



## CYPRUS TRADING CORPORATION PLC

### INTERIM MANAGEMENT STATEMENT FOR THE PERIOD 01/01/2015 – 19/05/2015

Cyprus Trading Corporation Plc (CTC), member of the Shacolas Group of Companies, presents its Interim Management Statement of CTC Group, for the period 1 January 2015 until 19 May 2015. The Interim Management Statement has been prepared in accordance with article 11 of the Transparency Law of CySEC (190 (I) / 2007), and has not been audited by the external auditors of the Company

The Interim Management Statement incorporates the results and operations of:

- The subsidiary Groups of Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc
- The subsidiary Companies Argosy Trading Company Ltd, Cassandra Trading Ltd, CTC Automotive Ltd, Artview Co. Ltd, Amaracos Holding (CTC+PG) Ltd, HOB House of Beauty Ltd
- The associate Company Akinita Lakkos Mikelli Ltd

The principal activities of the Group for the period in review, remained the same as last year and continue to include the import, distribution and trading of a substantial number of consumer products, motor vehicles and heavy machinery, retail trade through department stores and other specialised stores and the ownership and management of immovable property.

The material events and transactions that have taken place during the relevant period and their impact on the financial position of CTC and its controlled undertakings are summarised as:

- i. The renovations for the improvement of the space usage at the Mall of Engomi have been concluded by Woolworth Group and Ernes Group now operates two new fashion stores, Uber with young fashion and Next Children and new Coffee and More Café.
- ii. All the relevant permits for the construction of a new large Superhome Centre DIY Store at Syros Kyprianou Avenue, opposite Debenhams Zenon Department Store have been granted and construction works have already commenced. It is expected that the new Superhome Centre Store will commence its operation before the end of the current year.
- iii. The subsidiary company Argosy Trading Co Ltd, has commenced the import and distribution of new products, through new and existing suppliers, in its efforts for replacing the products of Unilever Hellas, who decided to operate in Cyprus with own resources.
- iv. It should be noted, that with the recent parliamentary vote and amendment of the legislation which allows the division of unallocated immovable property within a development area, the associated company Akinita Lakkos Mikelli Ltd, which owns a large parcel of land at the entrance of Nicosia, adjacent to the headquarters of the EAC, in cooperation with Piraeus Bank, has now applied for the division of its property. This is expected to generate significant future revenues.

- v. The Group would like to express its satisfaction, with the Government's referral to the Supreme Court of the law regarding the retail establishments operating hours, as well as the issuance of a ministerial decree to allow all retail establishments to operate on Sundays all over Cyprus; having realised the very real benefits to the economy, the retail industry, business at large, the state, as well as the qualitative improvement of service to families and Tourism. This is very important and beneficial.

The results for the quarter ended 31 March 2015 compared to the corresponding period of last year, are summarised as indicated further below:

- Turnover for the first quarter of 2015 amounted to €62.814.000, compared to €65.053.000 in 2014, showing a decrease of 3,4%.
- Gross Profit and Other Income amounted to €18.743.000, compared to €20.210.000 in 2014, showing a decrease of 7,3%.
- Following the deduction of operating expenses, depreciation and finance expenses, the loss from operating activities of the Group for the first quarter of 2015 amounted to €1.849.000, compared to loss of €1.364.000 in the corresponding period of 2014. Due to profit of €38.326.000, derived in 2014, as a result of the sale of the investment of the Group in CTC-ARI Airports Ltd, the company that operates the retail outlets in Larnaca and Paphos international airports, until May 2031, as well as its investment in Cyprus Airports (F&B) Ltd, that operates the Food and Beverage outlets in the Larnaca and Paphos International airports, the results of the Group show a net loss after tax of 2.326.000 compared to net profit after tax of €38.309 in 2014.

For the period up to 19 May 2015, turnover continues to show a decrease compared to corresponding period of last year

The Board of Directors and the Management of the Group, note that despite some general indications of stabilization and improvement in the economy, careful management and continuous vigilance are required. The Board of Directors and the Management of the Group continue to manage effectively the challenges faced from the current situation. At the same time, it is noted all Group companies evaluate thoroughly new investment opportunities and cooperation's with new brands aiming in increasing its product portfolio, they upgrade their outlets and facilities, offering to consumers quality choices at affordable prices.

Cyprus Trading Corporation Plc  
Nicosia 19 May 2015