

The Company publishes the Interim Management Statement of the first nine months of 2013 pursuant to article 11 of the Transparency Requirements Law 2007 (N.190 (I) of 2007). The statement is based on the financial results of the nine months of 2013, which have not been audited by the external auditors of the Company.

A. General description of the financial condition

1. The turnover fell by €725,000 or 8.3% to €7.953.584. This is mostly attributable to the lower reservations, which is a characteristic of the Cypriot tourist industry in general.
2. The cost of sales dropped by €12.000 or 4.9% to €4.11 million due to the lower turnover. The percentage of the cost of sales on the turnover of 51.7% is within the framework of that of that of last year, which stood at 49.9%.
3. The administrative expenses increased by €22.000 or 1.4% to €1.556.837 due to the increase in depreciations and amortizations by €9.325 to €808.548.
4. The other operating expenses increased by €18.000 or 2.3% to €819.321. This increase emerged after the co-calculation of the increased property tax by €5,000 and the lower other expenses included in this category.
5. There was a decline in the finance by €73.000 to €296.698 (2012: €370.415) due to a decrease in borrowing.
6. The pre-tax profit fell by €483.418 to €965.202.
7. The total income for the period declined by €388.310.

The unaudited profit and loss account is as follows:

	<i>From 1/1 to 30/9/2013</i>	<i>From 1/1 to 30/9/2012</i>
	€	€
Turnover	7.953.584	8.678.118
Cost of sales	<u>(4.114.192)</u>	<u>(4.326.627)</u>
Gross profit	3.839.392	4.351.491
Selling expenses	(331.548)	(320.012)
Administrative expenses	(1.556.837)	(1.535.158)
Other operating expenses	(819.321)	(801.032)
Other income	-	-
Finance cost – net	(296.698)	(370.415)
Share of profit of associated company	130.542	125.846
(Loss)/profit from investments	<u>(328)</u>	<u>(2.100)</u>

Profit before taxation	965.202	1.448.620
Taxation	(53.353)	(155.097)
Profit for the period	911.849	1.293.523
Other total expenses for the period		
Readjustment of deferred taxation	59	6.695
Total income for the period	911.908	1.300.218
<i>Attributable to:</i>		
Shareholders of parent company	804.678	1.184.694
Minority interest	107.230	115.524
	<u>911.908</u>	<u>1.300.218</u>
Net earnings per share attributable to shareholders of parent company	<u>2.30</u>	<u>3.38</u>

B. Main events

The results for the first nine months of 2013 were affected negatively by the lower reservations.

C. Risk Management

The Group is exposed to risks the most important of which are the credit risk, the exchange risk, the interest rate risk, the liquidity risk and the risk of the variation of the current value of investments in financial assets in fair value via the profit and loss account. The main risks are analyzed in note 29 of the consolidated financial statements for the year ended December 31, 2012 and are not expected to change in the last quarter of 2013. The risks also include those that follow the global crisis and are usually related to the variations of the bank behaviours in the management of the credit risks and the consumer intentions in the sector that the Company is actively involved in.

The Board of Directors is working towards dealing effectively with the aforementioned risks on the basis of new data.

D. Prospects

Based on the results so far and the indications, the Group will continue to be profitable but with a significant decline in its profitability compared to last year, which was very good.