

SPAR COMES TO CYPRUS

Nicosia, 10/07/2017

Ermes Department Stores Plc, a member of the Cyprus Trading Corporation (CTC) Ltd Group of Companies, announces a new strategic partnership with SPAR International, the world's largest voluntary food retail chain. The new entity, SPAR Cyprus, aims to create and maintain the biggest voluntary food retail chain and to become the leading wholesale and retail service provider to independent retailers in Cyprus, through its expertise, guidance, cooperation and support.

This partnership between the world's largest voluntary food retail chain and Cyprus' leading retail company will bring a new dynamic to the competitive retail food market in the country. Both companies bring a wealth of experience and expertise to this new venture. SPAR has 12,545 stores in 44 countries, recently reported sales of €33.1 billion for 2016. Ermes, for its part, is the leading retail company in Cyprus in Fashion, Cosmetics, DIY and Electrical Goods, operating more than 90 retail shops, seven of which are in Greece, with over 75,000sq m of retail space.

The first SPAR stores to open in Cyprus are planned for the first quarter of 2018 with a target of opening of more than 20 SPAR Supermarkets over the coming five years. The stores will be both independent retailer conversions to the SPAR brand and new company-owned SPAR Supermarkets to be developed by Ermes.

SPAR International is providing support through retail layout and design, own brand product procurement, retail staff training and development, supply chain optimisation, retail location assessment, project management, retail operations, and brand building marketing campaigns. This access to international best practice and SPAR International's own expertise will be combined with Ermes' local experience and skills to provide independent retailers with a full package of services and benefits to enable them to thrive and survive in a very competitive market.

Speaking about the Ermes Group's new strategic partnership, Marios Shacolas, Executive Chairman and CEO of Cyprus Trading Corporation (CTC) Ltd said, "Ermes Group's Vision for the future is to maintain its market leadership in Cyprus and, through new strategic alliances and associations, create the right framework for continued profitable growth without compromising our social responsibility. Whilst we

will benefit from SPAR's global network and support services, we will not lose sight of our need to strengthen local manufacturers, distributors and retailers, giving back to our local economy. This new strategic partnership with SPAR is the perfect opportunity to achieve this vision and we are very confident about this new venture."

Tobias Wasmuht, Managing Director of SPAR International, said "The introduction of SPAR to Cyprus provides the leading independent retailers of Cyprus the possibility to respond to growing market concentration in Cyprus of national and international chains, thus fully meeting the needs of local consumers. Unifying together as SPAR Cyprus permits the progressive independent retailers of Cyprus to maintain their independence, whilst seizing the benefits of a strong international food retail brand with the scale benefits of a buying group operating on both a national and international level. We are delighted to partner with the Ermes Group to bring SPAR to Cyprus and are confident in the future success of our partnership".

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About SPAR International



SPAR International is the world's largest voluntary food retail chain, with more than 12,500 stores and retail sales of €33.1 billion in 2016. SPAR International's annual report for 2016 is available here:

<http://www.spar-international.com/annualreports/2016/>

SPAR International is the world's largest voluntary food retail chain, through which independent retailers benefit from economies of scale and expertise and strengthen their competitiveness, by developing the SPAR brand globally.

About Ermes Department Stores Plc



Ermes Department Stores Plc (Ermes) is a subsidiary of Cyprus Trading Corporation (CTC) Plc, the Group with the biggest and highly diverse range of activities in Cyprus, with an annual turnover in excess of €300 million. The CTC Group is one of the biggest employers in Cyprus.

Ermes is the leading retail company in Cyprus in Fashion, Cosmetics, DIY and Electrical Goods, operating more than 90 retail shops, seven of which are in Greece, with over 75,000sq m of retail space. Ermes' portfolio includes franchise agreements with Debenhams, Next, Oviessa, Forever 21, Armani Exchange, Springfield, Cortefiel, Women'secret, Oasis, Warehouse, Orsay, Quiz, Navy&Green, The Entertainer and many more.