

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

Interim Condensed Consolidated Financial Statements

For the period from 1 January 2015
to 30 June 2015

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

CONTENTS

	Page
Officers and professional advisers	1
Interim management report	2 - 4
Declaration of Directors and other responsible officers of the Company in respect of the preparation of the financial statements	5
Interim condensed consolidated statement of profit or loss and other comprehensive income	6
Interim condensed consolidated statement of financial position	7
Interim condensed consolidated statement of changes in equity	8
Interim condensed consolidated statement of cash flows	9
Notes to the Interim condensed consolidated financial statements	10 - 19

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Costas St. Galatariotis, Executive Chairman
	George St. Galatariotis, Director
	Stavros G. St. Galatariotis, Director
	Alexios G. St. Galatariotis, Director
	Tasos Anastasiou, Director
	Michalis Mousiouttas, Director
	Constantinos Pittas, Director
	Riginos Tsanos, Director

Secretary	C.C.C. Secretarial Limited Limassol, Cyprus
------------------	--

Independent Auditors	Deloitte Limited Limassol, Cyprus
-----------------------------	--------------------------------------

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM MANAGEMENT REPORT

For the period from 1 January 2015 to 30 June 2015

The Board of Directors, at a meeting held on 6th August 2015, reviewed and approved the unaudited interim condensed consolidated financial statements of C.C.C. Tourist Enterprises Public Company Limited for the period from 1 January to 30 June 2015.

The consolidated results include the results of the 24,98% (from 1 February 2014 until 30 September 2014: 50%, Until 31 January 2014: 100%) holding in L' Union Nationale (Tourism and Sea Resorts) Limited ("L Union"), owning company of the luxurious hotel complex Le Meridien Limassol Spa & Resort.

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 2015 as those applied for the preparation of the annual financial statements for the year ended 31 December 2014. The results for the six month period of 2015 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 2014.

Principal activities of the Group

The principal activity of the Group is the 24,98% participation in L' Union Nationale (Tourism and Sea Resorts) Limited (from 1 February 2014 until 30 September 2014: 50%, Until 31 January 2014: 100%). L' Union's principal activities, 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.

Issue of share capital in L' Union Nationale (Tourism and Sea Resorts) Limited and change in its shareholding structure

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

On 31 January 2014, all conditions of the above agreement (the "Agreement") were 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 the Investor each have 50% share in L' Union Nationale (Tourism and Sea Resorts) Limited.

The Group recognized a loss of €1.497.124 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.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM MANAGEMENT REPORT

For the period from 1 January 2015 to 30 June 2015

Principal activities of the Group (Cont'd)

Additional issue of share capital in L' Union Nationale (Tourism and Sea Resorts) Limited and change in its shareholding structure

On 6 June 2014, The Company signed a Memorandum of Understanding (MOU) with Emerald, which held 50% of the issued shares of L' Union. According to the MOU the issued share capital of L' Union would 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).

On 30 September 2014, the Share Capital Restructuring of L' Union was completed. With the restructuring, the issued share capital of L' Union increased by €52,5 million by issuing of 40.076.336 shares of nominal value of €1,31 each share. By issuing of these shares, the Company holds 24.98% of the total issued shares of L' Union. The Proceeds have been used exclusively for the re-payment of bank debt of L'Union to the Bank of Cyprus Public Company Ltd.

From this transaction, the Group has recognized an accounting profit of €2.007.272 at 30 September 2014, which concerns the difference between the book value of the assets of L' Union Nationale attributable to the Company before and after the completion of the restructuring.

In addition, the results of the subsidiary L'Union for the period ended 31 January 2014 are presented together with the loss of the above transaction in discontinued operations in the condensed interim profit or loss and other comprehensive income. On 1 February 2014, the Company's investment in L' Union Nationale (Tourism and Sea Resorts) Limited is presented using the equity method in accordance with IFRS 11 "Joint Arrangements".

Review of the financial performance and current position of the Group

Financial performance

The results for the current period are significantly affected by the profit generated by the partnership in L'Union and significant decrease of financial expenses of the said associate due to repayment of borrowings in 2014. The results of prior period are significantly affected by the transaction described above, where the Group recognized a loss of € 1,5 million and loss generated by L' Union for January 2015, where the Group owned 100% of L'Union.

As a result of the above, the Group has profits during the first six months of 2015 compared to significant losses in the corresponding period of 2014.

