



MEMBER OF THE SHACOLAS GROUP OF COMPANIES

## ERMES DEPARTMENT STORES PLC

Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income for the six months ended 30 June 2014

Payment on 22<sup>nd</sup> August of Interim Dividend €12.250.000 which corresponds to 7 cents of the euro per share, or to 20,6% on the nominal value of the share

NET PROFIT €7.8 m

	UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE		Year Ended 31 December
	2014 6 months €000'ς	2013 6 months €000'ς	2013 12 months €000'ς
<b>Revenue (note 4)</b>	<b>€70.701</b>	€75.224	€167.020
<b>Gross Profit and Other Income</b>	<b>€26.962</b>	€28.321	€63.981
<b>Net Profit / (Loss) for the Group (after tax)</b>	<b>€7.799</b>	€(2.974)	€2.575
<b>Attributable to :</b>			
<b>Company's Shareholders</b>	<b>€7.536</b>	€(3.233)	€1.492
<b>Non-controlling interest</b>	<b>€263</b>	€259	€1.083
<b>Basic and Fully Diluted Earnings per Share of €0,34 (cent)</b>	<b>4,32</b>	(1,85)	0,86

### NOTES

- The Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income of Ermes Department Stores Plc, for the six months ended 30 June 2014, incorporates the results of:
  - The subsidiary companies Superhome Center (DIY) Ltd, C.W.Artopolis Ltd, Fashionlink S.A., Scandia Company Ltd
  - The joint venture of Ermes Department Stores Plc – Sodexo Ltd

2. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 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 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 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 1<sup>st</sup>, 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 €70.701.000 compared to €75.224.000 in the corresponding period of 2013, showing a decrease of 6,0%. Turnover continues to be affected from the economic crisis.
5. Gross Profit and Other Income amounted to €26.962.000 compared to €28.321.000, showing a decrease of 4,8%.
6. Following the deduction of operating expenses, depreciation, finance expenses, taxation and including the profit of €10.205.000 as a result of the sale of the investments of the Group in CTC-ARI Holdings Ltd and in Cyprus Airports (F&B) Ltd, the net profit for the period amounted to €7.799.000 compared to a loss of €2.974.000 in the corresponding period last year.
7. The Board of Directors has approved the payment of interim dividend of €12.250.000, deriving from the accumulated profits of the financial years of 2012, 2013 and 2014 which corresponds to 7 cents of the euro per share, or to 20,6% on the nominal value of the share. The dividend was paid to the shareholders on the 22 August 2014.
8. The per share net book value of the Company's shares, with nominal value of €0,34, was €0,49 on 30 June 2014 (31/12/2013: €0,44)
9. 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 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.

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, taking every possible measure in order for the Group to remain competitive and retains its ability to sufficiently deal with any issues or difficulties that may arise.
11. Copies of the Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2014, are available at the Company's Shares Department, Shacolas House, Athalassa, 3<sup>rd</sup> floor, tel: 22740000, as well as on the Group's website on the internet at [www.ermes.com.cy](http://www.ermes.com.cy), and it will be published in daily newspapers.

**Ermes Department Stores Plc**

Nicosia 29 August 2014