:			
Equity holders of the company		(2.486.652)	(5.263.617)
Non-controlling interest		(1.099.198)	(1.113.348)
		<u>(3.585.850)</u>	<u>(6.376.965)</u>
Basic and fully diluted loss per share attributable to the shareholders of the Company (cent per share)			
From continuing operations	8	(0,67)	(2,21)
From discontinued operations		(1,14)	(1,62)
		<u>(1,81)</u>	<u>(3,83)</u>

The notes on pages 10 to 24 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 2014

		30 June 2014 €	31 December 2013 €
Assets			
Non-current assets			
Property, plant and equipment	9	52.207	97.557.876
Investment property	10	271.968.351	271.968.351
Investments in associates	12	53.139.341	52.575.658
Investments in joint ventures	13	20.380.579	1.150.396
		<u>345.540.478</u>	<u>423.252.281</u>
Current assets			
Inventories		-	1.542.387
Trade and other receivables		1.121.423	2.110.670
Cash and cash equivalents		200.817	198.874
		<u>1.322.240</u>	<u>3.851.931</u>
Total assets		<u>346.862.718</u>	<u>427.104.212</u>
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	15	59.172.679	59.172.679
Share premium	15	848.729	848.729
Fair value reserve		111.261.444	115.264.715
Revenue reserve		17.235.700	17.235.700
Retained earnings		74.714.971	73.194.557
		<u>263.233.523</u>	<u>265.716.380</u>
Non-controlling interest		<u>6.732.576</u>	<u>7.831.774</u>
Total equity		<u>269.966.099</u>	<u>273.548.154</u>
Non current liabilities			
Borrowings	16	20.181.598	68.465.908
Deferred tax liabilities		53.665.924	63.598.833
		<u>73.847.522</u>	<u>132.064.741</u>
Current liabilities			
Provisions		354.299	391.215
Trade and other payables		424.351	4.602.979
Current tax liabilities		1.605	9.810
Borrowings	16	2.268.842	16.487.313
		<u>3.049.097</u>	<u>21.491.317</u>
Total liabilities		<u>76.896.619</u>	<u>153.556.058</u>
Total equity and liabilities		<u>346.862.718</u>	<u>427.104.212</u>

The notes on pages 10 to 24 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 2014

Attributable to equity holders of the Company

	Share capital €	Share premium ⁽²⁾ €	Fair value reserve ⁽²⁾ €	Revenue reserve €	Retained earnings ⁽¹⁾ €	Total equity €	Non-controlling interest €	Total €
Balance at 1 January 2013	59.172.679	848.729	126.561.897	17.235.700	82.150.280	285.969.285	15.077.357	301.046.642
Comprehensive income								
Loss for the period	-	-	-	-	(5.263.617)	(5.263.617)	(1.113.348)	(6.376.965)
Comprehensive income for the period	-	-	-	-	(5.263.617)	(5.263.617)	(1.113.348)	(6.376.965)
Balance at 30 June 2013	<u>59.172.679</u>	<u>848.729</u>	<u>126.561.897</u>	<u>17.235.700</u>	<u>76.886.663</u>	<u>280.705.668</u>	<u>13.964.009</u>	<u>294.669.677</u>

Attributable to equity holders of the Company

	Share capital €	Share premium ⁽²⁾ €	Fair value reserve ⁽²⁾ €	Revenue reserve €	Retained earnings ⁽¹⁾ €	Total equity €	Non-controlling interest €	Total €
Balance at 1 January 2014	59.172.679	848.729	115.264.715	17.235.700	73.194.557	265.716.380	7.831.774	273.548.154
Comprehensive income								
Loss for the period	-	-	-	-	(2.486.652)	(2.486.652)	(1.099.198)	(3.585.850)
Other comprehensive income								
Reversal of revaluation gain of land and buildings due to loss of control in subsidiary (Note 14)	-	-	(4.007.066)	-	4.007.066	-	-	-
Share of fair value of reserves of associated companies	-	-	3.795	-	-	3.795	-	3.795
Comprehensive income for the period	-	-	(4.003.271)	-	1.520.414	(2.482.857)	(1.099.198)	(3.582.055)
Balance at 30 June 2014	<u>59.172.679</u>	<u>848.729</u>	<u>111.261.444</u>	<u>17.235.700</u>	<u>74.714.971</u>	<u>263.233.523</u>	<u>6.732.576</u>	<u>269.966.099</u>

