

Mallouppas & Papacostas Public Co Ltd Interim Management Statement For the period 1 July 2011 to

22 November 2012

The Board of Directors of Mallouppas & Papacostas Public Co Ltd presents the Interim Management Statement for the period 1 July 2012 to 22 November 2012, which has been examined and approved during the meeting held on 22 November 2012.

The unaudited Interim Management Statement has been prepared pursuant to Article 11 of the Transparency Requirements Law (Trading Securities on a Regulated Market), L.109 (!)/2007, and has not been audited by the Company's external auditors.

Activities

The Group's main activities can be divided in the following sectors:

- i. Clothing and footwear.
- ii. Telephone and satellite systems, electrical and electronic appliances.
- iii. Gifts, school bags and fashion accessories.
- iv. Furniture, house equipment and other products.
- v. Investment and property trading and development.

The Group represents some very well known brands in the field of fashion, such as Mango, Stradivarius, Calzedonia, Intimissimi, Tezenis, Bagatt, Playlife, Charles & Keith and Kipling with 57 shops across Cyprus in high streets, shopping centers and department stores. The Group also imports and distributes satellite systems and antennas, cordless and wired phones as well as indoor and outdoor furniture and household equipment, sold through the Four Day Clearance activity.

During the period, the Company proceeded with the closing of a Calzedonia store, accommodated in Orphanides Mall Limassol. Also, on November 15, 2012, the Company reached an agreement with VHR (Electrical Appliances) Ltd for the sale of the activities of the subsidiary Prototel Co Ltd. Prototel Co Ltd is actively involved in the representation and wholesale trade of fixed telephony and phone systems. In the first nine months of 2012, its activities showed turnover of €874,225 and net loss of €8,293.

Review of results for the period 1/1/2012 -

30/9/2012

Turnover

The Group's turnover amounted to €25,6m compared to €28,8m for the corresponding period of 2010, recording an increase of 11.0% due to the fact that the sale of digital decoders in the corresponding period of 2011 had reached €2.5m.

Gross Profit

The Group's gross profit amounted to €9.6m compared to €10.7m for the corresponding period of 2011, an decrease of 10.1%. The gross profit margin amounted to 37.4% as compared to 37.1% for the corresponding period of 2011.

Loss for the period

The loss for the period 1/1/2012 -30/9/2012 amounted to €1,499,161 compared to a loss of €210,647 for the same period of 2011.

The increase in loss is attributable to the fact that in the first nine months of 2011 there were non-recurrent profits from the sale of digital decoders of €846,670. The decline is also attributed to the unfavourable economic conditions in the market that affected netaively the rest activities.

Main risks and uncertainties

The main risks and uncertainties faced by the Group are the same as those described in the Annual Report for 2011.

Main facts

There were no other significant events or transactions affecting the Group's results during the above mentioned period.

Prospects

The Board of Directors expects that it will show losses in 2012 as a result of the negative economic climate, which has deteriorated further in the second half of 2012.