



INTERIM FINANCIAL STATEMENTS

for the period 1st January to 30th September 2015

According to the IFRS (IAS 34)

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Interim Financial Statements (According to the International Financial Reporting Standards)

I. Interim Statement of Comprehensive Income

<u>(Amounts in Euro)</u>	Notes	01/01- 30/09/15	01/01- 30/09/14	01/07- 30/09/15	01/07- 30/09/14
Sales	15	12,069,555	14,785,068	4,524,357	5,472,109
Cost of sales	16	(5,018,716)	(5,859,358)	(1,828,047)	(2,119,907)
Gross profit		7,050,839	8,925,710	2,696,310	3,352,202
Administrative expenses	17	(1,492,829)	(1,574,164)	(487,774)	(542,377)
Sales expenses	17	(572,794)	(1,047,145)	(126,171)	(144,587)
Other operating income	19	35,946	287,007	12,378	78,740
Operating profit		5,021,162	6,591,408	2,094,743	2,743,978
Finance income	20	107,559	68,499	37,629	43,187
Finance costs	20	(308,191)	(365,569)	(113,588)	(126,668)
Finance (costs), net		(200,632)	(297,070)	(75,959)	(83,481)
Profit /before taxes		4,820,530	6,294,338	2,018,784	2,660,497
Income tax	21	(497,159)	-	(236,068)	-
Net profit for the period		4,323,371	6,294,338	1,782,716	2,660,497
Other comprehensive income for the period:					
Translational differences		(54,470)	(36,403)	(2,578)	5,395
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,268,901	6,257,935	1,780,138	2,665,892
Net profit is distributed to:					
Holders of ordinary shares		4,323,371	6,294,338	1,782,716	2,660,497
Earnings per share (expressed in Euros per share)	24	0.92	1.34	0.38	0.57
Earnings before interest, taxes and depreciation (EBITDA)		6,995,238	8,532,237	2,744,411	3,407,081

These interim financial statements were approved by the Board of Directors on 13 November 2015

Signed on its behalf by,

Georgi Dimitrov
Chairman

Theodoros Malfas
Chief Executive Officer

Nikos Michalopoulos
Chief Financial Officer

II. Interim Statement of Financial Position

<u>(Amounts in Euro)</u>	Note	30/09/15	31/12/14
ASSETS			
Non-current assets			
Property, plant and equipment	6	10,788,509	11,792,813
Intangible assets	7	2,040,393	2,253,163
		12,828,902	14,045,976
Current assets			
Inventories	8	6,896,487	5,520,965
Trade receivables	9	954,888	1,698,186
Other receivables	9	863,073	1,078,258
Cash and cash equivalents	10	1,955,421	1,827,323
		10,669,869	10,124,732
Total assets		23,498,771	24,170,708
EQUITY & LIABILITIES			
Shareholder's equity			
Share capital	11	8,845,171	8,845,171
Other components of equity	11	1,954,259	2,036,338
Retained earnings	11	6,614,724	6,950,602
Total shareholders' equity		17,414,154	17,832,111
LIABILITIES			
Non – current liabilities			
Borrowings	12	1,567,171	2,920,407
		1,567,171	2,920,407
Current Liabilities			
Borrowings	12	2,255,360	2,159,765
Trade payables	13	920,301	819,848
Other payables	13	758,327	353,509
Tax payables	14	583,458	85,068
		4,517,446	3,418,190
Total liabilities		6,084,617	6,338,597
Total liabilities and shareholder's equity		23,498,771	24,170,708

III. Interim Statement of changes in equity

<u>(Amounts in Euro)</u>	Share capital	Other Components of Equity	Retained earnings	Various reserves
Balance at 1st January 2015	8,845,171	2,036,338	6,950,602	17,832,111
<u>Changes in equity</u>				
Dividends declared	-	-	(4,686,858)	(4,686,858)
Total transactions with owners	-	-	(4,686,858)	(4,686,858)
Profit for the period	-	-	4,323,371	4,323,371
Translation differences	-	(82,079)	27,609	(54,470)
Total comprehensive income:	-	(82,079)	4,350,980	4,268,901
Balance at 30th September 2015	8,845,171	1,954,259	6,614,724	17,414,154
Balance at 1st January 2014	8,845,171	2,585,268	5,315,109	16,745,548
<u>Changes in equity</u>				
Dividends declared	-	-	(2,447,581)	(2,447,581)
Total transactions with owners	-	-	(2,447,581)	(2,447,581)
Profit for the period	-	-	6,294,338	6,294,338
Transfer of revaluation reserves on tangible assets sold	-	(146,790)	146,790	-
Translation differences	-	(36,403)	-	(36,403)
Total comprehensive income:	-	(183,193)	6,441,128	6,257,935
Balance at 30th September 2014	8,845,171	2,402,075	9,308,656	20,555,902
Balance at 1st January 2014	8,845,171	2,585,268	5,315,109	16,745,548
<u>Changes in equity</u>				
Dividends declared	-	(424,337)	(5,361,048)	(5,785,385)
Total transactions with owners	-	(424,337)	(5,361,048)	(5,785,385)
Profit for the period	-	-	6,849,751	6,849,751
Transfer of revaluation reserves on tangible assets sold	-	(146,790)	146,790	-
Translation differences	-	22,197	-	22,197
Total comprehensive income:	-	(124,593)	6,996,541	6,871,948
Balance at 31st December 2014	8,845,171	2,036,338	6,950,602	17,832,111

