



MEMBER OF THE SHACOLAS GROUP OF COMPANIES

ERMES DEPARTMENT STORES PLC

Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income for the quarter ended 31 March 2014

	UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH		Year Ended 31 December
	2014 3 months €000'ς	2013 3 months €000'ς	2013 12 months €000'ς
Net Sales (note 4)	€32.978	€33.297	€167.020
Gross Profit and Other Income	€12.239	€11.139	€63.981
Net (Loss) / Profit for the Group (after tax)	€(586)	€(5.079)	€2.575
Allocated to :			
Company's Shareholders	€(572)	€(4.966)	€1.492
Minority Interest	€(14)	€(113)	€1.083
Basic and Fully Diluted Earnings per Share (cent)	(0,33)	(2,9)	0,86

NOTES

- The Indicative Unaudited Consolidated Statement of Comprehensive Income of Ermes Department Stores Plc, for the first quarter ended 31 March 2014, incorporates the results of:
 - The subsidiary companies Superhome Center (D.I.Y.) Ltd, Artopolis Ltd, Fashionlink S.A., Scandia Company Ltd
 - The joint ventures of Ermes Department Stores Plc – Sodexo Ltd and CTC – ARI Holdings Ltd
- The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 March 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 and interim financial statements (except form the point noted in paragraph 3) according to the requirements of the International Accounting 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 Exchange Commission, and has been approved by the Board of Directors of the Company.

3. The turnover and the results of the Group are affected by the seasonality in sales. The first quarter of each year has comparatively the lowest turnover in relation to the other quarters and two out of the three months of this period, fall within the sales discounts period which bear lower profitability.

Furthermore, the revenues and other categories of expenses/incomes included in the consolidated financial statements were affected from the application of the International Financial Reporting Standard 11 'Joint Arrangements' as from 1 January 2014. According to this standard, proportional consolidation of Joint Ventures is no longer allowed. As a result, the investments of the Group in the Joint Ventures CTC - ARI (Holdings) Ltd and Ermes Department Stores Plc - Sodexo Ltd, will be recognised using the equity method. Comparative figures have been adjusted to take into account the above changes. Finally, the results of the Group have been positively affected from the sale of its investment in Cyprus Airports (F&B) Ltd, the company that manages the food and beverage activities in Larnaca and Paphos airports, in January 2014.

4. Turnover amounted to €32.978.000 compared to €33.297.000 in the corresponding period of 2013, showing a decrease of 1%. Turnover continues to be affected from the economic crisis and the comparison is affected with the events that took place in the Eurogroup on 15 March 2013.
5. Gross Profit and Other Income amounted to €12.239.000 compared to €11.139.000, showing an increase of 9,9%.
6. Following the deduction of operating expenses, depreciation, finance expenses, taxation and including the profit of €2.108.000 as a result of the sale of the investment of the Group in Cyprus Airports (F&B) Ltd, the net loss for the quarter amounted to €586.000 compared to a loss of €5.079.000 in the corresponding period last year.
7. The per share net book value of the Company's shares, with nominal value of €0,34, was €0,44 on 31 March 2013 (31/12/2013: €0,44).
8. The Board of Directors and the Management of the Group, note the appeared level of stabilization that has been reached in the economy, the positive rulings of Troika regarding the prospects of the economy and its upgrades by international rating agencies. Nonetheless, they also note that the overall situation in the economy remains difficult and uncertain for this year as well. The Board of Directors and the Management of the Group, with the same caution and care as before, continue to manage the events taking place in the economy, taking every possible measure in order for the Group to remain competitive and retain its ability to discharge all its obligations and are confident that the Group has the ability to sufficiently deal with any issues or difficulties that may arise.
9. Copies of the Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the first quarter ended 31 March 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 27 May 2014