



ERMES DEPARTMENT STORES PLC

Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income for the year ended 31 December 2015

	RESULTS FOR THE YEAR ENDED 31 DECEMBER	
	UNAUDITED 2015 €000'ς	AUDITED 2014 €000'ς
Turnover	<i>150.661</i>	156.039
Gross Profit and Other Income	<i>54.559</i>	57.090
(Loss)/profit from discontinued operations	<i>(13.637)</i>	10.690
Net (loss)/profit of the Group (after tax)	<i>(17.709)</i>	8.821
Allocated to:		
Company's Shareholders	<i>(18.405)</i>	7.955
Minority Interest	<i>697</i>	866
Basic and Fully Diluted Earnings per Share (cent)	<i>(10,55)</i>	4,56

NOTES

1. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income of Ermes Department Stores Plc, for the year 2015, incorporates the results of the subsidiary companies Superhome Center (DIY) Ltd, C.W.Artopolis Ltd, Fashionlink S.A., Scandia Company Ltd

2. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the year 2015, 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.
3. On 23 July 2015, the company has proceeded with the disposal of its shareholding in ITTL Trade Tourist and Leisure Park Plc, owner of the Shacolas Emporium Park, to the South African interests company, Atterbury Cyprus Ltd. Even though a loss of €13.147.000 was incurred in 2015, the Board of Directors considers the transaction with Atterbury Cyprus Ltd, based on the current facts and prospects, as very satisfactory and beneficial to the companies of the group since the liquidity created will allow them to proceed with the investment plan based on the new strategy of the Group and will also reduce finance costs.
4. Turnover amounted to €150.661.000 compared to €156.039.000 in 2014, showing a decrease of 3,4%. Turnover was negatively affected, since there had been no substantial recovery in the retail sector, while during last year there were several external factors, mainly from Greece, which affected consumer psychology.
5. Gross profit and other income amounted to €55.559.000 compared to €57.090.000 in 2014, showing a decrease of 4,4%. It is noted that gross profit was also affected negatively by the Euro rate against the Sterling pound, which fortunately this year began to improve.
6. Following the deduction of operating expenses, depreciation, finance expenses and taxation and the loss of €13.637.000 from discontinued operations, the net loss for the year amounted to €17.709.000 compared to profit €8.821.000 last year. It is noted that 2014 results included the profit of €10.200.000 arising from the disposal of the investments of the Group in CTC-ARI Airports Ltd and in Cyprus Airports (F&B) Ltd, and the share of results from the associated company.
7. Following the Group's plan for expansion, the company proceeded with the opening of two new fashion stores, Uber (young fashion) and Next Kids, as well as a Coffee & More café at the Mall of Engomi. In addition, at the end of November 2015 the new large Superhome Center (DIY) store at Spyros Kyprianou Avenue, opposite Debenhams Zenon department store in Larnaca, commenced its operations. Their contribution will affect this year's results, which in combination with the new changes that will take place in existing stores and operation procedures, are expected to improve. In addition the effort to improve and automate all company functions aim at improving the services offered.
8. The Board of Directors and the Management of the Group, note that although there are encouraging signs of stability in the economy and some improvement, there are still many difficulties due to prolonged high unemployment and reduced household income of consumers, which contribute to reduced purchasing power, with direct effect and consequence on the turnover of the Group, increasing pressure on profit margins and ultimately profitability.

At the same time, the retail establishments operating hours is an important issue concerning all trading companies, and certainly, any amendment resulting in reduced operating hours will adversely affect the job position of thousands of employees, the sales and revenues of businesses, the state revenues deriving from VAT and other taxes and will reduce the services offered and thus revenues from tourism. It will also degrade the service level to the local consumers, deteriorating their life quality. It is hoped that this will not materialize.

Finally all companies of the Group continuously evaluate new opportunities and cooperations, upgrade their stores and increase the variety of products offered to the public, which adds to the consumers more variety and quality choices at best price.

9. Copies of the Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the year ended 31 December 2015, 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 25 February 2016