IV. Interim Statement of Cash Flows

<u>(Amounts in Euro)</u>	Notes	<u>01/01- 30/09/15</u>	<u>01/01- 30/09/14</u>
Operating			
Net profit before income tax		4,820,530	6,294,338
<u>Adjusted for:</u>			
Depreciation and amortization	7	1,974,076	1,940,829
Write offs and allowances on trade and other receivables	17	31	27
Wastage, failure and fracture	17	824	695
Revenues from previously impaired receivables	19	(1,754)	(101,569)
Net carrying amount of property, plant and equipment written off	17	-	93,734
Losses (Gain) on property, plant and equipments sold (net)	19	2,647	(523)
Payables written off	19	(27)	(12)
Finance result, net	20	150,703	239,025
		6,947,030	8,466,544
<u>Changes in working capital:</u>			
Inventories		(1,376,346)	(515,321)
Trade and other receivables		960,206	1,126,206
Trade and other payables		(193,193)	(1,176,229)
Cash from operations		6,337,697	7,901,200
Interest paid		(156,867)	(239,163)
Income tax paid		-	-
Cash flows from operating activities, net		6,180,830	7,662,037
Investing			
Purchase of tangible assets, net of proceeds from sales		(801,064)	(1,197,114)
Purchase of intangible assets , net of proceeds from sales		(21,401)	(139,285)
Interest received		2,060	2,025
Cash flow from investing activities, net		(820,405)	(1,334,374)
Financing			
(Repayment of borrowings) / New Borrowings, net		(1,257,641)	333,773
Dividends paid		(3,983,032)	(2,447,240)
Cash flow from financing activities, net		(5,240,673)	(2,113,467)
Translation differences		8,346	9,256
Net change in cash and cash equivalents		128,098	4,223,452
Cash and cash equivalents at beginning	10	1,827,323	1,290,427
Cash and cash equivalents at end	10	1,955,421	5,513,879

Notes to the financial statements

1. Information on the Company

Mermeren Kombinat AD, Prilep (the "Company") is a Shareholders' Company incorporated and domiciled in the Republic of Macedonia. The address of its registered head office is str. Krushevski Pat b.b., Prilep, Republic of Macedonia.

On 10 April 2009 Stone Works Holdings Cooperatief U.A., a corporation incorporated in the Netherlands, acquired 88.4% of the Company's shares.

Shares of the Company are traded in the Macedonian Stock Exchange, whereas the EL.PIS. (Greek depository receipts) on the shares are traded in the Athens Stock Exchange.

The Company's main business activities include mining, processing and distribution of marble and decorative stones. It has signed a mining rights concession agreement that is valid until 2030. The Company operates in local and foreign markets and on 30 September 2015 employed 350 persons (2014: 332 persons).

2. Summary of significant accounting policies

These Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the company's audited annual financial statements as of 31 December 2014 which are available at the internet site of the company www.mermeren.com.

2.1 Base of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) if any, at fair value through profit or loss. The measurement bases are more fully described in the accounting policies below.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3: Critical accounting estimates and judgements.

Current and comparative data stated in these financial statements are expressed in Euros, unless otherwise stated.

2.2 Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 31 December 2014.

Defined Benefit Plans: Employee Contributions' (Amendments to IAS 19) came into mandatory effect for the first time this year. However, the Company early adopted these Amendments in the year ended 31 December 2014, and therefore they do not impact these financial statements. The Company has also adopted the other new accounting pronouncements which became effective this year, none of which had any significant impact on the Company's results or financial position. These are 'Annual Improvements 2010-2012' cycle and 'Annual Improvements 2011-2013' cycle.

2.4 Foreign currency translation

Functional and presentation currency

The Company maintains its accounting records and prepares its statutory accounts in local currency, i.e. in Macedonian Denars ("MKD"), which is the Company's "functional currency". These financial statements are presented in Euros, which is "presentation currency" of the Company's ultimate Parent.

The results and financial position of the Company are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- (ii) Income and expenses for each statement of comprehensive income are translated at average exchange rates; and

- (iii) Resulting exchange differences are recognised in other comprehensive income.

