

**Press Release**



**FY 2012 CONSOLIDATED FINANCIAL RESULTS UNDER I.F.R.S.**

**TURNOVER DECREASE FOR SPRIDER STORES IN FY 2012 –  
DECREASE OF OPERATING EXPENSES & CONTINUATION OF SALES NETWORK’  
RATIONALIZATION**

SPRIDER STORES Group of companies released its FY 2012 consolidated financial results according to the International Financial Reporting Standards.

The ongoing decline of consumption due to the continuing recession of the Greek economy, the debt crisis and the uncertainty that prevails in Greece, were the main characteristics of the fiscal year 2012. The result of the above was the drop in the activity, the reduction of the disposable income and hence of the purchasing power of the consumers and the shock of psychology as well as the shrinking of consumer confidence.

Note that according to the Greek Statistical Authority, the reduction of the apparel retail sales in 2012 stood at 19.7%.

Within the above framework the Group continued with the rationalization of its sales network and proceeded with the termination of operations of nineteen (19) points of sales. Specifically, eight (8) stores were closed in Romania, two (2) stores in Bulgaria, two (2) stores in Cyprus as well as seven (7) stores in Greece. Consequently, on December 31, 2012 the Group operated a network numbering ninety three (93) points of sales, of which seventy eight (78) in Greece, ten (10) in Romania and five (5) in Bulgaria.

It should be noted that up to the date of publication of the FY 2012 financial statements the Group has closed another twenty four (24) stores in Greece and one (1) in Romania.

Moreover, in charge of the situation described above, early in the morning on Monday, February 13, 2012 an unfavorable event took place, when the Company's headquarters in Anthousa, Attica, admitted arson attack by unidentified individuals, resulting to the complete destruction of both the headquarters and the warehouse, something that significantly affected the company's activities from that point on. The inventories and the equipment that were in the warehouse and offices of the Company were insured pursuant to SPRIDER STORES standard insurance coverage. Currently, the investigation is still in progress and thus it is not possible to safely assume the amount and time of collection of the insurance compensation.

The amount of losses due to the fire, as derived by the company's books shaped at € 12.028 thou, with possible total compensation amounting € 9.969 thou, as it is depicted in the relevant insurance contracts. However, it must be stressed, as it is provided by the Law, since up to the publication date of FY 2012 financial statements, the Fire Department in authority has not issued an official opinion, therefore the company and the group, have not formed provisions for collecting compensation from insurance companies.

Resulting from the above and according to a decision taken during the Ordinary General Shareholders Meeting dated June 29, 2012 the new company headquarters were set on 1-3, Oidipodos street and 33-35 Attiki Odos Sideway PO BOX 152 38 Halandri Attica. However, on the Extraordinary General Shareholders Meeting held on October 27, 2012 the shareholders decided that the company's headquarters will be located on 2, Irodou Attikou street Thessalonica. The company's administrative services remained in the former headquarters in Halandri.

Following a decision of the BoD as at 30/06/2012 and the as at 30/06/2012 deed of sale it was decided to sell the Romanian subsidiary SPRIDER STORES SRL to the company NAQUA INVESTMENTS LTD., which is based in Cyprus and specializes in retail sale of clothing - shoes in Eastern Europe. The price was at the level of € 640,000.00.

Before the end of the fiscal year 2012, however, this agreement has been canceled due to delay in ratification of the banks concerned. However, the Group has decided to gradually close the stores of its subsidiary, until the final closure of all stores in Romania.

The same has been decided for the Group's subsidiary in Cyprus and for this reason the operation of the two sale points in Cyprus has been stopped.

Finally, on January 8, 2013 the company has filed to the responsible court of Thessalonica, an application to be considered for the recovery process and receive precaution measures, according to the provisions of article 99 Law 3588/2007, as it is replaced and are in force today. The submission of the request was deemed necessary in order to reassure the viability of the company, the interests of its employees as well as for the company to be protected against its debtors. Management believes that through the recovery process, the company will succeed the restructuring of its liabilities and the smooth continuation of its operation. February 25, 2013 was initially set as the date of discussion in the court of Thessalonica, concerning the company's aforementioned request. It should be noted that the company received a temporary order according to which measures of individual mandatory execution are forbidden. Following a postponement the court of Thessalonica convened on Monday, March 11, 2013 and decided the continuation of the protection deriving from the received temporary order, until the reception of a final decision.

