The Cyprus Cement Public Company Limited

Unaudited condensed interim consolidated financial statements for the six months ended 30 June 2013

Contents

The Cyprus Cement Public Company Limited

Declaration of the members of the Board of Directors and other responsible persons of the Company for the condensed interim consolidated financial statements

In accordance with Article 10 sections (3)(c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 ("Law"), we, the members of the Board of Directors and the other responsible persons for the condensed interim consolidated financial statements of The Cyprus Cement Public Company Limited (the "Company") for the period of six months ended 30 June 2013 we confirm that, to the best of our knowledge:

(a) the condensed interim consolidated financial statements that are presented on pages 5 to 24:

  (i) were prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and in accordance with the provisions of Article 10, section (4) of the Law, and

  (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of The Cyprus Cement Public Company Limited and the businesses that are included in the condensed interim consolidated accounts as a total, and

(b) the interim management report provides a fair review of the information required by Article 10, section (6) of the Law.

Members of the Board of Directors

Name and surname and position	Signature
George St. Galatariotis (Executive Chairman)	
Thomas M. Schmidheiny (Vice-Chairman)	
Costas St. Galatariotis (Executive Director)	
Stavros G. St. Galatariotis (Executive Director)	
Vassos G. Lazarides (Finance Director)	
Tasos Anastasiou (Executive Director)	
Michalis Mouchiouttas (Director)	
Antonis Antoniou (Director)	

Responsible for the preparation of the condensed interim consolidated financial statements

Name and surname and position	Signature
Elena Stylianou (Finance Manager)	

Limassol
29 August 2013

The Cyprus Cement Public Company Limited

Interim management report
for the six months ended 30 June 2013

The Board of Directors, at a meeting held on 29 August 2013, reviewed and approved the unaudited condensed interim consolidated financial statements of the Group of The Cyprus Cement Public Company Limited for the six months ended 30 June 2013.

The consolidated results of the Group include also the results of its subsidiary company C.C.C. Tourist Enterprises Public Company and the results of the associated company Vassiliko Cement Works Public Company Limited.

The unaudited condensed interim consolidated financial statements, which are expressed in Euro, have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union (EU) and comply with the provisions of the Cyprus Stock Exchange Laws and Regulations in relation to the announcement of interim financial results.

The same accounting policies and bases of estimates were applied in compiling the interim results for the first six months period of 2013 as those applied for the preparation of the annual financial statements for the year ended 31 December 2012 except for the change in accounting policy as explained in Note 3 of the condensed consolidated financial statements in relation to the adoption of IFRS 11 “Joint Arrangements”. The results for the first six months period of 2013 have not been audited by the external auditors of the Group.

The condensed interim consolidated financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2012.

Principal activities of the Group

The principal activities of the Group are the development/improvement of land and the holding of strategic investments in companies operating in the hotel and tourism industry and in the manufacturing and sale of cement and other related activities.

Review of the financial position of the Group

The net loss of the Group for the six months ended 30 June 2013 amounted to €6,38 mlns in comparison to a loss of €3,88 mlns for the corresponding period of 2012. The negative variation of the results compared to the corresponding previous period is mainly due to the following reasons:

- The turnover of the Group decreased by 22% to €7 mlns in comparison to €9 mlns for the corresponding period of 2012. Operating and administrative expenses decreased by 18% to €8 mlns in comparison to €9,8 mlns for the corresponding period of 2012. The decrease is due to the decrease in turnover of the subsidiary company C.C.C. Tourist Enterprises Public Company Limited.

- Loss of associated company: The share of loss of the associated company amounted to €1,88 mln in comparison to a profit of €194 thousands for the 6 months ended 30 June 2012.

- Loss of joint venture: The share of loss of the joint venture increased from €5 thousands in first six months of 2012 to €142 thousands mainly due to the impairment of the 47,5% of the unsecured deposits held by the joint venture in Bank of Cyprus.

