

INTERIM MANAGEMENT STATEMENT

The Cyprus Cement Public Company Ltd presents the Interim Management Statement of the Group for the period 1st of January 2013 till to date. 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 (N190 (I)/2007).

Main Activities

The principal activities of Group remain the same as in 2012, which are the development/exploitation of land and the undertaking of strategic investments in companies operating in hotel and tourism industry and in the manufacturing and sale of cement and related business

General Review

During the reporting period, the net loss of the Group has been increased compared to the same period in the previous year. This is due to the increased losses from its associated company, Vassiliko Cement Works Public Company Ltd.

Events and transactions

The Cyprus economy has been adversely affected over the last few years by the international credit crisis and the instability in the financial markets. During 2012 there was a considerable tightening of financing availability from Cypriot financial institutions, mainly resulting from financial instability in relation to the Greek sovereign debt crisis, including the impairment of Greek Government Bonds, and its impact on the Cyprus economy. In addition, following its credit downgrades, the ability of the Republic of Cyprus to borrow from international markets has been significantly affected. The Cyprus government entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund, in order to obtain financial support.

Cyprus and the Eurogroup (together with the International Monetary Fund) reached an agreement on 25 March 2013 on the key elements necessary for a future macro-economic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing and to restore the viability of the financial sector, with the view of restoring sustainable economic growth and sound public finances over the coming years. The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below € 100.000 in accordance with EU legislation. More specifically, the measures entailed the split of Laiki bank into a good (depositors with amounts up to €100k) and bad bank (depositors with amounts over €100k); and a conversion of certain percentage of uninsured deposits (amounts over €100.000) on Bank of Cyprus depositors into equity instruments.

On 29 March 2013 the Central Bank of Cyprus issued a decree concerning Laiki Bank and Bank of Cyprus by implementing measures pursuant to the Resolution and Other Credit Institutions Law of 2013. The Group's cash held with banks affected from the above measures were €269.000 as at the relevant date for implementation of the decisions. Based on information available the Group's management is unable to estimate the amount of impairment loss to be recognized in the consolidated financial statements of the Group for the year ending 31 December 2013. The impairment loss will be determined based on the assumption that uninsured deposits in Bank of Cyprus will suffer an impairment after taking into account the recognition at fair value of shares issued in exchange for the conversion of a proportion of Bank of Cyprus uninsured deposits into shares.

Developments & Prospects

The Board of Directors and the Management believe that under the current circumstances and taking account the operating environment of Cyprus and the conditions created after the Eurogroup decisions on 25 March 2013 and the global crisis, the results for 2013 might show fluctuations, which due to the uncertainties in the market, might be difficult to predict.

C.C.C. Secretarial Ltd
Secretary

Limassol , 22 May 2013