Transactions and balances

Transactions denominated in foreign currencies have been translated into Macedonian Denars at the middle exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Macedonian Denars ("MKD") at the National Bank of the Republic of Macedonia middle exchange rate on the last day of the reporting period. All gains and losses resulting from foreign currency translation or exchange are included in the statement of comprehensive income as financial income or expense in the period in which they arose. The middle exchange rates used for conversion of the statement of financial position items denominated in foreign currencies are as follows:

	30 September 2015	30 September 2014	31 December 2014
1 USD	55.0649 MKD	48.5422 MKD	50.5604 MKD
1 EUR	61.6947 MKD	61.6850 MKD	61.4814 MKD
Period average EUR	61.5973 MKD	61.6509 MKD	61.6228 MKD

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Uncertainty in judgments

Impairment of non- financial assets

Impairment losses are recognized in the amount for which the carrying value of the asset or the cash generating unit exceeds the recoverable amount. When determining the recoverable amount, the Management evaluates expected prices and cash flows from each cash generating unit and determines an appropriate interest rate when calculating the present value of such cash flows.

Impairment of financial assets

Impairment of trade and other receivables

Company calculates impairment for trade and other receivables based on estimated losses resulting from the inability of customers to make required payments. The estimation is based on the ageing of account receivables balance and historical write-off experience, customer credit-worthiness and changes in customer payment terms when evaluating the adequacy of the impairment loss for doubtful accounts. These involve assumptions about future customer behaviour and the resulting future cash collections. If the financial condition of customers were to deteriorate, actual write-offs of currently existing receivables may be higher than expected and may exceed the level of the impairment losses recognized so far.

Useful life of amortised assets

Management regularly reviews the useful lives of amortised assets as at the statement of financial position date. Management estimates that the determined useful life of assets represents the expected usefulness (utility) of assets. The carrying values of such assets are analysed in Note 5 and 6. However, the factual results may differ due to the technological obsolescence.

The Company's Management has made an estimation of the useful lives of certain assets on the basis of which a correction has been made, as presented in the table below:

Buildings & Foundation	20 years
Machines	4-10 years
Equipment	4-10 years
Transport & furniture	4-5 years
Intangibles	5-16 years

Inventories

Inventories are stated at the lower of cost and net realisable value. When determining the net realisable value, the most objective evidence / data available at the making of assessments are taken.

4. Segment Reporting

A segment is a distinguishable group of assets and operating activities that is engaged in providing products or services, subject to risks and rewards that are different from those of other segments. Geographical segment provides products and services within a defined economic surrounding exposed to risks different from those of other geographical segments. The Company reports its activities in two segments, quarry and factory.

Operating results per segments for the periods ended 30 September 2015 and 2014, are as follows:

<u>(Amounts in Euro)</u>	Quarry	Factory	Total
30 September 2015			
Sales	10,743,926	1,325,629	12,069,555
Profit from operating activities	4,951,551	69,611	5,021,162
Financial cost, net			(200,632)
Profit before tax			4,820,530
Income tax			(497,159)
Profit for the period			4,323,371
Other comprehensive income/(expense)			(54,470)
Total comprehensive income for the period			4,268,901
	Quarry	Factory	Total
30 September 2014			
Sales	11,964,706	2,820,362	14,785,068
Profit/loss from operating activities	6,428,149	163,259	6,591,408
Financial result, net			(297,070)
Profit before tax			6,294,338
Income tax			-
Profit for the period			6,294,338
Other comprehensive income/(expense)			(36,403)
Total comprehensive income for the period			6,257,935

Segment assets and liabilities as of September 2015 and 2014 and December 2014 are as follows:

<u>(Amounts in Euro)</u>	Quarry	Factory	Total
30 September 2015			
Total assets	16,470,067	7,028,704	23,498,771
Liabilities	5,586,449	498,168	6,084,617
Capital expenditures	768,383	54,082	822,465
30 September 2014			
Total assets	20,234,199	8,700,821	28,935,020
Liabilities	7,125,404	1,253,714	8,379,118
Capital expenditures	1,237,871	98,528	1,336,399
31 December 2014			
Total assets	16,389,598	7,781,110	24,170,708
Liabilities	5,438,029	900,568	6,338,597
Capital expenditures	1,302,581	150,070	1,452,651

5 Seasonal fluctuations

The demand for marble and related products is subject to seasonal fluctuations. Historically, the lowest level of sales the Company reaches during the winter months from December through February each year.

