

Claridge Public Limited

Office of the Secretary

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Agreement with Kanika

Claridge Public Limited announces that on 26/07/2013 has signed a Shareholders Agreement with Kanika Olympic Limited for setting up and operating a company under the name Olympic Lagoon Hotels Limited. This company will be engaged with the management and administration of hotels that primarily will be included in the category of Premium All Inclusive hotels and shall operate under the hotel chain "Olympic Lagoon".

More specifically the Shareholders Agreement includes, among others, the following:

- (a) Kanika Olympic Limited will acquire 55% of the share capital of Olympic Lagoon Hotels Limited while Claridge Public Limited 45% of it.
- (b) Olympic Lagoon Hotels Limited in the first instance will sign contracts to manage Olympic Lagoon Resort Ayia Napa, owned by the Kanika Group of Companies, and Amathus Beach Hotel Paphos owned by Claridge Public Limited, which will be renamed to Olympic Lagoon Resort Paphos. The general terms of the management contracts have been agreed.
- (c) The proprietary status of the hotels Olympic Lagoon Resort Ayia Napa and Amathus Beach Hotel Paphos will not change and shall continue as it is.
- (d) Beyond the management and administration of the two hotels owned by its shareholders in Cyprus, the new company has as an objective to expand in the hotels' management and administration abroad and mainly in Greece, which is expected to significantly improve its profitability.
- (e) The agreement is subject to securing the necessary funds needed to convert the Amathus Beach Hotel Paphos to Olympic Lagoon, with a flexibility to extend renovations for 3 years.

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(f) Amathus Beach Hotel Paphos, provided that the necessary financing will be secured as stated above, will terminate its operation on September 2014 as a hotel of the "Amathus" and "Leading Hotels of the World" chains of hotels and shall undergo extensive renovations to become an "Olympic Lagoon" hotel, when it will also change its name to Olympic Lagoon Resort Paphos. It is expected that the hotel will re-open its doors fully operative in June 2015. The cost of the renovations is estimated to be around €13.000.000, part of which will be secured through loans and part through advance payments of the tour operators.

(g) According to the forecasts and the assumptions taken into account, which were based on the performance of the Olympic Lagoon Resort Ayia Napa, Claridge Public Limited expects as from 2016 (being the first full year of operation under the name Olympic Lagoon) to improve significantly its revenue and cashflow, which will help to overcome the difficult economic situation.

Limassol, 29 July 2013