Current economic situation

The total assets of the Group at the end of the period were €24 million (31/12/2014: €23,9 million) of which €23,8 million represent the 24,98% participation in L' Union. The equity of the Group increased slightly to €24 million as at 30 June 2015 in comparison with €23,9 million in 2014 as a result of the profit incurred during the period.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM MANAGEMENT REPORT

For the period from 1 January 2015 to 30 June 2015

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 9).

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 2015 will be published in the newspaper 'Simerini' on 7th August 2015.

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).

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

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

In accordance with Article 10 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Laws 2007 until 2014, 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 2015 until 30 June 2015, on the basis of our knowledge, declare that:

- a) the interim condensed consolidated financial statements which are presented on pages 6 to 20:
 - (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
George St. Galatariotis	Director
Stavros G. St. Galatariotis	Director
Alexios G. St. Galatariotis	Director
Tasos Anastasiou	Director
Michalis Mousiouttas	Director
Constantinos Pittas	Director
Riginos Tsanos	Director

Responsible for the preparation of the condensed interim consolidated financial statements

Name	Position	Signature
Elena Stylianou	Finance Manager

Limassol, 6 August 2015

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the period from 1 January 2015 to 30 June 2015

	Note	Unaudited six months ended	
		30/6/2015 €	30/6/2014 €
<u>Continuing operations</u>			
Share of profit/(loss) in joint venture	5	-	(996.545)
Share of profit from associated companies	5	129.820	699
Operating and administration costs		(17.536)	(29.156)
Net finance costs		(928)	(1.053)
Profit/(loss) before taxation		111.356	(1.026.055)
Taxation		-	-
Profit/(loss) for the period from continuing operations		111.356	(1.026.055)
<u>Discontinued operations</u>			
Loss for the period from discontinued operations	4 (i)	-	(837.117)
Loss from loss of control in subsidiary company	4 (ii)	-	(1.497.124)
Profit / (loss) for the period		111.356	(3.360.296)
Other comprehensive income for the period		-	-
Total profit/(loss) for the period		111.356	(3.360.296)
Profit/(loss) per share		Cent	Cent
Basic and fully diluted profit/(loss) per share	3	0,08	(2,37)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	Unaudited 30/6/2015 €	31/12/2014 €
Assets			
Non-current assets			
Investment in associates	5	23.836.265	23.706.445
		23.836.265	23.706.445
Current assets			
Receivables from related companies	7	183.455	208.614
		183.455	208.614
Total assets		24.019.720	23.915.059
Equity and liabilities			
Capital and reserves			
Share capital	6	60.927.577	60.927.577
Capital reserves from the issue of shares at a premium		1.756.398	1.756.398
Other reserves		2.963.612	2.963.612
Retained earnings		(41.665.302)	(41.776.658)
Total equity		23.982.285	23.870.929
Current liabilities			
Trade and other payables		3.442	11.768
Bank overdrafts		33.993	32.362
		37.435	44.130
Total liabilities		37.435	44.130
Total equity and liabilities		24.019.720	23.915.059

The interim condensed consolidated financial statements were approved by the Board of Directors on 6 August 2015

Costas St. Galatariotis

Tasos Anastasiou

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2015 to 30 June 2015

	CAPITAL RESERVES*				Total €
	Share capital €	Share premium account €	Revaluation Reserve €	Accumulated losses €	
Balance 1 January 2014	60.927.577	1.756.398	11.909.842	(50.643.959)	23.949.858
Transfer from revaluation reserve to accumulated losses due to loss of control in subsidiary company	-	-	(8.934.764)	8.934.764	-
Share of deferred tax relating to revaluation of land of associated company	-	-	(11.466)	-	(11.466)
Loss for the year	-	-	-	(67.463)	(67.463)
Balance 31 December 2014	<u>60.927.577</u>	<u>1.756.398</u>	<u>2.963.612</u>	<u>(41.776.658)</u>	<u>23.870.929</u>
Balance 1 January 2014	60.927.577	1.756.398	11.909.842	(50.643.959)	23.949.858
Loss for the period	-	-	-	(3.360.296)	(3.360.296)
Transfer from revaluation reserve to accumulated losses due to loss of control in subsidiary company	-	-	(5.954.921)	5.954.921	-
Balance 30 June 2014	<u>60.927.577</u>	<u>1.756.398</u>	<u>5.954.921</u>	<u>(48.049.334)</u>	<u>20.589.562</u>
Balance 1 January 2015	60.927.577	1.756.398	2.963.612	(41.776.658)	23.870.929
Profit for the period	-	-	-	111.356	111.356
Balance 30 June 2015	<u>60.927.577</u>	<u>1.756.398</u>	<u>2.963.612</u>	<u>(41.665.302)</u>	<u>23.982.285</u>