Review of the financial position of the Group (continued)

The total assets of the Group at the end of the six months period were €449,6 mln (31 December 2012: €451,6 mln), out of which €118,3 mln (31 December 2012: €119 mln) represent the net book value of property, plant and equipment, €271,9 mln (31 December 2012: €271,9 mln) investment property and €53,9 mln (31 December 2012: €55,8 mln) the investment in the associated company Vassiliko Cement Works Public Company Limited and €1,1 mln (restated 2012: €1,3 mln) investments in joint ventures.

Under the current conditions, the expected results for 2013, may fluctuate, due to uncertainties in the market that are difficult to predict.

Risks and uncertainties

The Group's activities are subject to various risks and uncertainties. The most significant of which are credit risk, liquidity risk and market risk arising from adverse movements in foreign exchange rates and interest rates as well as operational risk.

The operations are affected by a number of factors including but not limited to:

- The operating environment of Cyprus (Note 1).
- International and national economic and geopolitical conditions.
- The impact of war, terrorist acts, diseases and epidemics which are likely to influence tourist arrivals to the island.
- Increased competition within Cyprus and neighbouring countries.
- Increase in staff and energy costs.

The economic conditions prevailing in the Cyprus market together with the effects of the results of the Eurogroup decision taken on 25 March 2013 for Cyprus, create additional risks and uncertainties for the second half of 2013.

Specifically, the current conditions, could have adverse effect on the valuation of the Group's property, on its ability to obtain adequate liquidity or financing and on revenue due to any possible decrease in demand for products and services offered by the Group due to reduced consumer purchasing power and the reduced tourist arrivals.

The deterioration in the operating conditions could also have an impact on the cash flow forecasts of the Groups' management and their estimation for the impairment of financial and non-financial assets.

The Group is in the process of negotiating the restructuring of the bank loans and expects that in the future it will be able to secure additional liquidity if needed.

The Group is analyzing and managing these risks through various control mechanisms, and forms, wherever possible, its strategy with a view to minimizing the effects of these risks.

Interim management report for the six months ended 30 June 2013 (continued)

Extracts of the results of the first six months of 2013 will be published in the newspaper “Simerini” on 30 August 2013.

Copies of the unaudited condensed interim consolidated financial statements are available at the Company’s office, 197 Makarios III Avenue, Gala Tower, 3030 Limassol, tel: 25891000 and in electronic form in the Galatariotis Group of Companies website (www.galatariotisgroup.com).

Limassol
29 August 2013

The Cyprus Cement Public Company Limited

Condensed interim consolidated income statement for the six months ended 30 June 2013

	Note	**30 June 2013 €**	Restated (Note 16) 30 June 2012 €
Sales		**6.995.428**	8.983.764
Operating and administrative expenses		**(8.035.318)**	(9.832.203)
		(1.039.890)	848.439
Depreciation	9	**(969.249)**	(904.297)
Other income		**3.872**	21.360
Finance costs	6	**(2.472.191)**	(2.167.868)
Foreign exchange gain/(loss)	6	**143.197**	(163.697)
Share of (loss)/profit of associates		**(1.876.000)**	194.304
Share of loss of joint venture		**(141.816)**	(4.793)
Loss before tax		**(6.352.077)**	(3.873.430)
Tax		**(24.888)**	(2.619)
Loss for the period		**(6.376.965)**	(3.876.049)
Attributable to:			
Equity holders of the Company		**(5.263.617)**	(2.970.372)
Non-controlling interests		**(1.113.348)**	(905.677)
		(6.376.965)	(3.876.049)
Basic and fully diluted loss per share attributable to the shareholders of the Company (cent per share)	8	**(3,83)**	(2,16)

The notes on pages 11 to 24 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of comprehensive income for the six months ended 30 June 2013

	30 June 2013 €	Restated (Note 16) 30 June 2012 €
Loss for the period	**(6.376.965)**	(3.876.049)
Other comprehensive income:		
Share of movement of reserves of associated companies	**-**	(157.872)
Total comprehensive loss for the period	**(6.376.965)**	(4.033.921)
Attributable to:		
Shareholders of the Company	**(5.263.617)**	(3.128.244)
Non-controlling interests	**(1.113.348)**	(905.677)
	(6.376.965)	(4.033.921)

The notes on pages 11 to 24 are an integral part of these condensed interim consolidated financial statements.