As a result of the above, FY 2012 **consolidated turnover** decreased by **31.0%** standing at **€ 81,032 thou.** compared to € 117,427 thou. in 2011. The significant decrease in turnover is due to the precipitation of the demand in the Greek market, as mentioned above, as well as to the reduction of the number of stores of the Group.

At the same time, **gross profit** stood at **€ 35,790 thou.** versus € 63,248 thou. decreased by **43.4%** compared to 2011. **Gross profit margin** in 2012 decreased by 9.7 percent points compared to 2011 standing at **44.2%** of the consolidated turnover versus 53.9% on 31/12/2011. This decrease is mainly attributed to the aggressive commercial policy, through the increased and continuous sales that took place in the stores of the Company during 2012, action which was necessary to enable SPRIDER STORES to retain and boost its market share.

Group **EBITDA** formed at losses of **€ 24,467 thou.** versus profits of € 2,442 thou. last year. It must be noted that Group **EBITDA** have been affected by:

- the amount of **€ 8.140 thou.**, concerning losses from destroyed inventory due to the fire of February 13<sup>th</sup>, which were depicted in the account "Other Expenses" and as it was mentioned above the company did not form provisions for collecting the relevant insurance compensation
- the amount of € 4,039 thou, concerning provisions for doubtful receivables.

Moreover, total consolidated expenses decreased by **18.8%** standing at **€ 49,592 thou.** versus € 61,104 thou. in 2011, reflecting Management's efforts to constrain expenses.

Group **EBIT** stood at losses of **€ 33,062 thou.** compared to losses of € 9,887 thou. in 2011. Depreciation in 2012 stood at **€ 8,595 thou.** compared to € 12,329 thou. in 2011.

**Group EBT** stood at losses of **€ 49,709 thou.** compared to losses of € 15,629 thou during the previous year. Please note that results before taxes (**EBT**) have been burdened by € 3,888 thou regarding losses from destroyed fixed assets due to the fire of February 13<sup>th</sup>, which were depicted in the homonymous account and as it was mentioned above the company did not form provisions for collecting the relevant insurance compensation. Moreover please note that:

- Net financial cost stood at **€ 4,024 thou.** compared to € 3,636 thou., reflecting the increased cost of serving the debt, due to the increased borrowing rates.
- FY 2012 results were burdened with extraordinary non recurring losses of approximately € 8,700 thou. related to the cease of operation of the aforementioned stores.

Finally, **Group EATAM** stood at losses of **€ 49,907 thou.** versus losses of € 18,643 thou. in 2011.

Within the framework of SPRIDER STORES investment plan, **the total investments realized within 2012 stood at € 1,578 thou.** and concerned primarily the rationalization of the sales network and the re-installation of the equipment for housing the administrative services of the Company, that as stated above, was destroyed.

The Group's management continues the execution of its strategic plan in 2013 as well, while at the same time monitors the volatile conditions of both the Greek market and the regional markets where the Group operates in the SE Europe, in order to promptly adjust its strategy whenever deemed necessary. The strategic priorities for 2013 continue to comprise of the rationalization of the sales network, the constraint of operational expenses and the fortification of the operational cash flow.

#### FY 2012 Income Statement

(amounts in € thou.)	31/12/2012 (1)	31/12/2011 (2)	31/12/2010 (3)	Δ (%) (1) – (2)
Turnover	81,032	117,427	144,432	-31.0%
Gross Profit	35,790	63,248	80,597	-43.4%
(% of turnover)	44.2%	53.9%	55.8%	
EBITDA	(24,467)	2,442	6,805	NA
(% of turnover)	NA	2.1%	4.7%	
EBIT	(33,062)	(9,887)	(4,523)	NA
(% of turnover)	NA	NA	NA	
EBT	(49,709)	(15,629)	(10,783)	NA
(% of turnover)	NA	NA	NA	
EAT	(49,907)	(18,643)	(9,910)	NA
(% of turnover)	NA	NA	NA	

- NA : Non applicable

#### FINANCIAL CALENDAR 2013

Q1 Results	Friday, May 31, 2013
Ordinary General Shareholders Meeting	Saturday, June 29, 2013
1st Half Results	Friday, August 30, 2013
Q3 Results	Friday, November 29, 2013
FY 2012 Results	Monday, March 31, 2014

\* The Group may change the aforementioned dates by publishing a new announcement.

***Note: SPRIDER STORES S.A. «Financial Data & Information» of full year 2012 will be published on Friday, March 29, 2013.***