

29 January 2016

## **ANNOUNCEMENT**

### **INDICATIVE UNAUDITED RESULTS FOR 2015**

At its meeting of 29 January 2015, the Company's Board of Directors examined and approved the publication of the Indicative Unaudited Results for the year 2015. The Group's main activities have remained unchanged since the previous year and there have been no material events and transactions other than the Group's ordinary business. Moreover, there are no non-recurring or extraordinary activities.

The difficulties and decreased activity in the real estate and construction sectors continue to affect the Group's results. Given the Company's limited number of properties available for sale, the turnover was significantly reduced from €2,634,847 in the corresponding period of 2014 to €158,186, deriving mostly from technical and construction works and the provision of real estate services.

Loss after taxation has decreased to €153,003, which corresponds to 3.18 cent per share, compared to a loss of €709,547 in the corresponding period of 2014. The main factors which have contributed to the results are as follows: the non-disposal of assets, the devaluation of the Company's plot in Alaminos and the increase in the value of the investment property of the associated company Lakkos Mikelli Real Estate Ltd. Financing and administrative expenses have significantly decreased.

Equity and reserves attributable to the shareholders as at 31 December 2014 stood at €11,083,366, which corresponds to an asset value of €2.31 per share. The stock exchange value of the Company's share as at 31/12/2015 was €0.83 compared to €0.10 at the beginning of 2015.

In the sector of property development, the Company is promoting the sale of properties in Alaminos and Maroni in Larnaka. As a result of the ongoing crisis in the construction sector, the operations of Philoktimatiki Ergoliptiki Ltd remain limited. The Company also continues to promote real estate services and cooperates closely with Piraeus Bank (Cyprus) Ltd. The Company is also the Bank's advisor on real estate and construction matters and manages the Bank's owned property.

As regards Lakkos Mikelli Real Estate Ltd - in which Philoktimatiki Public Ltd has a shareholding of 20% - the largest joint owner with a share of 45.4% of the "Lakkos Mikelli" estate, of an area of 220,590 sq. m., situated at the southern entrance of Nicosia, on 23 November 2015 the joint owners signed a Distribution Agreement, therefore solving the long-standing problem of the estate's ownership status. The joint owners agreed to proceed immediately with the issue of the required Division Permits, followed by the necessary construction works for the road network, in view of the issue of separate title deeds. Philoktimatiki Public Ltd has been appointed Project Manager in relation to the execution of the Distribution Agreement.

The said Agreement, together with the town planning incentives that continue to apply regarding the upgrading of the Town Planning Zone, are important positive developments for the management, use, disposal and value of the share in the plot held by Lakkos Mikelli Real Estate Ltd.

The difficult conditions of the Cyprus economy in general coupled with decreased investment activity in the construction sector are expected to remain throughout 2016 at the same levels as in 2015, with signs of stabilization.

Non-performing loans and unemployment are problems that directly affect the business and economic environment and solutions require time and systematic effort. Also, the impact on the real estate market of the implementation of foreclosure laws by credit institutions remains unknown.

Nevertheless, the fall in prices has created interest in the real estate market for small-scale properties by both local and foreign investors, who have shown an interest in obtaining passports and residence permits. This, however, has not boosted the construction sector as the supply of properties on the market is already high.

The Company is closely monitoring economic developments and investigates the prospects of other sources of income, considering potential opportunities in its field of activity.

Bank liabilities remain at approximately the same levels as last year. As a result, the Company continues to have the same low leverage (loans to net position ratio) as last year, amounting to only 13.7% in relation to its significant net position of €11 million. Being a subsidiary of Piraeus Bank S.A., the largest banking Group in Greece, the Company enjoys long-standing and firm support.

## **DIVIDEND**

Having considered the Company's capital needs for development and its liabilities and given the impact of the economic recession, the Board of Directors has decided that current difficulties justify the continuation of a conservative policy and will not propose the payment of dividend for 2015 at the Annual General Meeting of the Shareholders.

Copies of the announcement are available to the shareholders and the public at the Company's offices, 20, 25<sup>th</sup> March Str., Engomi, Nicosia. The announcement will be published in Politis Newspaper on 2 February 2016.

Makarios Charalambides  
General Manager / Executive Director

**CONSOLIDATED STATEMENT OF TOTAL INCOME**  
**for the period ended 31 December 2015**  
**UNAUDITED**

	2015 €	2014 €
<b>Income</b>	<b>158.186</b>	2.634.847
Cost of sales	<b>-150.341</b>	-2.368.630
<b>Gross profit</b>	<b>7.845</b>	266.217
Selling and marketing expenses	<b>-2.944</b>	-47.907
Administrative expenses	<b>-290.598</b>	-395.605
Other income	<b>2.131</b>	3.156
Other loss	<b>-150.000</b>	-
<b>Loss from operations</b>	<b>-433.566</b>	-174.139
Finance cost	<b>-73.896</b>	-140.428
Share in profit / (loss) of associated company	<b>283.919</b>	-390.396
<b>Loss before taxation</b>	<b>-223.543</b>	-704.963
Taxation	<b>70.540</b>	-4.584
<b>Loss for the year</b>	<b>-153.003</b>	-709.547
Other total income	-	-
<b>Total loss for the year</b>	<b>-153.003</b>	-709.547
<b>Attributable to:</b>		
Shareholders' interest	<b>-160.599</b>	-722.609
Minority interest	<b>7.596</b>	13.062
	<b>-153.003</b>	-709.547
<b>Loss per share (cent) - basic</b>	<b>-3.34</b>	-15.04
<b>Loss per share (cent) - diluted</b>	<b>-3.34</b>	-15.04

**CONSOLIDATED BALANCE SHEET as at 31 December 2015**  
**UNAUDITED**

	2015 €	2014 €
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	128.950	136.442
Investment in associated company	10.964.656	10.728.417
	<b>11.093.606</b>	10.864.859
<b>CURRENT ASSETS</b>		
Stock and work in progress	1.018.426	1.168.427
Trade and other receivables	41.787	502.344
Receivables from related parties	606.530	541.105
Tax receivable	9.373	9.373
Cash available and cash equivalents	140.686	101.088
	<b>1.816.802</b>	2.322.337
<b>TOTAL ASSETS</b>	<b>12.910.408</b>	13.187.196
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Share capital	4.084.128	4.084.128
Premium reserve	293.239	293.239
Reserve from conversion of share capital into Euro	20.664	20.664
Retained profits	6.585.816	6.764.710
	<b>10.983.847</b>	11.162.741
Minority interest	99.519	91.923
<b>Total equity</b>	<b>11.083.366</b>	11.254.664
<b>SHORT-TERM LIABILITIES</b>		
Payable to related parties	18.292	83.292
Other creditors and accruals	66.137	255.037
Provisions	457	2.028
Borrowing	203.388	-
Bank overdrafts	1.516.964	1.490.087
Current tax liabilities	3.510	102.088
Special contribution for defense on deemed distribution of dividend	18.294	-
<b>Total liabilities</b>	<b>1.827.042</b>	1.932.532
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12.910.408</b>	13.187.196