

0065/00016141/en

Interim Management Statement

**RENOS HATZIOANNOU FARM PUBLIC COMPANY LTD**

FRH

## **Interim Management Statement**

Please see attached

Attachment:

1. **Interim Management Statement**

**Regulated**

Publication Date: 02/06/2016

## **RENOS HATZIOANNOU FARM PUBLIC COMPANY LTD**

Nicosia 30/5/2016

### **INTERIM MANAGEMENT STATEMENT FOR THE PERIOD 1/1/2016 - 27/5/2016**

The Board of Directors of Renos Hatzioannou Farm Public Company Ltd has approved the Interim Management Statement of the Company and its subsidiary for the period 1/1/2016 - 27/5/2016, prepared in accordance with the provisions of Article 11 of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (L. 190(I)/2007). The Statement has not been audited by the Company's external auditors.

#### **Material events and transactions in the period under review are as follows:**

1. The Company is exclusively engaged in the negotiations and court proceedings with banks and the management of its immovable property. There are lawsuits pending both by banks against the Company and by the Company against banks. The Company continues to record large losses and it is now imperative that disputes are soon settled, at least with some of the banks. Since 2015, substantial changes have been, and continue to be, introduced in the legislation and their impact on the Company cannot be assessed.
2. There is no extraordinary income or expense in the period under review while the value of the Company's immovable property is decreasing due to normal wear and tear and adverse market conditions. In addition, there is a rise in thefts of zinc sheets and machinery from certain closed buildings of the Company, situated in remote areas. The Company has immovable property in areas where their value has disproportionately decreased compared to urban areas, but some of that property can be exploited or is very near residential or industrial areas. Many of the premises require repairs. The Company is eligible for participating in EU rural development schemes but cannot apply at present, due to matters pending with banks. In those cases where the Company applied to banks in connection with mortgaged plots, the banks were not interested in cooperating.
3. As noted in a previous Interim Management Statement, the Company cannot predict the outcome of its lawsuits against banks. Time is now against both the Company and the banks and it is not certain that the Company will be able to hold out until the final decisions to the pending cases as, based on all indications, it will continue to record huge losses before extraordinary income in the years to come. With regard to the cases pending before the courts and handled by lawyers, it is impossible for the Company to speed up the proceedings. The Company considers that its lawsuits against banks are probably its main asset. These lawsuits have derived from agreements and loan contracts entered into several years ago under the laws in force at the time. The Company's viability will depend on the outcome of these proceedings and the fluctuations in the value of its immovable property.