The Cyprus Cement Public Company Limited

Condensed interim consolidated balance sheet as at 30 June 2013

	Note	**30 June 2013 €**	Restated (Note 16) 31 December 2012 €
Assets			
Non-current assets			
Property, plant and equipment	9	**118.339.879**	119.033.558
Investment property	10	**271.925.852**	271.903.351
Investments in associates	12	**53.923.131**	55.799.131
Investments in joint ventures	13	**1.105.462**	1.257.583
Available-for-sale financial assets		**2.848**	2.848
		445.297.172	447.996.471
Current assets			
Inventories		**1.617.102**	1.639.456
Trade and other receivables		**2.122.678**	1.940.288
Cash and cash equivalents		**523.649**	71.091
		4.263.429	3.650.835
Total assets		**449.560.601**	451.647.306
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	14	**59.172.679**	59.172.679
Share premium	14	**848.729**	848.729
Fair value reserve		**126.576.929**	126.576.929
Revenue reserve		**17.235.700**	17.235.700
Other reserves		**(15.032)**	(15.032)
Retained earnings		**76.886.663**	82.150.280
		280.705.668	285.969.285
Non-controlling interest		**13.964.009**	15.077.357
Total equity		**294.669.677**	301.046.642
Non current liabilities			
Borrowings	15	**63.508.784**	59.679.209
Deferred tax liabilities		**66.215.116**	66.215.116
		129.723.900	125.894.325
Current liabilities			
Provisions		**892.617**	1.181.653
Trade and other payables		**6.316.991**	4.737.665
Current tax liabilities		**18.385**	27.053
Borrowings	15	**17.939.031**	18.759.968
		25.167.024	24.706.339
Total liabilities		**154.890.924**	150.600.664
Total equity and liabilities		**449.560.601**	451.647.306

The notes on pages 11 to 24 are an integral part of these condensed interim consolidated financial statements.

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2013

		Attributable to equity holders of the Company								
	Note	Share capital €	Share premium [2] €	Fair value reserve[2] €	Other reserves €	Revenue reserve €	Retained earnings [1] €	Total equity €	Non-controlling interest €	Total €
Balance at 1 January 2012		59.172.679	848.729	136.242.341	(15.032)	17.235.700	92.523.470	306.007.887	23.836.824	329.844.711
Comprehensive income										
Loss for the period		-	-	-	-	-	(2.970.372)	(2.970.372)	(905.677)	(3.876.049)
Other comprehensive income										
Share of fair value reserve of associated companies		-	-	(157.872)	-	-	-	(157.872)	-	(157.872)
Total other comprehensive income		-	-	(157.872)	-	-	-	(157.872)	-	(157.872)
Comprehensive income for the period		-	-	(157.872)	-	-	(2.970.372)	(3.128.244)	(905.677)	(4.033.921)
Transactions with owners										
Defence on deemed dividend distribution		-	-	-	-	-	(30.076)	(30.076)	(14.620)	(44.696)
Acquisition of non-controlling interest	11	-	-	-	-	-	(591.993)	(591.993)	(468.007)	(1.060.000)
Total transactions with owners		-	-	-	-	-	(622.069)	(622.069)	(482.627)	(1.104.696)
Balance at 30 June 2012		59.172.679	848.729	136.084.469	(15.032)	17.235.700	88.931.029	302.257.574	22.448.520	324.706.094

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2013 (continued)

		Attributable to equity holders of the Company								
	Note	Share capital €	Share premium [2] €	Fair value reserve[2] €	Other reserves €	Revenue reserve €	Retained earnings [1] €	Total equity €	Non-controlling interest €	Total €
Balance at 1 January 2013		59.172.679	848.729	126.576.929	(15.032)	17.235.700	82.150.280	285.969.285	15.077.357	301.046.642
Comprehensive income										
Loss for the period		-	-	-	-	-	(5.263.617)	(5.263.617)	(1.113.348)	(6.376.965)
Comprehensive income for the period		-	-	-	-	-	(5.263.617)	(5.263.617)	(1.113.348)	(6.376.965)
Balance at 30 June 2013		59.172.679	848.729	126.576.929	(15.032)	17.235.700	76.886.663	280.705.668	13.964.009	294.669.677

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

(2) The share premium reserve and the fair value reserve are not available for distribution in the form of dividends.