6. Property, plant and equipment

<u>(Amounts in Euro)</u>	Land & Buildings	Machinery & equipment	Construction in progress	Total
Closing period 30 September 2015				
01 January 2015				
Cost or valuation	5,329,350	20,110,733	136,771	25,576,854
Accumulated depreciation	(1,982,461)	(11,801,580)	-	(13,784,041)
Net carrying amount	3,346,889	8,309,153	136,771	11,792,813
Changes during the period				
Opening net carrying amount	3,346,889	8,309,153	136,771	11,792,813
Translation differences	(11,377)	(27,455)	(416)	(39,248)
Additions, net of transfers from C.I.P.	57,669	778,744	(35,349)	801,064
Disposals-net	-	(18,749)	-	(18,749)
Depreciation charge for the period	(180,942)	(1,566,429)	-	(1,747,371)
Closing carrying amount	3,212,239	7,475,264	101,006	10,788,509
30 September 15				
Cost or valuation	5,368,502	20,792,680	101,006	26,262,188
Accumulated depreciation	(2,156,263)	(13,317,416)	-	(15,473,679)
Net carrying amount	3,212,239	7,475,264	101,006	10,788,509
Closing period 30 September 2014				
01 January 2014				
Cost or valuation	5,199,077	19,160,094	167,430	24,526,601
Accumulated depreciation	(1,827,720)	(9,760,341)	-	(11,588,061)
Net carrying amount	3,371,357	9,399,753	167,430	12,938,540
Changes during the period				
Opening net carrying amount	3,371,357	9,399,753	167,430	12,938,540
Translation differences	(7,682)	(21,308)	(436)	(29,426)
Additions, net of transfers from C.I.P.	126,069	991,092	79,953	1,197,114
Disposals -net	(93,734)	(10,503)	-	(104,237)
Depreciation charge for the period	(173,812)	(1,554,642)	-	(1,728,454)
Closing carrying amount	3,222,198	8,804,392	246,947	12,273,537
30-Sep-14				
Cost or valuation	5,150,712	20,063,841	246,947	25,461,500
Accumulated depreciation	(1,928,514)	(11,259,449)	-	(13,187,963)
Net carrying amount	3,332,121	8,804,392	246,947	12,273,537
Closing period 31 December 2014				
01 January 2014				
Cost or valuation	5,199,077	19,160,094	167,430	24,526,601
Accumulated depreciation	(1,827,720)	(9,760,341)	-	(11,588,061)
Net carrying amount	3,371,357	9,399,753	167,430	12,938,540
Changes during the period				
Opening net carrying amount	3,371,357	9,399,753	167,430	12,938,540
Translation differences	1,605	2,058	11	3,674
Additions, net of transfers from C.I.P.	305,854	1,016,096	(30,670)	1,291,280
Disposals-net	(98,576)	(15,380)	-	(113,956)
Depreciation charge for the year	(233,351)	(2,093,374)	-	(2,326,725)
Closing carrying amount	3,346,889	8,309,153	136,771	11,792,813
31 December 14				
Cost or valuation	5,329,350	20,110,733	136,771	25,576,854
Accumulated depreciation	(1,982,461)	(11,801,580)	-	(13,784,041)
Net carrying amount	3,346,889	8,309,153	136,771	11,792,813

Disposals

During the period ended 30 September 2015, the Company sold an electricity generator with net carrying value of 18,690 Euros (30 September 2014: 10,497 Euros). Sale value of the part related to assets sold is 16,042 Euros. Loss incurred from this transaction amounts to 2,647 Euros, included in administration and sales expenses (see Note 17).

Construction in progress

As of 30 September 2015, the balance of construction in progress in the amount of 101,006 Euros consists of the cost of major repairs of equipment.

Pledge over property, plant and equipment

As of 30 September 2015, the Company has pledged part of its property, plant and equipment to secure borrowings (see Note 12). As of the statement of financial position date, their appraised value is in the amount of 8,923,600 Euros. (see Note 25).

7. Intangible assets

<u>(Amounts in Euro)</u>	Trademarks and development expenditure	Intangible assets in progress	Total
Closing period 30 September 2015			
01 January 2015			
Cost or valuation	2,792,877	-	2,792,877
Accumulated depreciation	(539,714)	-	(539,714)
Net carrying amount	2,253,163	-	2,253,163
Changes during the period			
Opening net carrying amount	2,253,163	-	2,253,163
Translation differences	(7,466)	-	(7,466)
Additions, net of transfers from C.I.P.	21,401	-	21,401
Depreciation charge for the period	(226,705)	-	(226,705)
Closing carrying amount	2,040,393	-	2,040,393
30 September 15			
Cost or valuation	2,804,588	-	2,804,588
Accumulated depreciation	(764,195)	-	(764,195)
Net carrying amount	2,040,393	-	2,040,393
Closing period 30 September 2014			
01 January 2014			
Cost or valuation	854,689	1,775,169	2,629,858
Accumulated depreciation	(251,985)	-	(251,985)
Net carrying amount	602,704	1,775,169	2,377,873
Changes during the period			
Opening net carrying amount	602,704	1,775,169	2,377,873
Translation differences	(2,447)	(2,989)	(5,436)
Additions, net of transfers from C.I.P.	1,911,465	(1,772,180)	139,285
Depreciation charge for the period	(212,375)	-	(212,375)
Closing carrying amount	2,299,347	-	2,299,347
30 September 15			
Cost or valuation	2,762,993	-	2,762,993
Accumulated depreciation	(463,646)	-	(463,646)
Net carrying amount	2,299,347	-	2,299,347

