



Profitable outlook **for the Public Companies of the Shacolas Group**

Important announcements at the meetings of the **Shareholders**

At the Annual General Meetings of the public companies of the Shacolas Group, Woolworth (Cyprus) Properties Plc (“Woolworth”), Ermes Department Stores Plc (“Ermes”) and Cyprus Trading Corporation Plc (“CTC”), the Executive Chairman, Mr. Nicolas K. Shacolas referred to a number of actions that are expected to take place in the near future and will result in significant profits for the companies and their shareholders.

The three Annual General Meetings of the shareholders of the public companies of the Shacolas Group took place for the first time on the same day, consecutively, on Tuesday 1 July at the Hilton hotel in Nicosia. This is due to the fact that CTC is now the parent company of the other two companies, Woolworth and Ermes and the consolidated accounts of CTC include the accounts of the other two companies.

Dividend

All three companies were profitable in 2007. Following the steady dividend policy of the last few years, the companies declare a dividend for 2007 as well. Woolworth declares 8% or 2,73 cents (euro), Ermes 10% or 3,42 cents (euro) and CTC 7% or 6 cents (euro). The dividends will be paid to those entitled by 10 August.

Woolworth

In his speech, the Chairman of Woolworth (Cyprus) Properties Plc, Mr. **Renos Solomides**, referred to 2007 as a productive and important year for the company, **as the net profits of the company showed an impressive increase of 99,6%, reaching €14.638.000.** This is due to the completion and successful operation of The Mall of Cyprus and The Mall of Engomi, which contributed significantly to the income of the company, as well as to the rest of the investments of the Group.

Marios Panayides, Managing Director of Woolworth, referred specifically to the assets of the company and future projects which include a large development with two golf courses, golf club, plots, mansions, 5-star hotel, for the development of which the relevant permits have already been granted. Special care will be given to upgrading the environment of the area. The project will be created in an owned area of 3.500.000 sq. m., in Polis Chrysochous, and the company is in a position to satisfy the water needs for both drinking and irrigation purposes.

Profitable outlook

As announced by Mr. Shacolas, the assets of Woolworth will be revalued in 2008, based on the relevant accounting standards. It is noted that the assets of the subsidiary company of Woolworth, ITTL Trade Tourist & Leisure Park Ltd, owner of Shacolas Emporium Park, have not been revalued in the last four years. Mr. Shacolas noted that, based on a conservative valuation, **the Company will show significant profits as a result of the revaluation.** He informed the shareholders that **there is interest from overseas investors for partial or total purchase of Shacolas Emporium Park which includes the Mall of Cyprus, the area where IKEA operates and the additional developments which will soon be completed.**

He also referred to the intention of Woolworth, for strategic reasons, to sell its 20% shareholding in CTC-ARI Airports Ltd, the company which manages exclusively the commercial operations at Larnaka and Pafos airports until 2031. **This deal will also result in significant additional profit for the Company.**

Ermes Group

The results of Ermes Group have also improved in 2007, with turnover reaching €190 million, an increase of 12,7% from the previous year. **Profits from operations before non-recurring expenses were €15,1 million, an increase of about 20% from 2006.** Sales in the first six months of 2008 show an increase of 23,4%, exceeding €100 million. **Taking into account that the second half of the year is usually more profitable than the first, and despite the difficult economic environment, net profits of Ermes are expected to reach €12,5 million in 2008.** The exclusive management of nine retail outlets within the British Bases for five years, with the option of extending to seven years, will also contribute to the future profitability of Ermes.

Ermes is expected to have a significant profit from the sale of its shareholding in Cyprus Airports (F&B) Ltd, the company which manages the food and beverage areas at Larnaka and Pafos airports until 2031.

The Managing Director of Ermes, Mr. George Aniliades, referred to 2007 as a year of significant growth and expansion. Twenty three new multistores and stores in key locations began operations, with the total number of stores in Cyprus and Greece now reaching 81. He announced the further expansion of the Group in Greece, in retail spaces already leased in Larissa.

Cyprus Trading Corporation

CTC, the largest commercial organisation in Cyprus, is continuously growing and is engaging in new ventures and investments. The prospects and profitability of CTC are very good as it will also benefit from the expected profits of its subsidiary companies, Woolworth and Ermes.

Addressing the Annual General Meeting, Mr. **Marios Loucaides**, Managing Director of CTC, stressed that the characteristics of CTC are its wide spectrum of operations and high growth rates, both in its traditional activities, as well as in new, innovative sectors such as airports and telecommunications.

CTC turnover in 2007 reached €436.855.000, an increase of 70,3% from the previous year. **Net profits attributable to shareholders reached €13,8 million, an increase of 44,7%. Sales for the first six months of 2008 reached €220 million, showing an increase of 17%.**

Addressing the shareholders, the Executive Chairman Mr. Nicolas K. Shacolas made a special mention of the recent agreement between CTC and MTN South Africa, whereby the **Shacolas Group dynamically enters mobile telephony as one of the major providers of the service, in addition to fixed telephony services already provided.** Based on the agreement signed, CTC together with GERMANOS will obtain 50% of MTN Cyprus (Areeba) and at the same time CTC will sell to MTN, Infotel Ltd (Germanos chain of shops) and OTEnet Telecommunications Ltd (fixed telephony).

In his closing statement, Mr. Shacolas emphasised the following: **“Our effort is to create a culture which will promote the interests of all the shareholders of the Shacolas Group. Our aim is for our companies to create such wealth which will enable them to cover depreciation on new buildings, cover all interest on the financing of new projects and developments and payoff and reduce their bank borrowings and facilities. Our continuous aim is to pay the shareholders an annual, reasonable dividend for their investment in our companies.”**

Nicosia, 3 July 2008