

The General Manager  
Mr NONDAS METAXAS  
Cyprus Stock Exchange  
Nicosia

Fax no. : 22-570308

Ref No.: 5/2012  
3rd May 2012

**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), the DH Cyprotels Plc below presents the Interim Management.

After the reorganization of the Group, the Company has now undertaken the operation of hotels Poseidonia and Florida. The operation of the other major 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 there was no essential fact. Only Poseidonia hotel was operated where Florida Hotel was closed. We take all necessary actions in order to have the highest occupancy and returns. Poseidonia hotel and Florida hotel (which resumed operation late April) have high reservations until the end of the financial year giving optimism messages for the future.

The Company monitors developments in the tourist and hotel sector with a view to identifying suitable opportunities for business expansion both within and outside Cyprus.

The cost of funding remains at high levels in Cyprus, creating higher costs and simultaneously disadvantage compared with our competitors abroad. We are trying various ways to reduce our interest rates and therefore reduce finance expenses.

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.

We adapt to the challenges of time and we are confident that with our continued efforts to upgrade and improve our product we will reverse the negative effects. We expect that this year the performances of our hotels will be improved compared with those of last year.

Faithfully yours



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Lambros Georgiou  
Finance Director

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