

Mallouppas & Papacostas: Interim Management Statement

The Board of Directors of Mallouppas & Papacostas Public Co Ltd presents the Interim Management Statement for the period from July 1, 2014 to November 17, 2014, which has been examined and approved by the Board of Directors at the meeting held on November 18, 2014 and has not been audited by the external auditors of the Group.

The unaudited Interim Management Statement has been prepared pursuant to Article 11 of the Transparency Requirements Law 190(I)/2007.

Activities

The main activities of the Group remain the same and are divided in the following sectors:

- i. Clothing and footwear
- ii. Trading of satellite systems, electrical and electronic appliances
- iii. Gifts, school materials and fashion accessories
- iv. Home furniture and equipment and other products
- v. Investments, trade and property development

Specifically, the Group represents Mango, Stradivarius, Intimissimi, Calzedonia, Tezenis, Bagatt, Kipling and Charles & Keith and has 55 fashion stores in all towns, shopping centers and department stores across Cyprus. Also, the Group imports and distributes satellite systems and antennas, furniture, house appliances and other goods via the Four Day Clearance.

In November 2013, the Group proceeded with a further development of its shop network with the opening of six new shops (Mango, Stradivarius, Calzedonia, Intimissimi, Tezenis and Charles & Keith) at Kings Avenue Mall in Paphos.

Review of results

Turnover

The Group's turnover reached €26.7 million compared to €23.6 million in the corresponding period of 2013, recording an increase of 13.1%.

This increase is attributable to the fact that the Group opened six new shops (Mango, Stradivarius, Calzedonia, Intimissimi, Tezenis and Charles & Keith) at Kings Avenue Mall in Paphos in the first nine months of 2014 as well as to the increased turnover of the Four Day Clearance.

Gross profit

The gross profit stood at €10.5 million compared to €9.2 million in the corresponding period of 2013, recording an increase of 14.1%.

The percentage of gross profit stood at 39.2% compared to 39.1% in the corresponding period of 2013, remaining almost at the same level.

Loss for the period

The loss for the period stood at €243.981 compared to a loss of €1.219.993 in the corresponding period of 2013.

The loss for the period includes loss from revaluation of investment property of €1.2 million while the loss of the corresponding period of 2013 includes a charge for the amortization of goodwill of shops of €1.7 million.

Main events

There were no other events affecting the Company's activities during the period.

Main risks and uncertainties

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

Prospects

The Management believes that the financial crisis affecting negatively the market and subsequently the sector of retail trade will continue in the middle-term. In addition, it has taken all necessary measures to increase the profitability and to secure the viability of the Group.