



The General Manager
Mr NONDAS METAXAS
Cyprus Stock Exchange
Nicosia

Fax no. : 22-570308

Ref No.: 3/2014
30th April 2014

ANNOUNCEMENT

Sir,

Re: DH Cyprotels Plc Interim Management Report

We would like to inform you that in accordance with the provisions of the Transparency Requirements (Traded Securities on a Regulated Market) Law 2007 (L.190 (I) / 2007) as amended, the DH Cyprotels Plc below presents the Interim Management.

Bank of Cyprus has appointed managers/receivers to our Company since 10-01-2014 based on the Floating Charge held in exchange of the credit facilities that provided to our Company.

By the end of last year's tourist season, the lease of Poseidonia Hotel had been terminated. The operation of the other hotels of the Group is undertaken by the subsidiary Astarti Development Plc (Hence, for more details please read the announcement of the subsidiary Astarti Development Plc).

During the reporting period a judgment was issued against the Company for the amount of €3.2 ml in a pending lawsuit against DH Cyprotels by the owner Company of Poseidonia Hotel. The legal advisors of the company have appealed the decision.

The recent negative developments in Crimea predicted to affect the projected growth of tourist from Russia.

Considering that the financing cost as well as the as energy cost remain at high levels in Cyprus, this creates a disadvantage compared with our competitors abroad.

The competition is very high both within and outside Cyprus. From our side, we are trying in each way to face competition offering quality products and excellent services to our customers.

Faithfully yours

A handwritten signature in black ink, appearing to read 'D. Papaioannou', is written over a horizontal line.

Demetra Papaioannou
Compliance Officer

We agree with the above announcement.

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Eleftherios Philippou & Alkis Christodoulides
Receivers/Managers

CC : The Cyprus Security Commission
Fax No. 22-754671