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2014 (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. The 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 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. 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 10 to 24 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 2013

	Note	30 June 2014 €	30 June 2013 €
Cash flows from operating activities			
Cash from / (used in) operations		415.243	(452.188)
Net cash from/(used in) operating activities		<u>415.243</u>	<u>(452.188)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	9	(33.320)	(313.144)
Proceeds from sale from sale of property plant and equipment		-	40.941
Additions in investment property	10	-	(22.501)
Increase in cash and cash equivalents from loss of control in subsidiary	14(iii)	9.533.916	-
Dividends received		272.987	-
Net cash from / (used in) investing activities		<u>9.773.583</u>	<u>(294.704)</u>
Cash flows from financing activities			
New loans	16, 18	1.426.407	1.449.495
Repayment of loans		(1.057.000)	-
Interest paid		(399.033)	(1.366.528)
Net cash (used in) / from financing activities		<u>(29.626)</u>	<u>82.967</u>
Net increase / (decrease) in cash and bank overdrafts		10.159.200	(663.925)
Cash and bank overdrafts at beginning of period		(12.096.662)	(11.350.286)
Cash and bank overdrafts at end of period		<u>(1.937.462)</u>	<u>(12.014.211)</u>

The notes on pages 10 to 24 are an integral part of these condensed interim consolidated financial statements.

The Cyprus Cement Public Company Limited

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 2014 comprise the Company and its subsidiaries (Note 11) together referred to as the "Group", and the Group's interests in associates (Note 12) and joint ventures (Note 13).

The condensed interim consolidated financial statements of the Group for the period ended 30 June 2014 and the consolidated financial statements as at 31 December 2013 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 Board of Directors has approved these condensed interim consolidated financial statements for issue on 28 August 2014.

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/utilisation 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 and other related activities.

Operating environment of the Group

The operating environment of the Group is described in the annual consolidated financial statements for the year ended 31 December 2013.

During the first six months of 2014, following the positive outcome of various reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus. In addition, in 2014 a number of restrictive measures on bank transactions was lifted, however, some of them are still in force. Bank of Cyprus is in the process of recapitalisation, however it has not been completed yet.

The Group's 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.

The Company's 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.

The Cyprus Cement Public Company Limited

2 Basic of preparation

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 2013.

3 Significant accounting policies

All 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 2014, are consistent with those used during the preparation of the annual consolidated financial statements for the year ended 31 December 2013, except from the accounting policy described below that refers to the discontinued operations.

Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use (including the loss of control of a subsidiary holding the assets), within twelve months from the reporting date. These assets can be part of an entity, a group of assets held for sale or a non-current asset.

Assets are classified as 'held for sale' when all the following conditions are met: (a) assets must be available for immediate sale in its present condition, (b) the management of the Group has approved and initiated an active programme to locate a buyer (c) assets must be actively marketed for sale at a price that is reasonable in relation to its current fair value (d) the sale should be expected to qualify for recognition as a completed sale within one year and (e) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets or disposal groups classified as 'held for sale' in the current period balance sheet are not reclassified in the prior period balance sheet to reflect current period's classification.

A disposal group is a group of assets (current or non-current) to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. The Group includes goodwill if the disposal group includes an operation within the cash-generating unit to which goodwill has been allocated at the acquisition.

Disposal groups are measured in at the lower of its carrying amount and fair value less costs to sell.

Liabilities directly related to the disposal group which will be transferred during the sale are reclassified and presented separately in the consolidated balance sheet.

The Cyprus Cement Public Company Limited

3 Significant accounting policies (continued)

Non-current Assets Held for Sale and Discontinued Operations (continued)

A discontinued operation is a component of the disposal group (cash generating unit) that has either been disposed of, or classified as held for sale, and (a) represents a separate major line of business or geographical area of operation, (b) is part of a single coordinated plan to dispose of a major line of business or geographical area of operation or (c) is a subsidiary acquired exclusively with a view to resale. Profit or loss and cash flows of discontinued operations are presented separately from continuing operations and corresponding amounts of prior period are re-presented in order to evaluate the financial impact of the discontinued operations.

