Claridge Public Limited

Office of the Secretary
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Interim Management Statement

Claridge Public Limited ("the company") presents the Interim Management Statement of the Group for the period from 1st of January 2014 to 20th May 2014, which has been prepared pursuant to the provisions of article 11 of the Transparency Requirements Law of 2007 (N.190(I)/2007).

Nature of Activities of the Group

The main activities of the Group have not changed compared with those of the last year ended on 31 December 2013, which are the provision of hotel services as well as the selling of properties through its wholly subsidiary company Amathus Vacation Ownership Limited.

General review of the Financial Status of the Hotel Sector for the period January - April 2014

The sales of Amathus Beach Hotel Paphos for the period January - April 2014 have been decreased by €582 thousand compared with the sales of the relative last year period. This is mainly attributed to the fact that the hotel has suspended its operation for the period from 1st of January up to 9th of March 2014, due to the low occupancy levels during winter period.

The loss of the hotel operations before taxation for the period under reference has been decreased significantly compared with the relative period of last year. This is attributable to the decrease of operating costs of the hotel mainly due to the above-mentioned reason.

General review of the Financial Status of the Development and disposal of immovable property sector for the period January – April 2014

As regards the wholly subsidiary company of the Group, Amathus Vacation Ownership Limited, no sales have been taken place during the period under reference compared to 1 sale of €365 thousand in the corresponding period of 2013.

Main risks and uncertainties

The main risks and uncertainties that the Group faces are the same as those described in the Annual Report for 2013.

Significant Facts and Transactions

During the reporting period there were no significant events and transactions other than the ordinary activities of the Group.

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Other Events

Claridge Public Limited announced that the Management Agreement for Amathus Beach Hotel Paphos (the Hotel), which belongs to the Company, was signed on 11/03/2014. The management of the Hotel has been undertaken by Olympic Lagoon Hotels Limited (the Manager), into which Claridge Public Limited participates with 45%. This agreement is of temporary nature and relates to the period 01/01/204 - 31/12/2014, since, as it was announced before, the Hotel will terminate its operation in its current form on 30/09/2014 and shall undergo extensive renovations to become an Olympic Lagoon Hotel under the management of Olympic Lagoon Hotels Limited.

The main terms of the management agreement include, among other provisions, the following:

a) The duration of the management agreement is for one year, as from 01/01/2014 up to 31/12/2014.
b) The personnel of the Hotel shall remain on the payroll of Claridge Public Limited under the management of the Manager. The hotel manager is appointed by the Manager with the approval of Claridge Public Limited. The chief financial officer of the Hotel is appointed by Claridge Public Limited.
c) Claridge Public Limited shall pay to the Manager as management fee the amount of €130.000 annually, payable in twelve installments at the end of each month and further 3% on the gross operating profit of the Hotel, provided that the yearly budget of the Hotel will be accomplished.

Prospects

The management taking into consideration the above and all available data up to now and also the continuing financial recession internationally that affects negatively the turnover of the Group due to the nature of its business and the recent developments in Cyprus with the uncertainty in the banking system and the economy in general, estimates that the expected results of the Group for 2014 shall continue to be loss making. At present, the management due to uncertainty cannot predict if the loss for 2014 will be decreased compared to 2013.

Limassol, 21 Μαΐου 2014