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KEO: Interim Management Statement

KEO plc presents the Interim Management Statement of the Company and its subsidiaries for the second half of the year ending 31 December 2013. The Interim Management Statement has been prepared in accordance with Article 11 of the Transparency Requirements (Securities Admitted to Trading on Regulated Market) Law of 2007 (N.190(I)/2007) and is showed below:

MAIN ACTIVITIES

The main activities of the Group, which have not changed since the previous year, include the vinification of vine products, the production of beer and juices and bottling of natural mineral water which are distributed in the local market and overseas.

TURNOVER

The Group's revenue during the first 9 months of the year has decreased by 3.1% in relation to the same period in the previous year.

The decrease in the sales volume, which has been observed mainly in the first 3 months of 2013, is mainly due to the overall decline of the market as a result of the continuing financial crisis and the uncertain conditions that are currently present in the economy of Cyprus, that have negatively affected the psychology of the Cypriot consumer.

PROFITABILITY

The Group's gross profit during the first 9 months of the year has increased by 6.3% despite the decrease in turnover. The increase is due to actions taken by the Group for the restriction of its production costs and especially to the measures for the reduction of labour cost.

As a result and the increase in gross profit and a decrease in overheads, during the first 9 months of the year the Group showed a profit from operations of €608,000 as opposed to a loss of €2,069,000 during the same period in the previous year.

The Group's loss before taxation during the first 9 months of 2013 has decreased by 79.5% in relation to the same period in the previous year.

MAJOR RISKS AND UNCERTAINTIES

The major risks and uncertainties that the Group faces remain unchanged from those described in the Company's Annual Report for the year 2012.

SIGNIFICANT EVENTS AND TRANSACTIONS

There have been no other significant events and transactions, other than the normal operating activities of the Group, which had an impact on the financial position of the Company and its subsidiaries.