

The Company presents the Interim Management Statement for the second half of 2013, pursuant to Article 11 of Law 190(I) 2008. The statement is based on the financial results and statements of the Group as at September 30, 2013, which have not been audited.

1. Consolidated income statement

	1/7 to 30/9 2013	1/1 to 30/6 2013
	€	€
Turnover	4.676.657	8.418.972
Cost of sales	-3.948.614	-7.472.625
Gross profit	728.043	946.347
Other income	3.981	13.040
Profit (Loss) from sale of property, plant and equipment	4.407	-28.490
Administrative expenses	-239.138	-485.764
Selling and distribution expenses	-595.299	-1.211.165
Loss from operations	-98.006	-766.032
Net finance cost	-133.799	-309.146
Profit from investment activities		
Share of profit of associated company	15.650	16.415
Loss before taxation	-216.155	-1.058.763
Taxation	11.388	49.376
Loss after taxation	-204.767	-1.009.387
Other total expenses		
Exchange difference from conversion of accounts on consolidation	0	2.818
Total expenses/income for the period	-204.767	-1.006.569

	30 /9/2013	31 /12/2012
	€	€
ASSETS		
Non current assets		
Fixed assets	7.174.089	8.231.014
Intangible assets	74.733	76.887
Investments in shares available for sale	5.126	5.126
Investments in properties	9.471.804	9.496.569
Investments in associated companies	52.278	23.912
	16.778.030	17.833.508
Current assets		
Stock	6.770.823	8.560.669
Trade and other amounts receivable	9.003.082	9.583.562
Tax refundable	72.583	71.743
Cash in hand and at bank	269.780	170.042
	16.116.268	18.386.016
Total assets	32.894.298	36.219.524
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	16.802.178	16.802.178
Other reserves	2.702.336	2.699.518
Accumulated profits	2.176.226	3.383.902
	21.680.740	22.885.598
Minority interest	-37.011	-27.102
Total equity	21.643.729	22.858.496
Non short-term liabilities		
Borrowing	1.124.764	1.059.490
Liabilities from finance lease	14.094	66.247
Deferred tax liabilities	506.717	564.092
	1.645.575	1.689.829
Short-term liabilities		
Trade and other creditors	1.985.008	3.554.709
Borrowing	7.520.841	8.001.840
Liabilities from finance lease	95.384	114.650
Taxation due	3.761	
	9.604.994	11.671.199

Total liabilities	11.250.569	13.361.028
Total equity and liabilities	32.894.298	36.219.524

3. Economic analysis

On September 30, 2013, the Group showed after tax loss of €1.211.336 compared to a loss of €1.381.453 in the corresponding period of 2012. This difference is attributable to the significant decline in sales.

The current assets fell from €18.386.016 to €16.116.268 due to the decline in stock and debt balances.

The total liabilities fell by €2.110.459 due to the lower commercial and other credit balances and borrowing.

Income from non-recurrent or extraordinary activities

There was no income from non-recurrent or extraordinary activities during the period.

4. Comparative economic analysis

The Group's turnover fell by €2.449.583 or 15.8% compared to the corresponding period of 2012 due to a significant decline in the construction industry, the lack of big projects and the negative climate of the economy after Eurogroup's decision.

The cost of sales stood at 87.21% from 87.04% in the corresponding period of 2012 and the percentage of gross profit fell from 12.96% to 12.79% mostly due to lower sales.

The other income decreased by €17.469 due to lower state subsidies and offered services.

The administrative expenses showed a decrease of €63.589 or 8.1% mostly due to the drop in payroll, the depreciations and the professional services cost.

The selling and distribution expenses stood at €1.806.464 from €2.118.993 on September 30, 2012 (-14.75%) due to the drop in payroll, depreciations and rents.

The finance cost declined by €108.457 due to the exchange differences and the drop in interests and bank expenses.

5. Description of significant events

The recent Eurogroup decision and the agreement on March 25, 2013 between the Republic of Cyprus and the troika for a loan of up to €10 billion to restore the viability of the banking sector,

the economic growth and the consolidation of the public finances has generated uncertainty to the economy, which together with the increased recession in the next few months, they could affect the future financial performance, the cash flows and the financial position of the Group.

6. Main risks and uncertainties

The Group's activities are affected by several risks and uncertainties. The most significant are the market price risk, the interest rate risk, the credit risk and the liquidity risk as well as number of factors largely affecting the activities of the Group, such as the increase in the price of raw material, the increased competition from imported goods and countries producing raw material and have low labour cost.

7. Other information

The Company is constantly trying to reduce its operating cost with the introduction of new software and it reevaluates all economic activities in order to achieve profit.

8. Prospects

The difficult conditions and the general economic climate in Cyprus in the first nine months of 2013 will continue in the last quarter of the year. The lack of liquidity in the banking sector, the stagnation in the construction activity and the increased recession of the economy affect negatively the Group's activities. The Management is attempting to improve the results of the Group with a further reduction of the operating cost and new cooperation as well as the enrichment of the products.

9. Transactions of associated persons

There were no trade transactions between the Company and the associated persons during the period.