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Material change of the Financial State/ Capital Structure /Co-operations/ Acquisitions/
Mergers (Buy/ Sell of Major Assets/ Borrowing burdens etc)

Ermes Department Stores PLC

ERME

SPAR ENTER CYPRUS (en)

Please find attached the below announcement
(en)

Attachment:

1. **ANNOUNCEMENT**

Regulated

Publication Date: 11/07/2017



Ermes Group

SPAR ENTERS CYPRUS

Ermes Department Stores PLC, a member of Cyprus Trading Corporation PLC Group, announces an exciting new partnership with SPAR International, the world's largest voluntary food retail chain. The new entity, to be created in Cyprus by Ermes, aims to establish and manage the biggest co-operation in retail foodstores and to become the leading wholesale and retail service provider to independent retailers in Cyprus, through expert leadership, cooperation and support.

The partnership between the world's largest voluntary food retail chain and Cyprus's leading retail company will bring a new dynamic to the existing competitive retail market in the country. Both entities bring a wealth of experience and expertise to this new venture. SPAR, which has 12,545 stores in 44 countries, recently reported sales of €33.1 billion for 2016. Ermes is the leading retail company in Cyprus in Apparel, Cosmetics, DIY and Electrical appliances, operating more than 90 retail shops, seven of which are in Greece, with over 75,000sq m of retail space.

The first SPAR stores to open in Cyprus are planned for Q1 2018 with a target of opening of more than 20 SPAR supermarkets over the coming five years. The stores will be both independent retailer conversions to the SPAR brand and new company owned, greenfield SPAR Supermarkets developed by Ermes.

SPAR International is providing support through retail layout and design, SPAR private label product procurement, retail staff training and development, supply chain optimisation, retail location assessment, project management, retail operations, and brand building marketing campaigns. This access to international SPAR best practice will be combined with local expertise and skills to provide independent retailers with a full package of solutions and tools to enable them to thrive and survive in a very competitive market.

Speaking about the new strategic partnership, Marios Shacolas, Executive Chairman and CEO of The Cyprus Trading Corporation PLC said "The Ermes Group's Vision for the future is to maintain market leadership in Cyprus and through new strategic alliances and associations create the right framework for continued profitable growth without compromising our social responsibility. Whilst we will benefit from the SPAR global network and support services, we will not lose sight of our need to strengthen local manufacturers, distributors and retailers, giving back to our local economy. This new partnership with SPAR is the perfect opportunity to achieve this vision and we are very confident in this new venture."

Tobias Wasmuht, Managing Director of SPAR International said "The introduction of SPAR to Cyprus provides to independent retailers of Cyprus the possibility to respond to growing market concentration in Cyprus of national and international chains, whilst meeting the

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needs of both local and international tourist shoppers. Unifying together as SPAR Cyprus permits the progressive independent retailers of Cyprus to maintain their independence, whilst seizing the benefits of a strong international food retail brand with the scale benefits of a buying group operating on both a national and international level. We are delighted to partner with the Ermes Group to bring SPAR to Cyprus and are confident in the future success of our partnership”.

For Ermes Department Stores Plc

George Mitsides
Company Secretary

Nicosia, 11 July 2017