	Trademarks and development expenditure	Intangible assets in progress	Total
Closing period 31 December 2014			
01 January 2014			
Cost or valuation	854,689	1,775,169	2,629,858
Accumulated depreciation	(251,985)	-	(251,985)
Net carrying amount	602,704	1,775,169	2,377,873
Changes during the period			
Opening net carrying amount	602,704	1,775,169	2,377,873
Translation differences	4,080	(3,213)	867
Additions, net of transfers from C.I.P.	1,933,326	(1,771,956)	161,370
Depreciation charge for the year	(286,947)	-	(286,947)
Closing carrying amount	2,253,163	-	2,253,163
31 December 14			
Cost or valuation	2,792,877	-	2,792,877
Accumulated depreciation	(539,714)	-	(539,714)
Net carrying amount	2,253,163	-	2,253,163

Out of the total depreciation amounting to 1,974,076 Euros for the period ended on 30 September 2015 (2014: 1,940,829 Euros), the amount of 1,872,364 Euros (2014: 1,855,222 Euros) charged the cost of sales and the remaining amount of 101,712 Euros (2014: 85,607 Euros) charged the administration and sales expenses (see note 17).

8. Inventory

<u>(Amounts in Euro)</u>	30-Sep-15	31-Dec-14
Work in progress	4,543,768	4,333,919
Finished products	1,319,962	403,243
Spare parts	727,862	500,283
Raw materials	163,764	134,845
Trade goods	108,321	95,359
Other	32,810	53,316
	6,896,487	5,520,965

9. Trade and other receivables

<u>(Amounts in Euro)</u>	30-Sep-15	31-Dec-14
Current trade receivables		
Local debtors	20,413	25,806
Foreign debtors	1,003,179	1,589,326
Related party's receivables (see Note 23)	-	156,026
	1,023,592	1,771,158
Less: impairment provision	(68,704)	(72,972)
	954,888	1,698,186
Prepayments		
Advance dividend	-	703,241
Deferred expenses	481,548	23,937
Prepaid VAT	236,831	144,710
Advances to suppliers	96,447	107,517
Prepaid corporate income tax	-	78,130
	814,826	1,057,535
Other current receivables		
Other current receivables	48,247	20,723
	48,247	20,723
Total receivables, gross	863,073	1,078,258
Less: impairment provision	-	-
	863,073	1,078,258
Trade and other receivables, net	1,817,961	2,776,444

The age structure of trade receivables and advances to suppliers is as follows:

30-Sep-2015 <u>(Amounts in Euro)</u>	Domestic trade receivables	Foreign trade receivables	Advances to suppliers	Total
Overdue up to 1 year	-	101,645	96,196	197,841
Overdue more than 1 year	441	3,547	251	4,239
	441	105,192	96,447	202,080

31-Dec-2014 <u>(Amounts in Euro)</u>	Domestic trade receivables	Foreign trade receivables	Advances to suppliers	Total
Overdue up to 1 year	2,644	254,101	107,217	363,962
Overdue more than 1 year	-	-	300	300
	2,644	254,101	107,517	364,262

The credit quality of Company's trade receivables and advances to suppliers can be analysed as follows:

30-Sep-2015 <u>(Amounts in Euro)</u>	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cost	849,255	202,080	68,704	1,120,039
Less: Impairment provision	-	-	(68,704)	(68,704)
	849,255	202,080	-	1,051,335

31-Dec-2014 <i>(Amounts in Euro)</i>	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cost	1,441,441	364,262	72,972	1,878,675
Less: Impairment provision	-	-	(72,972)	(72,972)
	1,441,441	364,262	-	1,805,703

The following table provides for the movement of impairment provision account for the 9-month periods ended 30 September 2015 and December 2014:

<i>(Amounts in Euro)</i>	30-Sep-15	31-Dec-14
At 01 January	72,972	368,459
Write off of previously impaired receivables	(2,437)	(201,688)
Release of previously impaired receivables	-	(100,000)
Collected fully provided bad debts	(1,754)	(1,597)
Impairment provision	-	7,692
Translation differences	(77)	106
At the end of the period	68,704	72,972

10. Cash and cash equivalents

<i>(Amounts in Euro)</i>	30-Sep-15	31-Dec-14
Bank accounts	1,953,552	1,826,074
Cash on hand	1,869	1,249
	1,955,421	1,827,323

11. Share Capital

Shares issued	<i>(Amounts in Euro)</i>			
	Number of shares	Ordinary shares	Share Premium	Total
<i>Authorized, issued and fully paid ordinary shares 1 Euro at par</i>		(Euro)	(Euro)	(Euro)
30 September 2015	4,686,858	4,686,858	4,158,313	8,845,171
31 December 2014	4,686,858	4,686,858	4,158,313	8,845,171

The structure of share capital at 30 September 2015 and 31 December 2014 is as follows

	Number	Amount (in Euro)	%
Stone Works Holding Coöperatief U.A. Netherlands	4,143,357	4,143,357	88.4
Piraeus Bank	468,700	468,700	10.0
Other – minority	74,801	74,801	1.6
	4,686,858	4,686,858	100.0

Other components of equity

<u>(Amounts in Euro)</u>	Translation reserve	Statutory reserves	Revaluation reserve	Total
At 01 January 2015	(20,841)	621,393	1,435,786	2,036,338
Translation differences	(82,079)	-	-	(82,079)
At 30 September 2015	(102,920)	621,393	1,435,786	1,954,259
At 01 January 2014	(43,038)	1,045,730	1,582,576	2,585,268
Dividends declared	-	(424,337)	-	(424,337)
Transfer of revaluation reserves on disposed tangible assets	-	-	(146,790)	(146,790)
Translation differences	22,197	-	-	22,197
At 31 December 2014	(20,841)	621,393	1,435,786	2,036,338

Revaluation reserve

Revaluation surplus, which at 30 September 2015 amounts to 1,435,786 Euros (31 December 2014: 1,435,786 Euros) was initially created during 2002, based upon the independent valuation of groups of Company's property, plant and equipment. Subsequent changes (transfers into retained earnings) relate to surpluses of those assets sold.

