



ERMES DEPARTMENT STORES PLC

Unaudited Consolidated Condensed Profit and Loss Account for the quarter ended 31 March 2009

	2009 3 months €000's	2008 3 months €000's	Total year 2008 €000's
Turnover	46.687	44.093	225.705
(Loss) / Profit before taxation	(2.860)	(981)	13.061
Taxation	247	98	(1.368)
(Loss) / Profit of the Group	(2.613)	(883)	11.693
Allocated to:			
Company's Shareholders	(2.606)	(878)	10.347
Minority Interest	(7)	(5)	1.346
Total	(2.613)	(883)	11.693
	Cents	Cents	Cents
Basic Earnings per share of 34 cents	(1,5)	(0,5)	5,9

NOTES

1. The Condensed Consolidated Profit and Loss Account forms part of the Condensed Consolidated Financial Statements of Ermes Department Stores Plc for the three months ended 31 March 2009.

The Condensed Financial Statements include the results of the subsidiaries Superhome Center (D.I.Y.) Limited, Artopolis Limited, Fashionlink S.A., the BFCR joint venture which manages the retail stores in the British bases and the new activities acquired as from 1st January 2009, which are the subsidiaries Scandia Company Limited and Domex Limited and the 50% associated company CTC – ARI Airports Limited.

The Condensed Financial Statements have been prepared on the basis of the same accounting policies as the Annual Consolidated Financial Statements, according to the provisions of International Accounting Standard No. 34.

2. The Condensed Consolidated Profit and Loss Account for the three months ended 31 March 2009 has not been audited by the external auditors of the Group. It has been prepared according to the requirements of Article 115 of the Cyprus Stock Exchange Law, the Regulations adopted by the Board of the Stock Exchange, Provision 5.3.1.1, and has been approved by the Board of Directors of the Company.
3. The turnover of the Group for the first three months of 2009 amounted to €46,7 million, compared to €44,1 million in 2008, showing an increase of 5,9%. The net loss for the quarter was €2.606.000, from €378.000 loss in 2008.
4. Turnover of the period has increased as a result of the addition of new subsidiaries. Without these, like for like turnover was generally reduced, by 12,1%, as a result of the global economic crisis, which also affects Cyprus and started to have an impact on the turnover of the Group since the last quarter of 2008. Also due to the crisis gross profit margins have been squeezed. The addition of new operations has increased operating expenses, depreciation and finance cost, as shown on the consolidated income statement. Like for like, the expenses of each operation are at about the same level as in 2008, and efforts are made to reduce them.

The Board of Directors and the Management are taking all necessary measures to reduce as much as possible the impact of the crisis on the turnover and profitability of the Group, to protect liquidity and to ensure that it will be able to meet its cash flow needs, to allow the continuation of the smooth conduct of its operations without difficulties. However, the impact and consequences of the crisis cannot be predicted, or the effect of potential deterioration of conditions.

Turnover and consequently, the profitability of the Group, are affected by seasonality. Every year, turnover in the first quarter of the year is lower than in any of the next 3 quarters, and 2 out of the 3 months of this quarter are winter sales months, with a lower gross profit margin compared to the rest of the year.

5. On the subject of the payment of dividend, taking into account the significant investments and expansions carried out by the Group during the last 12 months and the continuing, with increasing consequences on the economy of Cyprus, global economic crisis, the Board of Directors considers prudent and in the best interest of the Company and all the shareholders, not to recommend the payment of a dividend for year 2008. This decision has been taken with the aim of protecting future liquidity. The present liquidity condition of the Company is satisfactory.
6. Copies of the Condensed Consolidated Financial Statements are available at the Company's Shares Department, Shacolas House, 3rd Floor, Tel: 22-740300 and at the Group's website on the internet at www.ermes.com.cy. This report will be published in daily newspapers.

The Board of Directors of Ermes Department Stores Plc

Nicosia, 27 May 2009