The notes on pages 11 to 24 are an integral part of these condensed interim consolidated financial statements.

The Cyprus Cement Public Company Limited

Condensed interim consolidated statement of cash flows for the six months ended 30 June 2013

	Note	**30 June 2013 €**	Restated (Note 16) 30 June 2012 €
Cash flows from operating activities			
Cash (used in)/from operations		**(452.188)**	1.098.823
Net cash (used in)/from operating activities		**(452.188)**	1.098.823
Cash flows from investing activities			
Purchases of property, plant and equipment	9	**(313.144)**	(474.976)
Interest received		**-**	40.360
Additions in investment property	10	**(22.501)**	(2.380)
Receipts from the sale of property, plant and equipment		**40.941**	-
Acquisition of non-controlling interest	11	-	(1.060.000)
Net cash used in investing activities		**(294.704)**	(1.496.996)
Cash flows from financing activities			
New loans	15, 18	**1.449.495**	7.083.000
Repayment of loans		**-**	(2.401.106)
Interest paid		**(1.366.528)**	(2.262.082)
Net cash from financing activities		**82.967**	2.419.812
Net (decrease)/increase in cash and bank overdrafts		**(663.925)**	2.021.639
Cash and bank overdrafts at beginning of period		**(11.350.286)**	(11.427.191)
Cash and bank overdrafts at end of period		**(12.014.211)**	(9.405.552)

The notes on pages 11 to 24 are an integral part of these condensed interim consolidated financial statements.

Notes to the unaudited condensed interim consolidated financial statements

1 General information

The Company was incorporated in Cyprus in 1951, as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113 and later became a public company. The Company is listed in the Cyprus Stock Exchange.

The condensed interim consolidated financial statements of the Company as at and for the six months ended 30 June 2013 comprise the Company and its subsidiaries (Note 11) together referred to as the “Group”, and the Group’s interests in associates (Note 12) and joint ventures (Note 13).

The condensed interim consolidated financial statements of the Group for the period ended 30 June 2013 and the consolidated financial statements as at 31 December 2012 are available upon request from the company’s office 197 Makarios III Avenue, Gala Tower, 3030 Limassol, and in electronic form in the Group’s website (www.galatariotisgroup.com).

The condensed interim consolidated financial statements have not been audited by the external auditors of the Group.

Principal activities

The principal activities of the Group are the development/improvement of land and the holding of strategic investments in companies operating in the hotel and tourism industry and in the industry of manufacturing and sale of cement and other related activities.

Operating environment

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.

1 General information (continued)

Operating environment (continued)

Based on this agreement 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 uninsured depositors of Laiki are entitled to receive 18% of the equity of Bank of Cyprus. This should be managed by the liquidator and its proceeds will be shared between the uninsured depositors. The Bank of Cyprus uninsured depositors have received in total 81% of the Bank of Cyprus new shares through a conversion of 47,5% of their deposits (amounts over €100.000). The holders of equity and other mezzanine instruments have received approximately 1% of the Bank of Cyprus new equity instruments. These instruments have not been admitted for trading in the Stock exchange as yet. The fair value of these instruments is still unknown and very difficult to calculate due to the unavailability of public information and active market. In addition the corporate tax rate increased from 10% to 12,5%.

On 22 March 2013 the House of Representatives voted legislation relating to capital controls affecting transactions executed through banking institutions operating in Cyprus. The extent and duration of the capital controls is decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013 and have subsequently been relaxed but are still in place.

The uncertain economic conditions in Cyprus, the unavailability of financing, the imposition of the above mentioned capital controls together with the current instability of the banking system and the anticipated overall economic recession, could affect the ability (1) the ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company's trade and other debtors to repay the amounts due to the Company and (3) the ability of the Company and the Group to sell their existing inventories or enter into contracts for the development of new property units / the ability of the company and the Group to generate sufficient turnover, to sell their existing inventories and/or offer their services to customers.

