



## ERMES DEPARTMENT STORES PLC

### Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the six months to June 30<sup>th</sup> 2018

|   | Unaudited Results for the<br>six months ended |                            | Year Ended<br>December<br>31st |
|---|---|----------------------------|--------------------------------|
|   | 2018<br>6 months<br>€000's                    | 2017<br>6 months<br>€000's | 2017<br>12 months<br>€000's    |
| Turnover  | 73.263  | 69.240                     | 157.418                        |
| Gross Profit and Other Income   | 27.548  | 26.152                     | 59.398                         |
| Profits before interest, tax and<br>depreciation (EBITDA) from<br>continuing activities | 619   | 235                        | 5.466                          |
| (Loss) from discontinued operations   | (497)   | (473)                      | (961)                          |
| Net Loss for the Group after tax  | (1.838)                                       | (2.691)                    | (398)                          |
| Attributable to:  |   |                            |                                |
| - Shareholders of the Company   | (2.338)                                       | (2.955)                    | (1.576)                        |
| - Non-Controlling Interest  | 500   | 264                        | 1.177                          |
| Basic and Fully Diluted Earnings per<br>Share of €0,34 (cent)                           | (1,33)  | (1,69)                     | (0,90)                         |

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## NOTES

1. The Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income of Ermes Department Stores Plc, for the six months ended June 30<sup>th</sup>, 2018, incorporates the results of its subsidiary companies Superhome Center (DIY) Ltd, C.W. Artopolis Ltd, Fashionlink SA, Novario Holding Ltd, SPAR Distributors Ltd, SPAR Larnaca (Drosia) Ltd and Vexelco 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 were applied for the preparation of the annual financial statements according to the provisions of the International Accounting standard 34, the new International Financial Reporting Standards 9 and 15, and according to the Transparency Requirements (securities admitted to trading on a regular 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 reached the level of EUR€73,3m, exhibiting an increase of €4,0m or 5,8%, compared to the turnover of the corresponding period in 2017.
4. Gross Profit and Other Income for the six months to June 30<sup>th</sup>, 2018, reached the level of EUR€27,5m, as compared to EUR€26,2m achieved in the same period in 2017, exhibiting an increase of EUR €1,3m or 5,0%.
5. Following the deduction of the operating expenses, the profits before interest, tax and depreciation (EBITDA) for the six months to June 30<sup>th</sup>, 2018, amounted to EUR€0,6m, as compared to EUR €0,2m in the corresponding period in 2017, exhibiting an improvement of EUR€0,4m.
6. The Group reported losses from continuing operations before tax of EUR€1,1m, exhibiting an improvement of EUR€1,0m compared to the EUR€2,1m losses reported for the corresponding period in 2017. The losses of the Group, following the deduction of depreciation, finance costs, the losses from discontinued operations and taxation amounted to EUR€1,8m, exhibiting an improvement of EUR€0,9m, compared to the EUR€2,7m losses reported for the same period in 2017.
7. The per share net book value of the shares of the Company with EUR€0,34 nominal value, was as at June 30<sup>th</sup>, 2018 EUR€0,27 (December 31<sup>st</sup>, 2017: EUR€0,28).
8. The Group is in the process of restructuring and re-designing of all its activities, aiming towards their repositioning in the market, so as to reflect the market conditions extant, as well as address the current consumers' habits and preferences. Within this framework, the Group adapts the range of products on offer and introduces new. Where necessary, the Group shrinks activities, expands them elsewhere, as well as introduces new profiles to fill a gap identified in the market.
9. More specifically, the Group embarked in 2016 in the development of the first electronic "mall" in Cyprus, namely "Milliouni", the operations of which commenced earlier in June 2018, offering a range of products from more than 160 brands.
10. In addition, the Company has just recently completed the renovation of the ground floor of its Department Store in The Mall of Cyprus, in Nicosia, offering to its customer a unique shopping experience.
11. Furthermore, the Group announced in 2017 the expansion of its activities in the supermarket industry with the introduction of the "SPAR" chain in Cyprus, the largest voluntary branch network, with presence in 44 countries and a turnover of EUR€33bn. In this context, the first

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SPAR supermarket in Drosia, Larnaca, is due to open its doors to the public before the end of September 2018, and is expected to contribute to the improvement of the financial performance of the Group in the short term.

12. Further to the above, on the basis of the market conditions extant, as well as the assessment of the Management of the Group at this stage, it is expected that the financial results of the Group for 2018 will exhibit an improvement compared to those of 2017.
13. Copies of the Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income of the six months ended June 30<sup>th</sup>, 2018, are available at the Company's Investor Relations Department, Shacolas House, Athalassa, 3<sup>rd</sup> Floor, tel: 22 740000, as well as on the website of the Group on the internet at [www.ermes.com.cy](http://www.ermes.com.cy). It will also be published in the daily press.

#### **ERMES DEPARTMENT STORES PLC**

September 19<sup>th</sup>, 2018.