



Cyprus Trading Corporation Plc

Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income for the year ended 31 December 2015

LOSS FROM DEVALUATION OF THE FAIR VALUE OF INVESTMENT PROPERTY AND THE DISPOSAL OF INVESTMENTS

	RESULTS FOR THE YEAR ENDED 31 DECEMBER	
	UNAUDITED 2015 €000'ς	AUDITED 2014 €000'ς
Turnover	290.584	303.064
Gross Profit and Other Income	78.525	82.451
(Loss) / Profit from Discontinued operations – Non Recurring	(12.916)	47.645
Unrealised Loss without any cash outflow, arising from the revaluation of investments and other properties and impairment of goodwill on investments	(26.214)	(5.000)
(Loss)/Profit for the Group after tax	(45.419)	35.766
Attributable to:		
Shareholders	(33.550)	32.515
Non-Controlling Interest	(11.869)	3.250
Basic and fully diluted (losses)/earnings per share with nominal value €0.85 (cent)	(35,98)	35.33

NOTES:

1. The Indicative Unaudited Consolidated Condensed Statement of Comprehensive Income of Cyprus Trading Corporation Plc (CTC), for the year ended ended 31 December 2015 incorporates the results of:

- The subsidiary Groups of Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc.
- The subsidiary Companies Argosy Trading Company Ltd, Cassandra Trading Ltd, CTC Automotive Ltd, Artview Co. Ltd, Amaracos Holding (CTC+PG) Ltd, HOB House of Beauty Ltd.
- 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 Mr. Nicolas 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 Indicative Unaudited Condensed Consolidated Statement of Comprehensive Income for the year ended 31 December 2014, has not been audited by the external auditors of the Company, but has been prepared with the same accounting principles that have been applied for the preparation of the annual and 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.
3. On 23 July 2015, the subsidiary companies of Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc, have proceeded with the disposal of their shares held in ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Centre Plc, owners of the Shacolas Emporium Park and of The Mall of Engomi, to the South African interests company, Atterbury Cyprus Ltd. The Group's results have been affected with accounting loss of €12.916.000. It was decided that under the current situation and prospects, the transaction is very satisfactory and beneficial to the Group, as with the liquidity created, it allows the Group to materialize its investment plans and has substantially reduced its loans and subsequently its finance expenses. The profit for the Group deriving from the disposal of these investments in relation to its cost, amounts to about €71.000.000. The results have also been affected from unrealized loss amounting to €26.214.000, arising from adjustments in the fair values of investment and other properties of the Group based on valuations conducted by independent surveyors and from partial impairment of the goodwill in the consolidated accounts. It is emphasized that these unrealized losses have no cash outflow effect. It is noted that the Group's results for 2014 have been positively affected with Profits amounting to €39.626.000, as a result of the disposal of the Group's investments in CTC-ARI Airports Ltd and in Cyprus Airports (F&B) Ltd, companies that operate in Larnaca and Paphos International airports.
4. Turnover in 2015 amounted to €290.584.000, compared to €303.064.000 in 2014, a decrease of 4,10%. The decrease is mainly attributed to the fact that there was no rebound in the retail sector and to the ending of the cooperation with Unilever Hellas in the fast moving consumer goods sector, as Unilever since September 2014, imports and distributes its goods in Cyprus with own resources.
5. Gross Profit and Other Income amounted to €78.525.000 compared to €82.451.000 in 2014, a decrease of 4,80%.
6. Following the deduction of operating expenses, depreciation, finance expenses, taxation and the loss from discontinued operations, the partial impairment of goodwill of investments and the revaluation of the fair values of the investment and other properties, the loss for the year amounts to €45.419.000 compared to profit of €35.766.000 in 2014.
7. Within the framework of the expansion of the Group's operations, the subsidiary company Ermes, commenced at the Mall of Engomi, the operation of the young fashion store Uber, the children's fashion store Next Kids, as well as the Coffee and More Café. At the same time, Ermes enriched with new brands and the rest of its department stores. Of significant importance is the opening of a new big Super Home Centre (DIY) store in Spyros Kyprianou Avenue in Larnaca, located right opposite the Debenhams Zenon Department store. Furthermore, Argosy Trading Company Ltd, proceeded with new and existing suppliers the representation of new products replacing the products of Unilever. The contribution of all the above, in combination with the restructuring and automations that have taken place in all companies relating to operational procedures and service levels towards their customers, will impact this year's performance. Finally, it is of great importance for the associated company Akinita Lakkos Mikelli limited, the recent parliamentary vote and amendment of the legislation, which allows the division of unallocated immovable property within a development area, as it owns a large parcel of land at the entrance of Nicosia, adjacent to the headquarters of the EAC. For this property, an agreement has been recently signed,

providing for the separation of the land into plots and their allocation amongst the co-owners, allowing now to each owner the development / exploitation of the allocated plots. It is expected that this development will, in the medium term, significantly improve the prospects and value of the investment.

8. The Board of Directors and the Management of the Group note that despite some general indications of stabilization and improvement in the economy, there are still difficulties due to the prolonged unemployment and the reduced household income, that imminently and directly affect companies sales, gross profit margins and ultimately profitability.

The operating hours of retail outlets is an important issue concerning all trading companies, as unambiguously, any amendment resulting in reduced operating hours, will adversely affect the employment of thousands of employees, the sales and revenues of businesses, the state's revenues deriving from VAT and other taxes and will reduce the services offered and thus revenues from tourism. It will also reduce the service level to the local consumers affecting their life quality. It is hoped that this will not materialize.

It is very encouraging for this year that tourism, as already indicated from the first months of 2015, will be considerably increased in relation to last year. This will only have positive affects for the economy and especially in the tourism and the retail sectors.

Finally, it is noted that all Cyprus Trading Corporation Plc Group companies, evaluate thoroughly new investment opportunities and cooperation's with new brands aiming at increasing their product portfolio, they upgrade their outlets and facilities, offering to consumers quality choices at affordable prices.

9. 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. This report will be published in daily-circulated newspapers.

Cyprus Trading Corporation Plc
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