The deterioration of operating conditions could also have an impact on the cash flow forecasts of the Company's management and their assessment of impairment of financial and non-financial assets.

The Company’s management has assessed:

(1) whether any impairment provisions are deemed necessary for the Company’s financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Provisions for trade receivables are determined using the incurred loss model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables that arose from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are.

(2) whether the net realisable value for the Company’ s inventory exceeds cost. Where net realisable value is below cost, the excess should be charged to the profit or loss for the year. The demand for many kinds of real estate properties has been significantly affected and transactions are less frequent, therefore the estimated selling price is highly judgmental.

(3) the ability of the Group to continue as a going concern.

1 General information (continued)

Operating environment (continued)

The Board of Directors of the Company is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

The Board of Directors of the Company believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

2 Statement of compliance

These unaudited condensed interim consolidated financial statements of the Group have been prepared in accordance with the International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union (EU). These condensed interim consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2012.

3 Significant accounting policies

All accounting policies, presentation of results and calculation methods, applied for the preparation of these unaudited condensed interim consolidated financial statements of the Group for the six months period ended 30 June 2013, are consistent with those used during the preparation of the annual consolidated financial statements for the year ended 31 December 2012, except of the following set out below.

The Board of Directors decided to early adopt the following accounting standards:

- IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)). This adoption did not have any material effect on the interim condensed financial statements of the Group.

- IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)).

  Under IFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venturer has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

  Before 1 January 2012, the Group's interest in its jointly controlled entity L' Union Branded Residences was accounted for using the proportionate consolidation method. Under IFRS 11, the jointly controlled entity has been assessed to be a joint operation and the Group has applied the new policy for its interest in the joint operation in accordance with the transition provisions of IFRS 11.

3 Significant accounting policies (continued)

The Group recognised its investment in the joint venture at the beginning of the earliest period presented (1 January 2012), as the total of the carrying amount of the assets and liabilities, which previously were proportionately consolidated. This is the deemed cost of the investments in the joint venture for applying equity accounting.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2012. There is no impact on the net assets of the periods presented.

The effects of the change in accounting policies on the financial position and the comprehensive income of the Group at 1 January 2012 and 31 December 2012 are presented in Note 16. The change in accounting policy has had no impact on earnings per share.

- IFRS 12 "Disclosure of Interests in Other entities" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)). This adoption did not have any effect on the interim condensed financial statements of the Group.

- IAS 27 "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)). This adoption did not have any effect on the interim condensed financial statements of the Group.

- IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013 (EU: 1 January 2014)). This adoption did not have any material effect on the interim condensed financial statements of the Group other than the effect of the early adoption of IFRS 11.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The unaudited condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statement: they should be read in conjunction with the group's annual financial statements as at 31 December 2012. There have been no changes in the risk management policies since 31 December 2012.

4 Estimates

The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. The significant judgments made by the Management in applying the Group's accounting policies and estimations were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012, except as described below.

The subsidiary company C.C.C. Tourist Enterprises Public Company Limited holds 50% of the voting rights of its joint arrangements. The Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities. The Group's joint arrangements are structured as a Partnership and provide the Group and the parties to the agreements with rights to the net assets of the Partnership under the arrangements. Therefore, the Partnership is classified as a joint venture of the Group.

5 Segment information

Operating segments are presented in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources and assessing performance of the operating segment. All operating segments used by the Group, meet the definition of a reportable segment as per IFRS 8.

The basic operating segments of the Group for which segment information is presented are as follows:

(1) Investment property

(2) Hotel and tourism

(3) Cement - strategic investment in Vassiliko Cement Works Public Company Limited

The "other" operating segment of the Group relates to secretarial and managerial services offered to related parties.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and impairments, when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not allocated to segments. Other information presented, is accounted as per the financial statements.