The share capital increase and changes in the shareholding structure of L'Union as described in the Note 14, has resulted in the loss of control of the subsidiary company and therefore the results of the subsidiary L'Union for the period ended 30 June 2013 and for January 2014 are presented together with the loss of the above transaction within discontinued operations in the condensed interim profit or loss and other comprehensive income.

The Group has considered all the standards and their amendments which are effective from 1 January 2014 and there is no significant effect.

The interim financial statements are presented in Euro.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss for the year ended 31 December 2014.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and 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 statement: they should be read in conjunction with the group's annual financial statements as at 31 December 2013. There have been no changes in the risk management policies since 31 December 2013.

4 Estimates

The preparation of 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 made by the Board of Directors in applying the Group's accounting policies and estimations were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

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 Cyprus Cement Public Company Limited

5 Segment information (continued)

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

- (1) Investments in property
- (2) Hotel and tourism – investment in the joint venture L' Union Nationale (Tourism and Sea Resorts) Ltd (until 1 February 2014 L' Union was a subsidiary of the Group)
- (3) Cement - 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 earnings before interest, taxes, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of discontinued operations, 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.

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 2014					
Segment revenue (Note 18(i))	-	-	-	413.812	413.812
Earnings before interest, taxes, depreciation and amortisation	(27.156)	(111.089)	-	(327.606)	(465.851)
Share of profit of associated companies	-	-	832.876	-	832.876
Share of loss of joint venture	(996.545)	-	-	-	(996.545)
At 30 June 2014					
Total segment assets	20.380.579	271.968.352	53.139.341	1.374.446	346.862.718
Total assets includes:					
Investment in associates	-	-	53.139.341	-	53.139.341
Investment in joint venture	20.380.579	-	-	-	20.380.579
Additions to non-current assets	-	-	-	33.320	33.320
Total segment liabilities	35.851	74.774.690	-	2.084.474	76.895.015

The Cyprus Cement Public Company Limited

5 Segment information (continued)

	Hotel and tourism €	Investment property €	Cement €	Other €	Total €
Six months ended 30 June 2013					
Segment revenue (Note 18(i))	-	-	-	288.350	288.350
Earnings before interest, taxes, depreciation and amortisation	(12.923)	(113.606)	-	(447.448)	(573.977)
Share of profit of associated companies	-	-	(1.876.000)	-	(1.876.000)
Share of loss of joint venture	(141.816)	-	-	-	(141.816)
At 31 December 2013					
Total segment assets	101.627.078	271.968.351	52.575.658	933.125	427.104.212
Total assets includes:					
Investment in associates	-	-	52.575.658	-	52.575.658
Investment in joint venture	1.150.396	-	-	-	1.150.396
Additions to non-current assets	586.213	65.000	-	8.521	659.734
Total segment liabilities	77.511.175	73.923.840	-	2.111.232	153.546.247

Reconciliation of segment results

A reconciliation of earnings before interest, taxes, depreciation and amortisation to loss before tax is as follows:

	30 June 2014 €	30 June 2013 €
Earnings before interest, taxes depreciation and amortisation	(465.851)	(573.977)
Depreciation	(13.006)	(15.636)
Operating loss	(478.857)	(589.613)
Finance costs and foreign exchange differences	(604.277)	(572.521)
Share of profit / (loss) of associated companies	832.876	(1.876.000)
Share of loss of joint ventures	(966.545)	-
Loss before tax	(1.246.803)	(3.038.134)

The Cyprus Cement Public Company Limited

5 Segment information (continued)

Reconciliation of segment assets and liabilities

Reportable segments' assets are reconciled to total assets as follows:

	30 June 2014	31 December 2013
	€	€
Reportable segments' assets	346.862.718	427.104.212
Total assets as per consolidated balance sheet	<u>346.862.718</u>	<u>427.104.212</u>

Reportable segments' liabilities are reconciled to total liabilities as follows:

	30 June 2014	31 December 2013
	€	€
Liabilities per segment	76.895.015	153.546.247
Unallocated liabilities:		
Current tax liabilities	1.605	9.811
Total liabilities as per consolidated balance sheet	<u>76.896.620</u>	<u>153.556.058</u>

