

ERMES DEPARTMENT STORES PLC

Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income for the six months ended 30 June 2016

	UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE		Year Ended 31 December
	2016 6 months €000'ς	2015 6 months €000'ς	2015 12 months €000'ς
Turnover	69.605	68.444	151.284
Gross Profit and Other Income	26.424	24.425	54.458
Profit/(Loss) before interest, tax and depreciation (EBITDA)	624	(1.030)	1.710
(Loss)/Profit from discontinued operations	(828)	1.544	(13.656)
Net Loss for the Group (after tax)	(2.722)	(2.793)	(17.862)
Attributable to :			
Company's Shareholders	(2.913)	(2.979)	(18.545)
Non-controlling interest	191	186	683
Basic and Fully Diluted Earnings per Share of €0,34 (cent)	(1,66)	(1,71)	(10,63)

NOTES

1. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income of Ermes Department Stores Plc, for the six months ended 30 June 2016, incorporates the results of the subsidiary companies Superhome Center (DIY) Ltd, C.W.Artopolis Ltd, Fashionlink S.A. and Scandia Company Ltd.
2. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income 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.
3. Turnover amounted to €69.605.000 compared to €68.444.000 in the corresponding period of 2015, showing an increase of 1,7%.

4. Gross Profit and Other Income amounted to €26.424.000 compared to €24.425.000 in the corresponding period of 2015, showing an increase of 8,2%.
5. Following the deduction of operating expenses, the profit before interest, tax and depreciation (EBITDA) amounted to €624.000, compared to loss €1.030.000 in the corresponding period of 2015.
6. The results of the Group following the deduction of depreciation, finance expenses, the loss from discontinued operations and taxation, present a loss of €2.722.000 compared to a loss of €2.793.000 in the corresponding period in 2015.

It is noted that the amount of discontinued operations for the first six months of 2016 includes the loss derived from the closure of non-profitable operations, whereas in the corresponding period of 2015 includes the share of profit from ITTL prior to its disposal.

7. The per share net book value of the Company's shares, with nominal value of €0,34, was €0,29 on 30 June 2016 (31/12/2015: €0,31)
8. On 6 April 2016, an agreement was signed between the subsidiary company of Ermes Department Stores Plc, Idea Distribution of Appliances Ltd, the owner company of Scandia chain stores and E&G Electricplus Limited, owner company of the Megaelectric chain stores. The agreement provides that the two companies establish a new company in which they will transfer all operations, staff, assets and liabilities. Ermes Department Stores Plc, will be controlling the new company by owning the 50% plus 1 share of its share capital, as well as by having the majority of the members in the Board of Directors.

On the 24 June 2016 the approval from the Commission for the Protection of Competition was granted and is expected that very soon the agreement will be implemented. Through the new Company, improved services and a greater range of products will be offered. Furthermore, it is expected to have increase in turnover and a significant reduction in expenses due to synergies and economies of scale, resulting in improved profitability for the Group.

9. Within the framework of improving the services offered and the profitability of the Group, the redesign of the Debenhams department stores continues. In 2016 this materialized with the closure of Debenhams Ledra. It is noted that in Nicosia the Group operates another three Department Stores, one at Makariou Aven., one at The Mall of Engomi and one at The Mall of Cyprus. In the Paphos area the Group decided to further enhance the activities of Korivos Commercial Centre and to close its operations in Ledra Street in Kato Paphos. Furthermore, the renovation of Debenhams Zenon has already commenced, and at the same time, the renovation of other department and stand alone stores are also scheduled, as well as the enrichment of the services and brands offered. Finally, the investments made during last year, have already a positive contribution, especially the new Superhome Center in Larnaca. With all the above, this year's results are expected to be improved compared to last year.
10. The Board of Directors and the Management of the Group, note as very important for the economy in general as well as for the Group, the increase achieved in tourism, the positive growth rates recorded in the economy and the fact that the operating hours of the retail outlets remain without restrictions. Nonetheless, they stress out that the challenges in the economy remain and that prudent and careful management is still required in all sectors by all parties involved.
11. Copies of the Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2016, 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.