5 Segment information (continued)

The segment information which is provided to the Management of the Group for the reportable segments is as follows:

	Hotel and tourism €	Investment property €	Cement €	Other €	Total €
Six months ended 30 June 2013					
Revenue	6.707.078	-	-	288.350	6.995.428
Adjusted EBITDA	(472.346)	(112.352)	-	(451.320)	(1.036.018)
Share of loss of associated companies	-	-	(1.876.000)	-	(1.876.000)
Share of loss of joint venture	(141.816)	-	-		(141.816)
Six months ended 30 June 2012 (restated)					
Revenue	8.620.284	-	-	363.480	8.983.764
Adjusted EBITDA	(117.343)	(187.485)	-	(539.713)	(844.541)
Share of profit of associated companies	-	-	194.304	-	194.304
Share of loss of joint venture	(4.793)	-	-	-	(4.793)

A reconciliation of adjusted EBITDA to loss before tax is as follows:

	30 June 2013 €	Restated 30 June 2012 €
Adjusted EBITDA for reportable segments	**(1.036.018)**	(844.541)
Depreciation	**(969.249)**	(904.297)
Interest received	**-**	17.462
Operating loss	**(2.005.267)**	(1.731.376)
Finance costs and foreign exchange differences	**(2.328.994)**	(2.331.565)
Share of (loss)/profit of associated companies	**(1.876.000)**	194.304
Share of loss of joint ventures	**(141.816)**	(4.793)
Loss before tax	**(6.352.077)**	(3.873.430)

The segment assets and liabilities did not have any significant changes from the amounts presented in the annual consolidated financial statements of the Group for the year ended 31 December 2012.

6 Finance cost /foreign exchange loss

	30 June 2013 €	30 June 2012 €
Interest expense:		
Bank borrowings and bank overdrafts	**(2.387.233)**	(2.098.386)
Related party balances (Note 18 (c))	**(81.339)**	(69.482)
Overdue taxation	**(3.619)**	-
	(2.472.191)	(2.167.868)
Net foreign exchange transaction profit/(loss) on financing activities	**143.197**	(163.697)
	(2.328.994)	(2.331.565)

7 Tax

Income tax is recognised based on annual income tax rate expected for the full financial year. The tax for the period represents corporation tax and defence contribution of previous years. No deferred tax has been recognised for the six months ended 30 June 2012, mainly because the credit balance for unused tax losses is recognised up to the extent of the debit balance relating to temporary differences.

The corporation tax rate as at 31 December 2012 was 10% and increased to 12,5% as at 1 January 2013.

According to the Income Tax Law, the Company and its subsidiaries which directly or indirectly control at least 75% of the issued share capital consist "group" for income tax purposes. A company within the Group would be entitled to transfer losses and offset them against profits among the companies of the Group.

8 Loss per share

	30 June 2013 €	30 June 2012 €
Loss attributable to the equity holders of the Company	**(5.263.617)**	(2.970.372)
Number of ordinary shares in issue	**137.610.883**	137.610.883
Basic and fully diluted loss per share – cent per share	**(3,83)**	(2,16)

There is no difference between the basic and the fully diluted loss per share for the current or prior period.

9 Property, plant and equipment

	Total €
Six months ended 30 June 2012	
Opening net book amount at the beginning of the period	143.495.164
Additions	474.976
Depreciation charge	(904.297)
Net book amount as at 30 June 2012	143.065.843
Six months ended 30 June 2013	
Opening net book amount at the beginning of the period	119.033.558
Additions	313.144
Disposals	(37.574)
Depreciation charge	(969.249)
Net book amount as at 30 June 2013	118.339.879

10 Investment property

	30 June 2013 €	30 June 2012 €
At beginning of period	**271.903.351**	271.960.330
Additions	**22.501**	2.380
At end of period	**271.925.852**	271.962.710

11 Investment in subsidiaries

The condensed interim consolidated financial statements include the Company and its subsidiary companies, which are collectively referred to as the “Group”. Subsidiaries are all entities which the Group controls. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

11 Investment in subsidiaries (continued)

The details of subsidiary companies which are all registered in Cyprus are as follows:

