

28 April, 2014

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 first half of the financial year 2014.

The Board of Directors of **SFS Group Public Company Limited** (the «Company»), at a meeting that took place on Monday, 28 April 2014, studied and approved the Interim Management Statement of SFS Group (the «Group»), which is prepared and published during the first half of the financial year 2014, pursuant to the Laws providing for Transparency Requirements (Securities Admitted to Trading on a Regulated Market) of 2007 to 2013. The approved Interim 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 MANAGEMENT STATEMENT FOR THE PERIOD 1 JANUARY TO 28 APRIL 2014

The Board of Directors of SFS Group Public Company Limited (the "Company") presents the Interim Management Statement of the Group which is published during the first semester of the financial year 2014 and covers the period from the commencement of the first semester of 2014 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 continuing, unprecedented economic crisis and the protracted, deep recession, continue to bear negatively on the Group results, and foster risks and uncertainties (see below).

Results

Group Results during the reference period, show a reduction in total revenues as compared to those in the corresponding period of last year. The Total Contribution of operations is also reduced in the reference period as compared to the corresponding period in the last year, as well as operating costs are reduced as compared to the corresponding period of last year, following the continuous efforts of the Management for the better handling and reduction of costs. As a result, despite the continuing crisis, during the reference period, loss from activities remained in similar levels with those of the corresponding last year period.

Financial Condition

Total Group Assets remained at approximately the same levels as at 31 December 2013, whereas the Total Shareholders' Equity presents a decrease corresponding to the Group loss during the reference period.

Continuing Risks and uncertainties

Group results continue to be negatively affected from the recessionary economic trend, with further decreases in the revenues from the commercial sector, financial sector, as well as those resulting from real estate management and development. Furthermore, the still uncertain economic conditions, coupled with the, up-to-date, virtually non-existent availability of liquidity for loan financing by the banking sector, are expected to negatively impact on the ability of commercial and other debtors of the Group to repay their dues towards the Group, on the real estate prices and rent receivables, interest for sales and purchases in the real estate sector,

and in other commercial sectors. The Group's viability in the middle-to-long term, will depend on the developments in the Cypriot economy and particularly, the real estate values.

The Board of Directors and the Management of the Group consider that the Company and the Group maintain their ability to continue their operations on a going concern basis, for the following reasons:

- The Group, by employing drastic cuts/reduction of its operating expenses, managed to have during 2013 positive cash flow from its operations and the same is expected to hold for 2014.
- The Group has been in contact with the banks it co-operates with, in relation to the restructuring of its loans. This process was frozen following the Eurogroup decisions, but recommenced in early 2014.
- The Group possesses assets which can be liquidated in order to reduce, to a considerable extent, its current obligations as well as its loans.

The Management of the Group considers that it takes all necessary measures for the preservation of the viability of the Group and the expansion of its activities, in the present, particularly difficult, business and economic environment.

28 April 2014.