* 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 year 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 January 2015 to 30 June 2015

	Six months ended	
	30/6/2015	30/6/2014
	€	€
Net cash outflows from operating activities	(1.631)	(103.644)
Cash flows from investing activities		
Cash flow effect from loss of control in subsidiary company	-	9.533.916
Payments for the acquisition of property, plant and equipment	-	(25.984)
Net cash inflow from investing activities	-	9.507.932
Cash flows from financing activities		
New loans	-	500.000
Net cash inflow from financing activities	-	500.000
Net (decrease) / increase in cash and cash equivalents	(1.631)	9.904.288
Cash and cash equivalents as at 1 January 2015 / 2014	(32.362)	(9.929.333)
Cash and cash equivalents as at 30 June	(33.993)	(25.045)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

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 holds 24,98% (from 1 February 2014 until 30 September 2014: 50%, Until 31 January 2014: 100%) of the share capital of the company L'Union Nationale (Tourism and Sea Resorts) Limited (the "L' Union") which was incorporated in Cyprus in 1981. The associated company is the owner company of the luxurious hotel complex Le Meridien Limassol Spa & Resort ("Le Meridien"). L' Union's principal activities, 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*

General, 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. The hotel complex, Le Meridien, closed in November 2014 for renovations which are expected to be completed within first three months of 2017.

1.3 *Condensed Interim Financial Statements*

The Condensed Interim Consolidated Financial Statements, refer to the consolidated financial statements of the Company and its participation 24,98% share in L' Union Nationale (Tourism and Sea Resorts) Limited and its 20% share in C.C.C. Secretarial Limited.

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.

The accounting policies adopted for the preparation of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2015 are consistent with those followed for the preparation of the Consolidated Financial Statements for the year ended 31 December 2014 and must be read in conjunction with the annual financial statements for the year ended 31 December 2014. The condensed consolidated financial statements are presented in Euro.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

3. BASIC AND FULLY DILUTED LOSS PER SHARE

	Six months ended	
	30/6/2015	30/6/2014
	€	€
Profit / (loss) for the period	111.356	(3.360.296)
Weighted average number of shares	141.692.040	141.692.040
	cent	cent
Basic and fully diluted profit/ (loss) per share	0,08	(2,37)

4. LOSS FROM DISCONTINUED OPERATIONS

Issue of share capital in L' Union Nationale (Tourism and Sea Resorts) Limited and change in its shareholding structure

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

On 31 January 2014, all conditions of the above agreement (the "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 the Investor each have 50% share in L' Union Nationale (Tourism and Sea Resorts) Limited and therefore as from the period ended 30 June 2015, the investment of the Company in L' Union Nationale (Tourism and Sea Resorts) Limited will be accounted for under the equity method in accordance with IFRS 11 "Joint Arrangements".

The Group recognized a loss of € 1.497.124 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 (See note 4 (ii)).

Additional issue of share capital in L' Union Nationale (Tourism and Sea Resorts) Limited and change in its shareholding structure

On 6 June 2014, The Company signed a Memorandum of Understanding (MOU) with Emerald, which held 50% of the issued shares of L' Union. According to the MOU the issued share capital of L' Union would 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).

On 30 September 2014, the Share Capital Restructuring of L' Union was completed. With the restructuring, the issued share capital of L' Union increased by €52,5 million by issuing of 40.076.336 shares of nominal value of €1,31 each share. By issuing of these shares, the Company holds 24.98% of the total issued shares of L' Union. The Proceeds have been used exclusively for the re-payment of bank debts of L' Union to the Bank of Cyprus Public Company Ltd.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

4. LOSS FROM DISCONTINUED OPERATIONS (Cont'd)

Additional issue of share capital in L' Union Nationale (Tourism and Sea Resorts) Limited and change in its shareholding structure (Cont'd)

From this transaction, CCCT has recognized an accounting profit of €2.007.272 on 30 September 2014, which concerns the difference between the book value of the assets of L 'Union Nationale attributable to the Company before and after the completion of the restructuring.

As a result of the above transactions, the results of the subsidiary L'Union for period ended 31 January 2014 are presented together with the loss/profit of the above transaction in discontinued operations in the consolidated income statement. From 1 February until 30 September 2014, the Company's investment in L 'Union is presented using the equity method in accordance with IFRS 11 "Joint Arrangements". From 1 October 2014, the Company's investment in L 'Union is also presented using the equity method in accordance with IAS 28 " Investments in Associates and Joint Ventures".