Statutory reserves

Reserves, which at 30 September 2015 amount to 621,393 Euros (31 December 2014: 621,393 Euros) are created during the years by allocation of parts of the net income after tax. According to the prevailing local legal regulations, the Company is required to set aside each year, minimum 5% from its annual net income after tax, until the level of such reserves reach 10% of the registered capital.

With an assembly decision reserves can be distributed for dividends to the shareholders and/or for purchase of its own shares.

Dividends

On 12 June 2015 and according to the Shareholders' Ordinary Assembly decision no. 02-3103/6, part of the profit of the Company for the year 2014 amounting to 4,686,858 Euros (2014: 5,785,386 Euros) were allocated to dividend distribution. Out of this gross amount to be distributed to the shareholders, the gross amount of the advance payment of dividend that was paid in December 2014, was deducted. It represents 0.15 Euros per share and a total amount of 703,028 Euros.

During the nine – month period ended 30 September 2015, the Company paid dividends to its shareholders in the total amount of 3,936,951 Euros (2014: 5,784,633 Euros) out of which 46,081 Euros relates to taxes on dividends (2014: 536,105 Euros).

12. Loans

<u>Long – term interest bearing borrowings from banks</u>	30-Sep-15	31-Dec-14
Komercijalna Banka ad, Skopje (initial amount: Euro 4,700,000; 6m,Libor+4%)	1,566,667	2,350,000
Komercijalna Banka ad, Skopje (initial amount: Euro 2,268,190; 6m,Euribor+4%)	1,520,520	1,625,165
Komercijalna Banka ad, Skopje (Denars 123,280,000; 6,5%)	705,257	1,061,556
Finance lease liabilities	14,677	25,047
	3,807,121	5,061,768
Less: current maturity of long term borrowings	(2,239,950)	(2,141,361)
Total long – term borrowings	1,567,171	2,920,407
<hr/>		
<u>Short – term interest bearing borrowings from banks</u>		
Komercijalna Banka ad, Skopje (Eur 400,000; 6m,Euribor+4%)	-	-
Komercijalna Banka ad, Skopje (MKD 49,200,000; 6,5%)	-	-
Komercijalna Banka ad, Skopje visa credit card	1,698	61
Finance lease liabilities	13,712	18,343
	15,410	18,404
Add: current maturity of long term borrowings	2,239,950	2,141,361
Total short – term borrowings	2,255,360	2,159,765

Loans from financial institutions are secured by mortgage over part of the Company's properties (see also Note 25)

The long-term borrowings repayments schedule is as follows:

	30-Sep-15	31-Dec-14
Due within 12 months	2,239,950	2,141,361
Due within 1-2 years	1,387,428	2,141,361
Due within 2-5 years	165,066	753,999
	3,792,444	5,036,721

The long-term finance lease liabilities relate to lease of vehicle. Repayment schedule of finance lease liabilities is as follows:

	30-Sep-15	31-Dec-14
Due within 12 months	13,712	18,343
Due within 1-5 years	14,677	25,047
Due in over 5 years	-	-
	28,389	43,390

13. Trade and other payables

<u>(Amounts in Euro)</u>	30-Sep-15	31-Dec-14
Trade creditors		
Local suppliers	742,079	685,553
Foreign suppliers	178,221	65,863
Related parties' payables (see Note 23)	-	68,432
	920,301	819,848
Other current liabilities		-
Liabilities to employees and management	267,339	242,364
Accrued expenses	367,035	-
Customers' prepayments	111,204	96,058
Interest payable	8,126	12,230
Dividends payables (net of local taxes)	2,271	1,561
Other	2,353	1,296
	758,328	353,509
	1,678,628	1,173,357

14. Tax payables

<u>(Amounts in Euro)</u>	30-Sep-15	31-Dec-14
Corporate income tax liabilities	497,159	-
Concession fees and other levies	81,340	75,552
Withholding tax	1,883	9,438
Personal income tax liabilities	3,076	78
	583,458	85,068

15. Sales

<u>(Amounts in Euro)</u>	9 month period that ended 30 September	
	2015	2014
Local market	621,891	664,488
Foreign markets:		
- Greece	6,867,177	8,772,090
- Cyprus	122,350	929,070
- Other Balkans	255,407	331,332
- Other markets	4,202,730	4,088,088
Sub- total – sales on foreign markets	11,447,664	14,120,580
Total sales	12,069,555	14,785,068