6 Finance cost

	30 June 2014	30 June 2013
	€	€
Interest expense:		
Bank borrowings and bank overdrafts	(481.121)	(488.563)
Related party balances (Note 18 (iii))	(123.156)	(81.339)
Overdue taxation	-	(3.619)
	<u>604.277</u>	<u>(573.521)</u>

7 Tax

Income tax is recognised based on annual income tax rate expected for the full financial year. Tax losses brought forward losses of only five years may be utilised. Deferred income tax assets are recognized for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. No deferred tax asset was recognised as at 30 June 2014 with respect to tax losses due to the uncertainty as to whether there will be adequate future tax profits to be utilised against the tax losses.

The corporation tax rate as at 31 December 2013 was 12,5% and remained at the same level since 1 January 2014.

According to the Income Tax Law, the Company and its subsidiaries which directly or indirectly control at least 75% of the issued share capital consist "group" for income tax purposes. A company within the Group would be entitled to transfer losses and offset them against profits among the companies of the Group.

The Cyprus Cement Public Company Limited

8 Loss per share

	30 June 2014	30 June 2013
Loss attributable to the equity holders of the company - €		
Loss from continuing operations attributable to the equity holders of the Company	(912.707)	(3.033.665)
Loss from discontinued operations ⁽¹⁾	(1.573.945)	(2.229.952)
Total loss attributable to the equity holders of the Company	<u>(2.486.652)</u>	<u>(5.263.617)</u>
Number of ordinary shares in issue	<u>137.610.883</u>	<u>137.610.883</u>
Basic and fully diluted loss per share – cent per share:		
- For continuing operations	(0,67)	(2,21)
- From discontinued operations	(1,14)	(1,62)
Total loss – cent per share	<u>(1,81)</u>	<u>(3,83)</u>

(1) The non-controlling interest relates exclusively to companies included in the discontinued operations of the Group.

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 2013	
Net book amount at the beginning of the period	119.033.558
Additions	313.144
Disposals	(37.574)
Depreciation charge	(969.249)
Net book amount as at 30 June 2013	<u>118.339.879</u>
Six months ended 30 June 2014	
Net book amount at the beginning of the period	97.557.876
Additions	33.320
Depreciation charge	(168.432)
Effect from loss of control in subsidiary (Note 14)	(97.370.557)
Net book amount as at 30 June 2014	<u>52.207</u>

10 Investment property

	30 June 2014 €	30 June 2013 €
At beginning of period	271.968.351	271.903.351
Additions	-	22.501
At end of period	<u>271.968.351</u>	<u>271.925.852</u>

The Cyprus Cement Public Company Limited

11 Investment in subsidiaries

The condensed interim consolidated financial statements include the Company and its subsidiary companies, which are collectively referred to as the "Group". Subsidiaries are all entities which the Group controls. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The principal subsidiaries which are all registered in Cyprus are as follows:

Name	Country of incorporation	Principal activities	% held	
			30 June 2014 %	31 December 2013 %
CCC Laundries Limited	Cyprus	Dormant	100,00	100,00
C.C.C. Tourist Enterprises Public Company Limited ⁽²⁾	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	63,00	63,00
CCC Laundries (Paphos) Limited ⁽¹⁾	Cyprus	Dormant	-	100,00

(1) The company CCC Laundries (Paphos) Limited was stricken-off the Registrar of Companies during the period ended 30 June 2014.

(2) Immediate parent of L' Union Nationale (Tourism and Sea Resorts) Ltd until 31 January 2013.

12 Investment in associates

	30 June 2014 €	30 June 2013 €
At beginning of period	52.575.659	55.799.131
Share of profit/ (loss) after tax	832.874	(1.876.000)
Dividends received	(272.987)	-
Share of reserves	3.795	-
At end of period	<u>53.139.341</u>	<u>53.923.131</u>

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

Name	Country of incorporation	Principal activity	% held	
			30 June 2014 %	30 June 2013 %
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3	25,3

The Cyprus Cement Public Company Limited

13 Investment in joint ventures

	30 June 2014 €	30 June 2013 €
Investment in joint venture	20.380.579	-
	<u>20.380.579</u>	<u>-</u>

The share capital increase and change in the shareholding structure of L'Union, as described in Note 14, has resulted in the loss of control in the subsidiary company and therefore as from 1 February 2014 the Company's investment in L 'Union Nationale (Tourism and Sea Resorts) Limited is accounted for using the equity method in accordance with IFRS 11 "Joint Arrangements".