(i) Results from discontinued operations

	January 2014 €
Revenue	440.688
Operating and administration costs	(844.996)
Depreciation	(155.424)
Net finance costs	(277.385)
	(837.117)
Loss before taxation	(837.117)
Taxation	-
	(837.117)

Note:

The above results for the period ended 30/06/14 relate to the 100% results of L' Union only for January 2014 in which the Company's share was 100%.

(ii) Effect of loss of control in subsidiary company

	31/01/2014 €
Property, plant and equipment	97.370.558
Investment in partnership	1.150.396
Property under development	790.333
Inventories	758.532
Trade and other receivables	397.800
Cash and cash equivalents	(9.533.916)
Trade and other payables	(3.879.006)
Deferred taxation	(9.932.909)
Loans	(54.247.540)
	22.874.248
Net position	22.874.248
Net position of L' Union before issue of shares	(22.874.248)
Share of net position L' Union after issue of shares	21.377.124
	(1.497.124)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

4. LOSS FROM DISCONTINUED OPERATIONS (Cont'd)

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

	31/01/2014 €
Cash and cash equivalent in L' Union on the date of loss of control	9.533.916
Cash flow effect from loss of control in subsidiary company	<u>9.533.916</u>

(iv) Effect of loss of joint control in joint venture

	30/09/2014 €
Property, plant and equipment	96.832.672
Investment in partnership	1.150.396
Property under development	790.333
Inventories	641.431
Trade and other receivables	2.391.905
Cash and cash equivalents	10.442.341
Trade and other payables	(5.574.596)
Deferred taxation	(9.932.909)
Bank loans and bank overdrafts	<u>(52.662.673)</u>
Net position	<u>44.078.900</u>
Share of net assets of L' Union before issue of shares (50%)	22.039.450
Share of net assets of L' Union after issue of shares (24,98%)	<u>24.046.722</u>
Profit from loss of joint control	<u>2.007.272</u>

Note:

The effect loss of joint control in Joint venture of €2.007.272 is not presented in the interim consolidated statement of Profit or Loss and Other Comprehensive income since it was recognised at 30 September 2014.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

5. INVESTMENT IN ASSOCIATES

	2015 €	2014 €
Investment in associated company- L'Union Nationale (Tourism and Sea Resorts) Limited (i)	23.829.358	23.700.467
Investment in associated company- C.C.C. Secretarial Limited (ii)	6.907	5.978
	<u>23.836.265</u>	<u>23.706.445</u>

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

Name of associated Company	Principal activity	% Holding	
		2015	2014
L' Union Nationale (Tourism and Sea Resorts) Limited	Hotel operations	24,98%	24,98% (1/2/2014 30/9/2014 :50%)
C.C.C. Secretarial Limited	Secretarial and other professional services	20%	20%

(i) Investment in L' Union Nationale (Tourism and Sea Resorts) Limited

The share capital increase and change in the shareholding structure of L'Union is described in note 4. As a result of these transactions, the Company's investment in L 'Union is classified as a joint venture and presented using the equity method in accordance with IFRS 11 "Joint Arrangements" for the period from 1 February until 30 September 2014 .From 1 October 2014, the Company's investment in L 'Union is classified as associated company and is also presented using the equity method in accordance with IAS 28 " Investments in Associates and Joint Ventures".

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

The associated company has the following shares as of 31 December 2014 and 30 June 2015:

- 20.000.000 ordinary shares of €1,71 each which are owned by the Company (Class "A" shares)
- 20.000.000 ordinary shares of €1 each which are owned by Emerald (Class "B" shares)
- 40.076.336 ordinary shares of €1,31 each which are owned by the Company (Class "C" shares)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

5. INVESTMENT IN ASSOCIATES (Cont'd)

(i) Investment in L' Union Nationale (Tourism and Sea Resorts) Limited (Cont'd)

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

As of 31 December 2014 and 30 June 2015, the Company and Emerald have one and five appointed directors, respectively. In addition, general meetings decisions will be taken by a simple majority unless otherwise specified by law.

