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TO : Issuers with securities admitted to trading on a regulated market  
FROM : Cyprus Securities and Exchange Commission  
DATE : 4 February 2010  
CIRCULAR No : CI190-2010-01  
FILE No : E.K. 6.1.14  
SUBJECT : **Obligation for the disclosure of the Indicative Result – Content of the Report**

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The Cyprus Securities and Exchange Commission ('the Commission') would like to draw your attention to the following regarding the obligation for the disclosure of the Indicative Result for the full financial year as well as the content of the relevant report that accompanies the Indicative Result:

According to Section 13, Subsection 3 of the Transparency Requirements (Securities admitted to trading on a regulated market) Law (the 'Law') *«The disclosure of the indicative result for the financial year is accompanied by a report, which includes at least the information required by paragraphs (a), (b), (c) and (f) of subsection (6), of section 10».*

During the examination of the issuers' compliance with the obligation of disclosing the Indicative Result for the financial year 2008 the following were noted:

1. Certain Issuers provide some explanations to the Indicative Result, but do not include at least the information required by Section 13, Subsection 3 of the Law, so that this information is regarded as a report, in accordance with the Law.
2. A significant number of companies, has not included in the report that accompanies the Indicative Result, all the information required by Section 13, Subsection 3 of the Law, as they have not included all the information required by paragraphs (a), (b), (c) and (f) of Subsection 6, of Section 10 of the Law. Specifically:
  - In most cases, the report content does not provide a detailed and extended explanation of the course of the results and the changes and differences that exist between the results of the two periods.

- No reference is made to *«any other substantial information, which affects or could affect the assessment or evaluation by the readers of the report, regarding profits and losses for the relevant period or any future periods, the prospects and trends of the operations and the gain or loss of important contracts or co operations»* as required by Section 10, Subsection 6, paragraph (f).
3. Many Issuers do not mention in their report whether the Indicative Result was prepared in accordance with the set of accounting policies applicable for the preparation of the annual or interim financial statements in accordance with Section 13, Subsection 2 of the Law.
- The Commission suggests that the report that accompanies the Indicative Result includes a statement as to whether it has been prepared in accordance with the set of accounting policies that were applied for the preparation of the annual or interim financial statements.**
4. Many Issuers in their report refer to Annex F, Regulation 81(1) of the Cyprus Stock Exchange Regulations and/or the Regulatory Decisions of the Council of the Cyprus Stock Exchange. It is noted that the obligation for the disclosure of the Indicative Result is derived from Section 13 of the Law, according to which, every Issuer has the obligation to disclose, as soon as possible and at the latest within two months from the end of the period relevant to the annual financial reports, an Indicative Result (net gain or loss after tax) for the full financial year. Please also refer to the CSE Circular 04-2008 dated 19 February 2008.

**The Commission asks that you comply with the provisions of the Law with regards to the Indicative Result and the content of its report in order to avoid the imposition of sanctions.**

The Law, as amended in July 2009, is available at the Commission's Web Site at Legal Framework section, [http://www.cysec.gov.cy/existing\\_laws\\_en.aspx](http://www.cysec.gov.cy/existing_laws_en.aspx).

Sincerely

Georgios Charalambous  
Chairman, Cyprus Securities and Exchange Commission