

9 November, 2015.

Cyprus Stock Exchange
Lefkosia

ANNOUNCEMENT

Re: Approval by the Board of Directors of SFS Group Public Company Limited of the Consolidated Interim Management Statement of SFS Group, which is prepared and published during the second half of the financial year 2015.

The Board of Directors of **SFS Group Public Company Limited** (the «Company»), at a meeting that took place on Monday, 9 November 2015, studied and approved the Interim Consolidated Management Statement of SFS Group (the "Group"), which is prepared and published during the second half of the financial year 2015, pursuant to the Laws providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 to 2013. The approved Interim Consolidated Management Statement is attached.

SFS Custodian & Trust Services Limited
Secretary

CC.: Cyprus Securities and Exchange Commission.

We present the Interim Management Statement of SFS Group Public Company Limited (the "Group") pursuant to the provisions of Section 11 of the Laws providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 to 2013:

UNAUDITED INTERIM CONSOLIDATED MANAGEMENT STATEMENT FOR THE PERIOD 1 JULY TO 9 NOVEMBER 2015

The Board of Directors of SFS Group Public Company Limited (the "Company") presents the Interim Consolidated Management Statement of the Group which is published during the second semester of the financial year 2015 and covers the period from the commencement of the second semester of 2015 until today (the "reference period") and which has not been audited by the external auditors of the Group.

Main activities

The Group's main activities remain the same and include the provision of advisory and other financial services in Cyprus and abroad, purchase and/or sale of titles for own account as well as for third parties, investments in property and property development, strategic investments in associated companies, trading activities and other related services.

Significant facts and transactions

During the reference period, there were no significant transactions taking place that would affect the results of the Group. Nevertheless, the unprecedented economic crisis and the protracted, deep recession, continue to bear negatively on the Group results and future prospects, and foster risks and uncertainties (see below).

Results

Group Results during the reference period, show a small reduction in Total Revenues as compared to those in the corresponding period of last year. This reduction is mainly due to the reduction of revenues from the real estate and financial sectors. The Total Contribution of activities also presents a reduction during the reference period in relation to the corresponding period of last year, chiefly due to reduction in gross profits from the real estate and financial sectors, as well as on increased losses due to revaluation of financial assets, valued at fair value in the results.

Group operating costs present an increase during the reference period as compared to the corresponding period of last year, mainly due to the provision made for debtors in default, whereas the sales and distribution costs remain stable in relation to the corresponding period of last year. Financing costs during the reference period also present an increase as compared to the corresponding period of last year, mainly due to increased cost of servicing of existing loans. As a result, loss from activities during the reference period presents an increase as compared to that of the corresponding period of last year.

Financial Condition

Total Group Assets remained at approximately the same levels as at 31 December 2014, whereas the Total Shareholders' Equity presents a decrease corresponding to the Group loss during the reference period.

Continuing Risks and uncertainties

Despite the stabilization of fiscal indicators and the announced expectations for a modest macroeconomic growth in 2016, conditions in the private and business sector in Cyprus continue to be characterized by significant uncertainty and lack of liquidity. The still uncertain economic conditions, limited liquidity for loans combined with the problems and adversities faced by the banking sector, have materially influenced:

- The ability of the Group to secure new loans or to re-finance existing loans under terms and conditions comparable with those of previous transactions,
- The ability of commercial and other debtors to repay their dues towards the Group,
- The ability of the Group to dispose existing reserves or to conclude contracts for the development of new real estate units and/or to have sufficient business turnover and/or to provide its services to clients, and
- The cash flow provisions of the Group and the revaluation of financial and non-financial assets.

These conditions, in conjunction with the current economic environment, could further negatively impact on the value of the assets, the economic results, the cash flows of the Group and, by extension, its ability to continue operating on a going concern basis.

The Management of the Group is in no position to exhaustively predict all risks and uncertainties during the second semester of the year and whether those will materialize or not, and, in case they materialize their impact on the Cypriot economy, and consequently, any impact in the future financial performance, the cash flows and the financial position of the Group. It is considered that necessary measures for the preservation of the viability of the Group, in the current, particularly difficult, business and financial environment are being taken.

Prospects

The second semester of 2015 appears to be at least as difficult in all main sectors of activities of the Group. The aims of the Group for the year, are the successful restructuring of the majority of its loans as well as, in the best way possible to protect shareholders' equity from significant fluctuations that are observed in the values of all investments (capital) in all sectors of the Cypriot economy, with a view to securing in the most expedient manner the Group assets, until the exit of the economy from the deep and protracted recession, following the unprecedented crisis it has experienced.

The main areas of concentration of the Group for 2015, remain:

- Financial activities
- Management and development of real estate (Cyprus)
- Commercial activities (Cyprus)

Prospects (cont.)

The Group results are expected to continue to be negatively affected by the economic recession. Furthermore, the uncertain economic conditions, in conjunction with the, still very limited liquidity for financing by the banking sector, are expected to continue to bear a negative impact in the ability of the commercial and other debtors of the Group to repay their dues, in the real estate prices and levels of rents received, in the interest for sales and purchases in the real estate sector, and other commercial sectors.

The continuing viability of the Group will depend, on the one hand, on the successful restructuring of the majority of its loans and, on the other, on the Cypriot economy developments and especially on developments in real estate prices.

The trend of the European and international stock exchanges is also expected to affect, albeit to a lesser degree, the prospects of the Group.

9 November 2015.