Name	Country of incorporation	Principal activities	% held 30 June 2013 %	31 December 2012 %
CCC Laundries Limited	Cyprus	Dormant	**100,00**	100,00
C.C.C. Tourist Enterprises Public Company Limited	Cyprus	Holding of investments in hotel and tourism	**67,29**	67,29
C.C.C. Secretarial Limited	Cyprus	Secretarial and administration services	**53,46**	53,46
Subsidiaries of CCC Laundries Limited				
White Linen (Famagusta) Limited	Cyprus	Dormant	**63,00**	63,00
CCC Laundries (Paphos) Limited	Cyprus	Dormant	**100,00**	100,00
Subsidiaries of C.C.C. Tourist Enterprises Public Company Limited				
L'Union Nationale (Tourism and Sea Resorts) Limited	Cyprus	Hotel and tourism	67,29	67,29

On 12 March 2012 an agreement was signed under which the subsidiary CCC Laundries Limited acquired the remaining 29% of the share capital of the subsidiary CCC Laundries (Paphos) Limited from the non-controlling interests for a consideration of €1.060.000.

12 Investment in associates

	30 June 2013 €	30 June 2012 €
At beginning of period	**55.799.131**	52.841.065
Share of (loss)/profit after tax	**(1.876.000)**	194.304
Share of reserves	**-**	(157.872)
At end of period	**53.923.131**	52.877.497

The Group has the following investment in associate which is listed in the Cyprus Stock Exchange:

Name	Country of incorporation	Principal activity	% held 30 June 2013 %	31 December 2012 %
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	**25,3**	25,3

13 Investment in joint ventures

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group has the following investment in joint venture which is not listed in the Stock Exchange:

Name	Country of incorporation	Principal activity	% held 30 June 2013 %	 31 December 2012 %
L'Union Branded Residences	Cyprus	Development and sale of luxury residential properties	**50**	50

There were no contingent liabilities in respect of the Group's share in joint venture.

14 Share capital and share premium

	30 June 2013			30 June 2012		
	Number of shares	**Ordinary share capital €**	**Share premium €**	**Number of shares**	**Ordinary share capital €**	**Share premium €**
Issued and fully paid						
At beginning and at end of period	**137.610.883**	**59.172.679**	**848.729**	137.610.883	59.172.679	848.729

The authorised share capital of the Company is €86.000.000 divided into 200 000 000 ordinary shares (2012: 200 000 000 shares) with a par value of €0,43 per share. All issued shares are fully paid.

15 Borrowings

	30 June 2013 €	31 December 2012 €
Current		
Bank overdrafts	**12.537.370**	11.858.617
Bank loans	**5.401.661**	6.901.351
	17.939.031	18.759.968
Non-current		
Bank loans	**60.901.273**	57.821.792
Loans from related parties (Note 18(e))	**2.607.511**	1.857.417
	63.508.784	59.679.209
Total borrowings	**81.447.815**	78.439.177

15 Borrowings (continued)

The bank loans are repayable by monthly and six-monthly installments by 2020. The bank loans and overdrafts are secured as follows:

(i) By mortgage of land and buildings of the Group for the amount of €63,1 million (2012: €63,1 million)
(ii) By fixed and floating charge on the Group's assets for the amount of €12,11 million (2012: €12,11 million)
(iii) By corporate guarantees of the Group for an unlimited amount.

The movement in loans during the period is analysed as follows:

	30 June 2013 €	30 June 2012 €
Balance as at 1 January	**66.580.560**	61.614.005
New loans	**1.449.495**	7.083.000
Repayments of capital	**-**	(2.401.106)
Repayments of interest	**(229.831)**	(1.044.867)
Foreign exchange (loss)/gain	**(140.315)**	132.304
Capitalised interest	**1.250.536**	1.044.867
Balance as at 30 June	**68.910.445**	66.428.203

The exchange (loss)/gain relates to the retranslation of the Swiss Franc denominated loans of the subsidiary company into Euro at the balance sheet date.

16 Prior year adjustment

The Group has early adopted the International Financial Reporting Standard 11 "Joint Arrangements" (IFRS 11) which replaces the International Accounting Standard 31 "Interests in joint ventures" (IAS 31).

In accordance with IFRS 11 the use of equity method is compulsory in contrast to IAS 31 which allowed the proportionate consolidation method, which was the method used by the Group on the date of the incorporation of the joint venture L' Union Branded Residences in 2011. As a result the comparative figures of the condensed interim consolidated statement of comprehensive income and the condensed interim consolidated balance sheet have been restated to conform with the application of the equity method of accounting which is used as from 1 January 2013.