16. Cost of sales

<u>(Amounts in Euro)</u>	9 month period that ended 30 September	
	2015	2014
Stock of finished products and W.I.P. at 01 January	4,737,162	4,861,483
Plus: Total production cost for the period ended 30 September	6,146,108	6,301,978
Plus: Income from value adjustment of previously written-off inventory	14,853	668,287
Less: Impairment, wastage, failure and fracture of inventories	(824)	(695)
Less: Income from released value adjustment of inventories sold	(14,853)	(668,287)
Less: Stock of finished products and W.I.P. at 30 September	(5,863,730)	(5,303,408)
	5,018,716	5,859,358

17. Administrative and selling expenses

<u>(Amounts in Euro)</u>	9 month period that ended 30 September		9 month period that ended 30 September	
	2015	2015	2014	2014
	Administrative	Selling	Administrative	Selling
Customers' discounts	-	-	-	500,575
Professional advisory services	504,947	-	500,420	-
Staff costs	595,689	152,703	622,151	135,512
Marketing and promotion	70,129	199,337	59,186	96,275
Services	102,994	101,963	110,678	94,360
Depreciation (Note 6)	74,235	27,477	58,683	26,924
Taxes and other levies	28,742	13,699	46,946	6,601
Materials, supplies and utilities	27,168	3,383	39,781	4,742
Loss on sold property, plant and equipment	-	2,647	-	69
Write offs and impairment of receivables	-	31	-	27
Present value of written off property, plant and equipment	-	-	-	93,734
Wastage, failure and fracture	-	824	-	695
Other expenses and provisions	88,925	70,730	136,319	87,631
	1,492,829	572,794	1,574,164	1,047,145

18. Staff costs

<u>(Amounts in Euro)</u>	9 month period that ended 30 September	
	2015	2014
Net salaries	1,672,138	1,567,017
Personal tax and mandatory contributions	751,413	687,474
Less: amount corresponding to future periods	(189,866)	(159,158)
Other allowances	101,142	243,776
	2,334,827	2,339,109

Out of the total staff cost for the period ended on 30 September 2015, 1,579,338 Euros (2014: 1,581,446 Euros) charged the cost of goods sold and the rest, amounting to 748,392 Euros charged the Administration and Sales expenses (2014: 757,663 Euros) (Note 17).

19. Other operating income

	9 month period that ended 30 September	
<u>(Amounts in Euro)</u>	2015	2014
Revenues from previously impaired receivables	-	100,000
Income from re invoicing of transport cost and other services	289,198	260,465
Less: Cost associated with the above services	(275,154)	(236,843)
Gains from previously impaired receivables	1,754	1,569
Raw materials sold	2,579	21,253
Gains on property, plant and equipment sold	-	592
Income from rents	4,201	5,627
Payable write-offs	27	12
Other income	13,341	134,332
	35,946	287,007

20. Finance income and costs

	9 month period that ended 30 September	
<u>(Amounts in Euro)</u>	2015	2014
Finance income		
Interest income	2,060	2,025
Foreign exchange gains	105,499	66,474
	107,559	68,499
Finance cost		
Interest (expense)	(152,763)	(241,049)
Bank (charges)	(45,200)	(52,377)
Foreign exchange (losses)	(110,228)	(72,143)
	(308,191)	(365,569)
Finance (costs), net	(200,632)	(297,070)

21. Income tax expense

The charge for the year can be reconciled to the profit per Statement of comprehensive income for 2015 and 2014 as follows:

	9 month period that ended 30 September	
<u>(Amounts in Euro)</u>	2015	2014
At 01 January	(174,505)	(7,758,368)
Profit before income tax	4,820,530	-
Non – deductible expenses	441,835	-
Non – taxable revenues	(1,754)	-
Temporary differences of the tax base	(114,513)	-
At 30 September taxable amount (tax credit)	4,971,593	(7,758,368)
Current tax charge at rate of 10%	497,159	-

22. Expenses by nature

	9 month period that ended 30 September	
<u>(Amounts in Euro)</u>	2015	2014
Staff costs	2,414,413	2,356,932
Depreciation and amortization	1,974,076	1,940,829
Spent materials, spare parts and small inventory	1,114,767	997,964
Energy and water	999,817	1,329,088
Professional advisory services	504,947	500,420
Services	456,601	502,660
Marketing and promotion	269,466	155,461
Various expenses and provisions	159,655	223,950
Taxes and other contributions	83,087	95,733
Insurance	14,302	5,055
Representation	9,960	7,633
Transport costs	7,612	7,582
Present value of assets destroyed and written off	2,647	93,804
Wastage, failure and fracture	824	695
Direct write off of receivables	31	27
Customers' discounts	-	500,575
Other expenses	236,193	226,716
	8,248,398	8,945,124
Impairment and other changes of inventories	(1,164,059)	(464,457)
	7,084,339	8,480,667