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

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

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

	30 June 2014 €
Balance at 1 January 2014	-
Share of net assets as at date of loss of control (Note 14 (ii))	21.377.124
Share of loss of joint venture	(996.545)
Balance at 30 June 2014	<u>20.380.579</u>

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

The Cyprus Cement Public Company Limited

13 Investment in joint ventures (continued)

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

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

- The issued share capital of L' Union will increase approximately by €52,5 million through the issue of new shares to Emerald (and simultaneous waiver of all and any pre-emption rights of the Company). The number and class of shares will depend on several factors which will be assessed according to the financial position of L' Union and particular its assets and liabilities (the "Share Capital Restructuring").
- Upon completion of the Share Capital Restructuring, Emerald would end up holding at least 75% plus one share of the issued share capital of L'Union.
- The proceeds from issue of shares will be used exclusively for the repayment of bank debt of L'Union to the Bank of Cyprus Public Company Ltd.
- The Company will maintain one director at the Board of Directors of L'Union.
- The Company will have an option during the period of three to six years from the Share Capital Restructuring date to increase its holding in L'Union to 50% through a new share issue.
- Increased needs for capital expenditure for the hotel Le Meridien Limassol Spa & Resort renovation will be financed by Emerald.

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

The transaction described above was not completed as at 30 June 2014 and at the date of approval of these financial statements.

14 Discontinued operations

On 23 October 2013, the subsidiary company C.C.C. Tourist Enterprises Public Company Limited signed an "Agreement" ("agreement") with Emerald, according to which its subsidiary, L' Union Nationale (Tourism and Sea Resorts) Limited, would issue at par 20.000.000 shares of a new class, with a nominal value of €1 each, to be subscribed by Emerald, with C.C.C. Tourist Enterprises Public Company Limited waiving its pre-emption rights. The completion of the transaction was subject to completion of certain conditions and to due diligence.

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

The Cyprus Cement Public Company Limited

14 Discontinued operations (continued)

The Group recognized a loss of € 1.497.124 from the transaction described above which is the difference between the carrying value of the net assets of the subsidiary attributable to the Group before and after the completion of the agreement.

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

(i) Results from discontinued operations

	Six months ended 30 June 2014 €	Six months ended 30 June 2013 €
Revenue	440.688	6.707.078
Operating and administrative expenses	(844.996)	(7.169.119)
Depreciation	(160.330)	(953.613)
Net finance cost	(277.385)	(1.759.863)
Share of loss in joint venture	-	(138.426)
Loss before tax	(841.923)	(3.313.943)
Taxation	-	-
Loss for the period from discontinued operations	(841.923)	(3.313.943)

The above results for the period ended 30 June 2013 relate to the 100% results of L' Union for the whole period whereas for the period ended 30 June 2014 relate to the 100% of the results of L' Union for January 2014, in which period the Group controlled L' Union.

(ii) Effect from loss of control in subsidiary company

	31 January 2014 €
Property, plant and equipment	97.370.557
Investment in joint venture	1.150.397
Property under development	790.333
Inventories	758.532
Accounts receivables and prepayments	397.800
Cash and cash equivalents	(9.533.916)
Accounts payables and accruals	(3.879.006)
Deferred tax	(9.932.909)
Borrowings	(54.247.540)
Net assets	22.874.248
Net assets of L' Union before the issue of shares	(22.874.248)
Share of net assets of the Group in L' Union at the date of loss of control	21.377.124
Loss from loss of control in subsidiary company	(1.497.124)

The Cyprus Cement Public Company Limited

14 Discontinued operations (continued)

(iii) Net cash inflow on loss of control in subsidiary company

	31 January 2014 €
Cash and cash equivalents of L' Union at the date of loss of control	9.533.916
Effect in cash flows from loss of control in subsidiary company	<u>9.533.916</u>

15 Share capital and share premium

	30 June 2014			30 June 2013		
	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	<u>137.610.883</u>	<u>59.172.679</u>	<u>848.729</u>	<u>137.610.883</u>	<u>59.172.679</u>	<u>848.729</u>

The authorised share capital of the Company is €86.000.000 divided into 200 000 000 ordinary shares (2013: 200 000 000 shares) with a par value of €0,43 per share. All issued shares are fully paid.