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

	2015	2014
	€	€
Balance 1 January 2015/2014	23.700.467	-
Initial recognition of investment (note 4 (ii))	-	21.377.124
Share of profit of joint venture	-	662.326
	<hr/>	<hr/>
Investment in Joint Venture as of 30 September 2014	23.700.467	22.039.450
Effect of loss of control of 25,02% in joint venture (note 4(iv))	-	2.007.272
Share of profit / (loss) before tax in associated company	128.891	(304.594)
Share of deferred tax relating to revaluation of land of associated company	-	(11.466)
Share of deferred tax relating to accelerated capital allowances of the associated company	-	(30.195)
	<hr/>	<hr/>
Investment in associated company as of 30 June 2015 / 31 December 2014	23.829.358	23.700.467
	<hr/> <hr/>	<hr/> <hr/>

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

5. INVESTMENT IN ASSOCIATES (Cont'd)

(i) Investment in L' Union Nationale (Tourism and Sea Resorts) Limited (Cont'd)

The financial information in regards of the Group's investment in associated company is as follows:

	2015	2014
	€	€
Current assets	7.415.104	11.179.415
Non-current assets	100.951.655	96.673.167
Current liabilities	(843.200)	(2.875.234)
Non- current liabilities	(12.129.811)	(10.099.581)
Net financial position	95.393.748	94.877.767

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	6.937.752	8.633.703
Current liabilities (excluding trade and other payables)	(241.016)	(240.896)
Non-current liabilities (excluding trade and other payables)	(12.369.827)	(10.099.581)

The results of L'Union for the period ended 30 June 2015 and 30 June 2014 are the following:

	2015	2014
	€	€
Revenue	-	6.162.853
Operating and administration costs	(640.903)	(6.277.137)
Depreciation	(325.000)	(774.184)
Net finance costs	(2.241)	(1.104.621)
Share of profit in a partnership	1.483.350	-
Profit / (loss) before taxation	515.206	(1.993.089)
Taxation	-	-
Profit / (loss) for the period	515.206	(1.993.089)

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

5. INVESTMENT IN ASSOCIATES (Cont'd)

(i) Investment in L' Union Nationale (Tourism and Sea Resorts) Limited (Cont'd)

Reconciliation of the above summarized financial information to the carrying amounts of the interest in the associated company recognized in the consolidated financial statements:

	2015	2014
	€	€
Net assets of the associate/ joint venture	95.393.748	94.877.767
Proportion of the Group's ownership, interest in the joint venture	24,98%	24,98%
	<hr/>	<hr/>
Carrying amounts of the Group's interest in the joint venture	23.829.358	23.700.466
	<hr/> <hr/>	<hr/> <hr/>

Commitments and contingencies

Renovation of the hotel

In November 2014, the hotel closed down for renovations and is expected to be completed in the first three months of 2017. As of 30 June 2015, the associated company had capital commitments mainly connected with construction and other related costs in the amount of €25.284.472 (31 December 2014: €17.562.416).

(ii) Investment in 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 in associate company is accounted for in the consolidated financial statements using the equity method whereas in the separate financial statements of the Company is stated at cost less any provisions for impairment.

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

	2015	2014
	€	€
Opening balance	5.978	5.143
Share of profit before taxation	929	1.335
Share of tax	-	(500)
	<hr/>	<hr/>
Closing balance	6.907	5.978
	<hr/> <hr/>	<hr/> <hr/>

The financial information in regards of the Group's investment in associated company is as follows:

	2015	2014
	€	€
Current assets	217.453	236.934
Non-current assets	39.629	45.991
Current liabilities	(194.952)	(225.449)
Non-current liabilities	(27.595)	(27.586)
	<hr/>	<hr/>
Net financial position	34.535	29.890
	<hr/> <hr/>	<hr/> <hr/>

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

6. SHARE CAPITAL

	2015 €	2014 €
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 (2014:141.692.040) ordinary shares of € 0,43 each	60.927.577	60.927.577
Balance 30 June/31 December		
141.692.040 (2014: 141.692.040) ordinary shares of € 0,43 each	60.927.577	60.927.577

7. 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.

The following transactions were carried out with related parties:

Name	Nature of transactions	2015 €	2014 €
C.C.C. Secretarial Limited	Management fees	(3.117)	(17.213)

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

Name	Nature	Amounts owed from related parties	
		2015 €	2014 €
L' Union Nationale (Tourism and Sea Resorts) Limited	Financing	142.331	142.331
The Cyprus Cement Public Company Ltd	Financing	41.124	66.283
		183.455	208.614

8. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no other significant events after the end of the financial period, which have bearing on the understanding of the financial statements, except the renovation works continuing to be executed on the hotel complex of associated company L'Union. The renovation work is expected to be completed within the first three months of 2017, when the hotel is expected to commence again its operations under a new higher class of category yet to be determined.

C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

9. OPERATING ENVIRONMENT IN CYPRUS

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2013 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

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 of the capital controls are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013.

The capital restrictions were fully relaxed in April 2015.

Following the positive outcome of the reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, 2014 and 2015, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus could affect negatively the operations of the associated company which is the main asset of the Group. The Group's management however, 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.