23. Related party transactions

	Receivables	Payables	Revenues	Purchases	Cash
30-Sep-15					
Stone Works Holding Cooperatief U.A. Netherlands	-	-	-	200,382	-
Castleblock Limited Nicosia Cyprus	-	-	122,571	1,449	-
NBGI Private Equity London	-	-	-	-	-
Stopanska Banka AD Skopje	-	-	-	-	6,673
Key management remuneration	-	-	-	397,984	-
	-	-	122,571	599,815	6,673

	Receivables	Payables	Revenues	Purchases	Cash
30-Sep-14					
Stone Works Holding Cooperatief U.A. Netherlands	-	-	-	200,266	-
Castleblock Limited Nicosia Cyprus	-	-	929,070	9,074	-
NBGI Private Equity London	-	-	-	3,158	-
Stopanska Banka AD Skopje	-	-	-	-	7,855
Key management remuneration	-	-	-	282,245	-
	-	-	929,070	494,743	7,855

	Receivables	Payables	Revenues	Purchases	Cash
31-Dec-14					
Stone Works Holding Cooperatief U.A. Netherlands	-	-	-	400,475	-
Castleblock Limited Nicosia Cyprus	-	-	928,952	9,073	-
NBGI Private Equity London	156,026	68,432	155,668	71,588	-
Stopanska Banka AD Skopje	-	-	-	-	6,768
Key management remuneration	-	-	-	448,241	-
	156,026	68,432	1,084,620	929,377	6,768

24. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

(Amounts in Euro)	01/01-30/09/2015	01/01-30/09/2014	01/07-30/09/2015	01/07-30/09/2014
Profit attributable to equity holders of the Company	4,323,371	6,294,338	1,782,716	2,660,497
Weighted average number of ordinary shares	4,686,858	4,686,858	4,686,858	4,686,858
Basic earnings per share (Euros per share)	0.92	1.34	0.38	0.57

25. Contingent liabilities

Mortgages

	9 month period that ended 30 September	
(Amounts in Euro)	2015	2014
Mortgages		
Business premises	2,572,000	2,572,000
Machinery and equipment	6,351,600	6,351,600
	8,923,600	8,923,600

Guarantees

On 30 September 2015 the Company has issued through Komercijalna Banka AD Skopje guarantee letters for a total amount of 149,418 Euros (31 December 2014: 154,938 Euros).

Litigations

At 30 September 2015, the estimated amount equivalent of the legal proceedings raised against the Company is 65,424 Euros (31 December 2014: 44,445 Euros). No significant liabilities have been anticipated from these proceedings, as professional advice indicates that it is unlikely that any significant loss will arise.

Tax inspections

Up to 30 September 2015 the Company was subject of following tax inspections by tax authorities:

- for VAT - until 30 June 2009;
- for Personal Income tax for the period from January 2007 to 31 December 2008;
- for Corporate Income tax for the period from January 2007 31 December 2012;
- for tax on concessions until 31 December 2011;
- for Withholding tax until 31 December 2012.

For the unaudited tax periods of the Company's accounting records, there is a possibility for additional taxes and penalties. The Company is conducting regular assessment for potential liabilities which are expected to arise from tax inspections of past years. The management is considering that such amounts which might occur will not have any material effect on the financial results and cash flows.

26. Commitments

Operating lease liabilities

As of 30 September 2015 the operating lease liabilities relates to lease of vehicles. Repayment schedule of operating lease liabilities is as follows:

(Amounts in Euro)	30-Sep-2015	31-Dec-2014
Present value of payment:		
Due within 1 year	29,664	29,664
Due between 1 – 5 years	52,974	75,222
	82,638	104,886

27. Concession agreements

During 2000 and 2001, the Company and the Ministry of Economy of the Republic of Macedonia have signed several concession agreements for the purpose of research and exploitation of local marble resources. Under the initial provisions, the Company is awarded with concession on the above-mentioned activities for a period of 30 years.

Following are the basic provisions as set out in the concession agreements under which, the Company is liable on:

- Annual fee for use of territory on which the concession has been granted in the amount of Euro 5,742 Euros; and
- Concession fee on sold quantities of commercial marble according to the Methodology established by the Ministry of Economy of RM for:
 - blocks at 5% of the value of the material determined at 294 Euros /m3;
 - tombolons at 5% of the value of material determined at 147 Euros /m3 and
 - material different than blocks and tombolones, that is crushed or milled 0,325 Euros/t.

On 27/01/2015 and in the framework of the mining rights concession that is valid until 2030, the Company has been granted a new exploitation licence for the Quarry Sivec, based on a mining project that covers the period from 2015 to 2019.

28. Events after the reporting date

Subsequent to 30 September 2015 until the approval of these financial statements, there were no adjusting events recognized in these financial statements. Following event is substantially important to be disclosed in the present financial statements:

The General Assembly of the shareholders, in its extraordinary meeting of 22/10/15 has elected Mr. Bojidar Metchev as non – executive independent member of the Board of Directors.