16 Borrowings

	30 June 2014 €	31 December 2013 €
Current		
Bank overdrafts	2.138.278	12.295.536
Bank loans	130.564	3.334.777
Loans from related parties	-	857.000
	<u>2.268.842</u>	<u>16.487.313</u>
Non-current		
Bank loans	15.632.532	64.598.446
Loans from related parties (Note 18(v))	4.549.066	3.867.462
	<u>20.181.598</u>	<u>68.465.908</u>
Total borrowings	<u>22.450.440</u>	<u>84.953.221</u>

The bank loans are repayable by monthly and six-monthly installments by 2020. The bank loans and overdrafts are secured as follows:

- (i) By mortgage of Group's land included in investment properly amounting to €20,6 million).
- (ii) By fixed and floating charge on the Group's assets for the amount of €5,1 million.
- (iii) By corporate guarantees of the Group for the amount of €2,5 million.
- (iv) With personal guarantees of the Directors amounting to €4,1 million.

The Cyprus Cement Public Company Limited

16 Borrowings (continued)

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

	30 June 2014 €	30 June 2013 €
Balance as at 1 January	72.657.685	66.580.560
New loans	1.426.405	1.449.495
Repayments of capital	(1.082.328)	-
Repayments of interest	(301.081)	(229.831)
Foreign exchange gain	-	(140.315)
Capitalised interest	721.065	1.250.536
Effect of loss of control in subsidiary	(53.109.584)	-
Balance as at 30 June	<u>20.312.162</u>	<u>68.910.445</u>

17 Contingent liabilities and commitments

As at 30 June 2014 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 and capital commitments from those that were presented in the annual consolidated financial statements for the year ended 31 December 2013.

Guarantees provided for loans of L' Union remained unchanged.

18 Related party transactions

The Group is controlled by C.C.C. Holdings & Investments Limited, which is registered in Cyprus. The ultimate holding company 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:

(i) Sales of services

	30 June 2014 €	30 June 2013 €
Secretarial and administration services:		
Ultimate holding company	2.000	2.000
Parent company	23.540	21.800
Other related companies	290.936	264.550
Joint venture	97.336	-
	<u>413.812</u>	<u>288.350</u>

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

The Cyprus Cement Public Company Limited

18 Related party transactions (continued)

(ii) Purchases of services

	30 June 2014 €	30 June 2013 €
Rent:		
Ultimate holding company	<u>81.312</u>	<u>104.814</u>

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

(iii) Interest on balances with related parties

	30 June 2014 €	30 June 2013 €
Interest payable:		
Parent company	-	3.319
Related parties	124.146	78.020
	<u>124.146</u>	<u>81.339</u>

(iv) Remuneration of key management personnel and Directors

	30 June 2014 €	31 December 2013 €
Directors fees	5.700	6.450
Directors remuneration	189.584	268.930
	<u>195.284</u>	<u>275.380</u>
Total remuneration of directors	195.284	275.380
Remuneration of key management personnel	49.300	96.562
	<u>244.584</u>	<u>371.942</u>

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

	30 June 2014 €	31 December 2013 €
Receivable from related parties:		
Related companies	-	131.311
Joint venture	241.016	-
	<u>241.016</u>	<u>131.311</u>
Payable to related parties:		
Parent company	-	104.328
Company that exercises significant influence over the Group	-	199.256
Other related companies	83.973	82.749
	<u>83.973</u>	<u>386.333</u>

Balances with related parties are unsecured, bear average annual interest at the rate of 6,5% (2013: 6,5%) and are repayable on demand.

The Cyprus Cement Public Company Limited

18 Related party transactions (continued)

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

	30 June 2014 €	31 December 2013 €
Loans from related parties: Company that exercises significant influence over the Group	4.549.066	4.714.462

The loan is unsecured, bears annual average interest at the rate of 6,5% and is repayable on demand.

19 Seasonality of operations

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. The results of the associated company which operates in the cement industry is not affected by seasonality.

20 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 condensed interim financial statements.