



**CYPRUS TRADING CORPORATION PLC**

**Preliminary Unaudited Condensed Consolidated Profit and Loss Account  
for the three months ended on 31 March 2014**

**TURNOVER €65m**

	UNAUDITED RESULTS FOR THE FIRST THREEMONTHS OF 2013		AUDITED RESULTS
	2014 €'000	2013 €'000	2013 €'000
<b>Turnover</b>	<i>65.053</i>	65.723	313.158
<b>Gross Profit and Other Income</b>	<i>19.448</i>	18.123	100.944
<b>Profit from disposal of investments</b>	<i>2.108</i>	15.713	15.713
<b>Net Profit/(Loss) of the Group after tax</b>	<i>16</i>	9.060	(14.066)
<b>Attributable to:</b>			
<b>Shareholders</b>	<i>(12)</i>	3.353	(18.006)
<b>Minority Interest</b>	<i>28</i>	5.708	3.939
<b>Basic and fully diluted (losses)/earnings per share (cents)</b>	<i>(0,01)</i>	3,60	(18,27)

**The net profit after tax of the Group, after the deduction of the profit from the sale of investments as shown above, presents a significant improvement by €4.6m in comparison with the first three months of 2013.**

**NOTES:**

1. The Preliminary, Unaudited, Condensed, Consolidated Profit and Loss Account constitute an extract from the Consolidated Financial Statements of Cyprus Trading Corporation Plc (CTC) for the period ended 31 March 2014.

The Preliminary Unaudited Condensed Consolidated Profit and Loss Account include the results of the subsidiary companies:

- Ermes Department Stores Plc, subsidiaries and joint ventures
- Woolworth (Cyprus) Properties Plc and subsidiaries
- Argosy Trading Company Ltd
- Cassandra Trading Ltd
- CTC Automotive Ltd
- Artview Co. Ltd
- Amaracos Holding (CTC+PG) Ltd
- HOB House of Beauty Ltd

and the results of the associate company:

- Akinita Lakkos Mikelli Ltd

Cyprus Trading Corporation PLC is also a shareholder in Hermes Airports Ltd that has developed and is administrating the International Airports of Cyprus, in Larnaca and Pafos, until the 11th of May 2031. CTC is being represented at the Board of Directors, whereas the Executive Chairman of the Group, Mr. Nicos K. Shacolas is Honorary Life Chairman of Hermes. In the above consolidated Profit and Loss Account, Hermes Airports results are not included in the reported results.

2. The Preliminary, Unaudited, Condensed, Consolidated Profit and Loss Account for the period ended 31 March 2014, has not been audited by the external auditors of the Company, but has been prepared in accordance with the set of accounting standards applicable for the preparation of the annual financial statements or interim financial statements (according to the provisions of International Accounting Standard No. 34), and according to the Transparency Requirements Law, taking into account the circulars of the Securities and Exchange Commission (SEC) and Cyprus Stock Exchange (CSE), and has been approved by the Board of Directors of the Company.

It is noted that the turnover, as well as other expense/income categories which are included in the Unaudited, Condensed, Consolidated Financial Statements, have been affected by the adoption, from the 1<sup>st</sup> of January 2014, of the International Financial Reporting Standard 11 – ‘Joint Arrangements’. According to this standard, proportionate consolidation of joint ventures is no longer permitted. As a result, the Group investments in CTC-ARI (Holdings) Ltd and Ermes Departments Stores Plc – Sodexo Ltd joint ventures will be accounted from now with the equity method. The comparative figures have been adjusted in order to take into account the above changes.

3. The turnover of the Group for the three months of 2014 amounted to €65.053.000, compared to €65.723.000 in 2013, stabilizing its results with a small reduction of €670.000 or 1,03%.

The depreciation charge of the Group for the quarter rose to €1.660.000, compared to €2.205.000 in 2012. The depreciation does not constitute a cash outflow.

Net Profit after tax for three months of 2014 reached €16.000, compared to a profit of €9.060.000 in 2013. The results of the Group for the first three months of 2014 have been positively affected by €2,1 m. due to the sale of the Group’s participation in Cyprus Airports (F&B) Ltd (food and beverage facilities at the two airports) which, as already announced, occurred in January 2014. Excluding the profit from this disposal as well as the profit from the disposal of MTN (Cyprus) Ltd during the first three months of 2013, the net profit after tax of the Group presents a significant improvement by €4,6 m in comparison with the same period last year. It is further important to note that the proactive and timely actions of the Group even from before the onset of the economic crisis continue to produce positive results with a reduction in its operating expenditure by €1,4 m. or 8,6% during the first three months of 2014 and in relation to the respective quarter of 2013 which, is over and above the significant reductions in operating expenditure that occurred in previous years.

It is further noted that the turnover and results of the Group due to its operations in the retail sector, are affected by seasonality. Every year, during the first three months, the retail sector has, by comparison, a lower turnover from the other quarters of the year and two out of the three months of this period are sales months with lower profitability.

5. The Board of Directors and the management note that there is stabilization in the performance of the Group, which is also generally observed in the Cyprus economy, the positive evaluations from Troika as well as the recent upgrades of the Cyprus economy by the International Rating Agencies. Despite the positive signs in the economy, recovery continues to be fragile and doubtful. The Board of Directors and the management continue to carefully monitor the current difficult environment and focus their efforts to further reduce expenditure, minimize credit risk and restructure its operations so that the Group remains competitive and able to fulfill all of its obligations.

7. Copies of the Preliminary, Unaudited, Condensed, Consolidated Profit and Loss Account are available at the Company's Shares Department, Shacolas House, 3rd Floor, tel.: 22740300. In addition it has been posted on the Group's website at [www.ctcgroup.com](http://www.ctcgroup.com). This report will be published in daily-circulated newspapers.

## **Cyprus Trading Corporation Plc**

Nicosia, 27<sup>th</sup> of May 2014