



ERMES DEPARTMENT STORES PLC

**INTERIM MANAGEMENT STATEMENT
FOR THE PERIOD 01/07/2015 – 19/11/2015**

Ermes Department Stores Plc (Ermes), member of the Shacolas Group of Companies, presents its Interim Management Statement of Ermes Group for the period from 1st July to 19th November 2015. The Interim Management Statement has been prepared in accordance with the provisions of Article 11 of the Transparency Requirements Law 2007(N.190(I)/2007) and has not been audited by the external auditors of the Company

The interim statement incorporates the results and activities of the subsidiary companies Superhome Center (DIY) Ltd, C.W.Artopolis Ltd, Fashionlink S.A., Scandia Company Ltd

The principal activities of the Group for the period in review, which remain the same as last year, include the retail and wholesale trade in Cyprus and Greece, through department stores and specialized stores.

The main events and developments incurred during the period and their impact on the financial statements are presented below:

- i. 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. For this, relevant announcements have been made on the transaction date and at the announcement of the six monthly results of 2015. The Board of Directors considers that the transaction with Atterbury Cyprus Ltd based on the current facts and prospects, as very satisfactory and beneficial to the companies of the group.
- ii. All the construction works for the new large Superhome Centre DIY Store at Syros Kyprianou Avenue, opposite Debenhams Zenon Department Store have been completed. The new Superhome Centre Store will open to the public by the end of November.
- iii. On 2 November 2015, the company has been awarded from the Labour Relations Department of the Ministry of Labour, Welfare and Social Insurance, with a certification for the implementation of good practices for gender equality at workplace. The certification has been granted by the National Certification Authority.

iv. The results for the nine months period ended 30 September 2015, compared to the corresponding period of 2014 are as follows:

- Turnover amounted to €107.613.000 compared to €112.606.000 in the corresponding period of 2014, showing a decrease of 4,4%.
- Gross Profit and Other Income amounted to €37.060.000 compared to €40.864.000 in 2014, showing a decrease of 9,3%.
- Following the deduction of operating expenses, depreciation and finance expenses, the loss from operating activities of the Group for the nine months period of 2015 amounted to €6.775.000, compared to loss of €3.252.000 in the corresponding period of 2014.

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

On 10 September 2015, the Annual General Meeting of Ermes Department Stores Plc has taken place, chaired by Mr Marios Shacolas as the new Executive Chairman of CTC. During the course of the meeting, Mr Nicolas K. Shacolas, the founder and Lifetime Honorary Chairman of the Group, was honored for his long and valuable contribution to the Group.

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 is noted that the Group continuously evaluates new opportunities and cooperations, upgrades its stores and increases the variety of products offered to the public, which adds to the consumers more variety and quality choices at best price.

Pending the decision of the Supreme Court, to consider changing the law regarding the retail establishments operating hours, the Board of Directors believes that the right way to proceed is that all retail establishments should continue operating based on the existing regulation which allows their operation on Sundays as well.

It is worth noting that in Greece, which by law the shops were closed, the IMF, the European Commission and the European Central Bank enforced through the government a law permitting the operation of shops on Sundays. This was implemented because they recognize that it is beneficial to the economy, the public interest, businesses and employees, particularly in such times of economic crisis.

We hope that in Cyprus the decision will not be different.

Ermes Department Stores Plc
Nicosia 19th November 2015