

**Indicative Unaudited Results for the year ended 31st December 2016
(en)**

It is hereby attached the Indicative Unaudited Results for the year ended 31st December 2016.

Copies of the indicative results will be available at the office of the company's Secretary in 15 Ayion Omologiton, 1080 Nicosia (Tel: 22 452600).

L.I..C.A. Secretarial Ltd

Secretary of the Company

(en)

Attachment:

1. **Indicative Results 2016**

Regulated

Publication Date: 01/03/2017

**Indicative Unaudited Consolidated Results
for the year ended 31 December 2016**

Year End 31 December

	Unaudited 2016 €	Audited 2015 €
Income	2.641.380	3.529.918
Cost of Sales	(2.632.596)	(5.243.459)
	<hr/>	<hr/>
Gross Loss	8.784	(1.713.541)
Other Income	13.230	124.853
Distribution and Sales Expenses	(64.869)	(171.860)
Administrative Expenses	(896.435)	(630.656)
Loss from the sale of machineries	(495.173)	(792.199)
Reduction in the value of assets for investments	-----	(54.210)
Share of Profit of related companies	355.478	-----
	<hr/>	<hr/>
Loss from Operations	(1.078.986)	(3.237.613)
	<hr/>	<hr/>
Income from finance	-----	108.098
Finance Expenses	(99.733)	(362.281)
Net finance expenses	(99.733)	(254.183)
	<hr/>	<hr/>
Loss before taxation	(1.178.719)	(3.491.796)
Tax	-----	142.902
	<hr/>	<hr/>
Loss for the year	(1.178.719)	(3.348.894)

EXPLANATORY STATEMENT AND NOTES :

1. The Board of Directors of C.T.O. Public Company Limited (the "Company") at its meeting which was held on the 28 February 2017, examine and approved the indicative results of the Group for the year ended 31 December 2016.
2. The financial results of the Group for the year ended 31 December 2016 were not audited by the external auditors of the Group.

3. IMPORTANT ACCOUNTING PRINCIPLES

(a) Basis Preparation

The accounting principles that were applied with regards with the data which are considered important in relation to the financial statements of the Company are in line with the accounting principles which were used for the preparation of the annual financial statements for the year ended 31 December 2015.

(β) Basis of Consolidation

The indicative results have been prepared according to the International Financial Reporting Standards, 3 «Business Combinations» as far as with the reversed acquisitions are concerned.

4. GROUP ACTIVITIES AND GENERAL INFORMATION

On 17th March 2008, after a Public Offer, C.T.O. Public Company Ltd (ex Lemeco Silvex Industries Public Company Limited) («Company») purchased the 100% of the share capital of Explosal Ltd. The purchase carried out with the issuance of 165.000.000 shares to the shareholders of Explosal Ltd. This purchase falls into the International Financial Reporting Standards, 3 «Business Combinations» for Reversed Acquisitions. As a result, for the purposes of the preparation of the consolidated financial statements, C.T.O. Public Company Ltd (ex Lemeco Silvex Industries Public Company Limited) is the legal parent company and Explosal Ltd is the company which has acquired C.T.O. Public Company Ltd (ex Lemeco Silvex Industries Public Company Limited), acquiring company.

During the year, the major activities of the Company were the production and sale of tobacco products.

On 7th August 2008 Lemeco Silvex Industries Public Company Limited was renamed to C.T.O. Public Company Limited.

5. RESULTS

The turnover of the Company continues the reduction of the previous years due to the economic recession and the economic crisis in Cyprus and abroad and due to the uncertainty and the problems in the countries where the company and our clients are traded. Also, the major competition in the cigarettes market between the big international companies and the Company and the reduction of sales to major clients has affected the turnover of the Company. The percentage of the gross profit margin is still very low (in 2015 was negative), because the management of the company decided to keep the employees of the company for the last two years despite the significant reduction on sales and due to inelastic cost which are absorbed at a lower production of cigarettes than the previous years (before 2015).

6. Projections and Valuations for the year 2017:

Due to unfavourable economic conditions prevailing in Cyprus and worldwide, the company's Board of Directors may not make accurate projections regarding the Group's results for the year 2017.

7. Dividends

Any proposal in relation to the dividends of the company will be decided during the examination of the Audited Financial Statements of the company.