16 Prior year adjustment (continued)

Following the above, the condensed interim consolidated statement of comprehensive income and the condensed interim consolidated balance sheet as at 31 December 2012 and for the period ended 301 June 2012 respectively, have been restated as follows:

Effect on consolidated Balance Sheet	As previously stated 31 December 2012 €	Change in accounting policy 31 December 2012 €	Restated 31 December 2012 €
Inventories	3.069.150	(1.429.694)	1.639.456
Trade and other receivables	1.950.151	(9.863)	1.940.288
Investment in joint ventures	-	1.257.583	1.257.583
Cash and cash equivalents	508.331	(437.240)	71.091
Trade and other payables	(5.356.879)	619.214	(4.737.665)
Total effect of restatement	(170.753)	-	(170.753)

Effect on consolidated condensed statement of comprehensive income	As previously stated 1 January 2012-30 June 2012 €	Change in accounting policy 1 January 2012-30 June 2012 €	Restated 1 January 2012-30 June 2012 €
Operating and administrative expenses	(9.836.996)	4.793	(9.832.203)
Share of loss of joint venture	-	(4.793)	(4.793)
Net effect of restatement	(9.836.996)	-	(9.836.996)

17 Contingent liabilities and commitments

As at 30 June 2013, there were no capital commitments for the Group which were not provided for in the condensed interim consolidated financial statements.

There were no significant changes in the Group's contingencies and capital commitments from those that were presented in the annual consolidated financial statements for the year ended 31 December 2012.

18 Related party transactions

The Group is controlled by C.C.C. Holdings & Investments Public Company Limited, which is registered in Cyprus. The ultimate holding company is George S. Galatariotis & Sons Limited.

The related companies are companies under common control and companies controlled by the Directors of the Company.

18 Related party transactions (continued)

The following transactions were carried out with related parties:

(a) Sales of services

	30 June 2013 €	30 June 2012 €
Secretarial and administration services:		
Ultimate holding company	**2.000**	17.000
Parent company	**21.800**	27.480
Other related companies	**264.550**	319.000
	288.350	363.480

The above sales of services were made at commercial terms and conditions.

(b) Purchases of services

	30 June 2013 €	30 June 2012 €
Rents:		
Ultimate holding company	**104.814**	104.814

The rent paid was at commercial terms and conditions. The rental agreement is renewable on an annual basis.

(c) Interest on balances with related parties

	30 June 2013 €	30 June 2012 €
Interest payable:		
Parent company	**3.319**	3.145
Related parties	**78.020**	66.337
	81.339	69.482

18 Related party transactions (continued)

(d) Period/year end balances arising from sales/purchases of services

	30 June 2013 €	31 December 2012 €
Receivable from related parties:		
Related companies	**24.682**	223.485
Associated companies	**-**	272.997
	24.682	496.482
Payable to related parties:		
Parent company	**148.939**	97.960
Other related companies	**2.042**	17.893
Company that exercises significant influence over the Group	**209.091**	348.887
	360.072	464.740

Balances with related parties are unsecured, bear average annual interest at the rate of 7% (2012: 7%) and are repayable on demand.

(e) Period/year end balances arising from financing facilities

	30 June 2013 €	31 December 2012 €
Loans from related parties:		
Company that exercises significant influence over the Group	**2.607.511**	1.857.417

The loan is unsecured, bears annual average interest at the rate of 7% and is repayable on demand.

19 Seasonality

The Group's results are affected by the seasonality which relate to the tourism industry and as a result the Group's results in the second half of the year are generally better than those of the first half.

20 Events after the balance sheet date

On 30 July 2013 the Ministry of Finance and the Central Bank of Cyprus announced that the procedure of recapitalization of the Bank of Cyprus was completed. The final conversion rate of the uninsured deposits into shares of the bank was set at 47,5%. The fair value of the Group's financial assets as at 30 June 2013 was adjusted accordingly.

There were no other significant events after the end of the financial period which have a bearing on the understanding of the financial statements.