ERMES DEPARTMENT STORES PLC

Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income for the year ended 31 December 2014

NET PROFIT €9,3 MILLION

Payment on 22nd August of Interim Dividend €12.215.000 which corresponds to 7 cents of the euro per share, or to 20,6% on the nominal value of the share

	RESULTS FOR THE YEAR ENDED 31 DECEMBER	
	UNAUDITED 2014 €000's	AUDITED 2013 €000's
Turnover	***156.039***	167.020
Gross Profit and Other Income	***57.223***	62.308
Net Profit of the Group (after tax)	***9.296***	2.575
Allocated to:		
Company's Shareholders	***8.411***	1.492
Minority Interest	***886***	1.083
Basic and Fully Diluted Earnings per Share (cent)	***4,82***	0,86

NOTES

1. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income of Ermes Department Stores Plc, member of the Shacolas Group, for the year 2014, incorporates the results of:
    - The subsidiary companies Superhome Center (DIY) Ltd, C.W.Artopolis Ltd, Fashionlink S.A., Scandia Company Ltd
    - The associated company ITTL Trade Tourist and Leisure Park Plc (since 15th July 2014)

2. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for year 2014, has not been audited by the external auditors of the Company, however, it has been prepared following the same accounting principles that have been applied for the preparation of the annual financial statements according to the requirements of the International Financial Reporting Standard 34, and according to the Transparency Requirements (Securities admitted to trading on a regulated market) Law, taking into account the directives and circulars of the Cyprus Securities and Exchange Commission and of the Cyprus Stock Exchange, and has been approved by the Board of Directors of the Company. It is noted that the International Financial Reporting Standard 11, "Joint Arrangements" has been adopted since January 1st, 2014 based on which the proportional consolidation of joint ventures is no longer allowed.

3. The results of the Group have been positively affected from the sale of its investment in CTC-ARI Holdings Ltd, the company which controls and operates the Commercial Operations of the two airports in Larnaca and Paphos and its investment in Cyprus Airports (F&B) Ltd, the company that manages the food and beverage activities in Larnaca and Paphos airports, as already announced earlier this year.

4. Turnover amounted to €156.039.000 compared to €167.020.000 in 2013, showing a decrease of 6,6%. Turnover continues to be affected from the ongoing economic crisis.

5. Gross profit and other income amounted to €57.223.000 compared to €62.308.000 in 2013, showing a decrease of 8,2%.

6. Following the deduction of operating expenses, depreciation, finance expenses and taxation but also adding the profit of €10.200.000 arising from the sale of the investments of the Group in CTC-ARI Holdings Ltd and in Cyprus Airports (F&B) Ltd, and the share of results from the associated company, the net profit for the year amounted to €9.296.000 compared to €2.575.000 last year.

7. Interim dividend of €12.215.000, deriving from accumulated profits of the financial years 2012, 2013 and 2014, and corresponds to 7 cents of the euro per share, or to 20,6% on the nominal value of the share, was approved by the Board of Directors and has already been paid to the shareholders on 22 August 2014.

8. As already announced, on 15 July 2014, Ermes Department Stores Plc acquired from Woolworth (Cyprus) Properties Plc 45% of the share capital (45.000.000 shares) of ITTL Trade Tourist and Leisure Park Plc ("ITTL") for a total consideration of €42.750.000 (i.e €0,95 per share) paid in cash. The transaction was executed on a purely commercial basis (at arm's length) after taking into consideration a recent valuation of an independent firm of accountants and was also based on the fair value of the properties of ITTL as these were valued by an independent property valuer on 31 December 2013.

   Ermes decision to proceed with this purchase aims to utilize part of the proceeds received from the recent sale of its investment in CTC-ARI Holdings Ltd and its replacement with a safe, high quality investment with good prospects, securing at the same time its rights at The Mall of Cyprus, owned by ITTL, as Ermes operates in The Mall of Cyprus with several of its business outlets such as Debenhams, Next and others, occupying a total area of about 7.300 sq.m. being around 30% of the commercial areas of The Mall of Cyprus.

9. As from 30 September 2007, the Group participated in the joint venture British Forces Cyprus Retail (BFCR) based on an agreement with a duration of 5 years, which was extended for an additional period of two years, with the company Sodexo Limited for the operation of shops at the British Bases, with a participation interest of 50%. The agreement ended on 31 October 2014 and has not been renewed.

10. The Board of Directors and the Management of the Group, note that the overall situation in the economy remains difficult and uncertain, and they will continue with the same care and diligence as before, to manage the events taking place in the economy. It should be noted that the Group continuously upgrades its stores and increases the variety of products offered to the public. Going forward, this is believed to have a positive impact on sales. Furthermore up to May 2015 the Group will open two new stores and a café in The Mall of Engomi, and awaits the relevant permits in order to proceed with the construction of a new large Super Home Centre DIY store at Spyros Kyprianou avenue, opposite Debenhams Zenon department store in Larnaca. We aim at the opening of this new store before the end of 2015.

11. Copies of the Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the year ended 31 December 2014, are available at the Company's Shares Department, Shacolas House, Athalassa, 3rd floor, tel: 22740000, as well as on the Group's website on the internet at www.ermes.com.cy, and it will be published in daily newspapers.

Ermes Department Stores Plc.
Nicosia 18 February 2015