



**“FOLLI - FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL  
SOCIETE ANONYME”**

**REG. NO.: 3027701000**

**23<sup>rd</sup> km ATHENS – LAMIA HIGHWAY 145 65, AG. STEFANOS, ATTICA**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE PERIOD 01.01.2015 TO 31.12.2015  
PURSUANT TO LAW 3556/2007**

The attached financial statements for the period 01.01.2015-31.12.2015 were approved by the Company's Board of Directors on March 30<sup>th</sup> of 2015 and were published by being posted in the internet, at [www.ffgroup.com](http://www.ffgroup.com). They have been translated from the original statutory financial statements which have been prepared in Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will still prevail over this document.

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## **A. Statement of the Board of Directors**

(according to article 4 §2 of law 3556/2007)

Under the aforementioned status, especially being assigned for this purpose by the Board of Directors of the Societe Anonyme under the name "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME", from now on called "Folli Follie Group.", we declare and confirm that, to the best of our knowledge:

(i): the Group's Full Year 2015 Financial Report, which has been conducted in accordance with the International Accounting Standards in effect, gives a true and fair view of the assets, liabilities, equity and financial results of the Company and the Group as well as of the companies that are included in the consolidation taken as a whole, in accordance with § 3-4 of article 4 of Law 3556/2007.

(ii): the Group's Full Year 2015 report of the Board of Directors reflects in a true development, performance and position of Folli Follie Group in accordance with article 4 of Law 3556/2007.

Agios Stefanos, March 30<sup>th</sup>, 2016

The members of the Board of Directors:

Dimitrios Koutsolioutsos, Chairman – Executive Member of the Board of Directors

George Koutsolioutsos, C.E.O. – Executive Member of the Board of Directors

Emmanouil Zachariou, – Deputy C.E.O.-General Manager, Executive Member of the Board of Directors

## B. Board of directors Annual Report for the fiscal period 01.01-31.12.2015

### To the Regular General Meeting of Shareholders of the year 2015

Dear Shareholders,

The present Board of Directors Financial Report for the period 01.01.2015-31.12.2015 was prepared according to the provisions of §6-§8 article 4 of L. 3556/2007 as well as the relevant executive decisions 1/434/3-7-2007 and 7/448/11.10.2007 issued by Hellenic Capital Market Commission board, as well as the article 136 of L. 2190/1920.

The Board of Directors Annual Report includes the information specified by the aforementioned provisions which, according to the management of the firm, constitute an accurate depiction of the development, performance and position of the Company in the period under review. It also includes additional information, for risks that may arise in relation to the size and complexity of its operations, when necessary, in order to derive meaningful and comprehensive information on the activities of the company, named "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" with a distinctive title "FOLLI FOLLIE GROUP" and its subsidiaries.

The present report includes, along with the Company's financial statements for the Full Fiscal Year 2015, other information and statements required by law and is divided into the following sections:

#### I. Review for the Full Year 2015

##### Consolidated results (Continuing operations)

P&L Statement in € mil.	2015	2014	CNG%
<i>Sales Revenue</i>	1.193,04	998,06	19,54%
<i>Gross Profits</i>	581,23	501,75	15,84%
<i>Operating Profits (EBIT)</i>	238,54	202,36	17,88%
<i>Profit before taxes, financing &amp; investing results, depreciation and amortization</i>	265,01	223,00	18,84%

Specifically, **revenues (continued operations)** amounted to €1.193 million in 2015, from €998 million in 2014, increased by 19,5%. **EBITDA** reached €265 million from €223 million, increased by 18,8%.

##### FF GROUP operates in four core business segments:

- The design, processing and distribution of jewellery, watches and other relevant accessories (bags, belts, pashminas, sunglasses, small leather goods, etc.).
- The operation of department stores and outlets.
- Wholesale and retail of branded clothing, footwear, perfumes and limited involvement in other activities

The Group, except for the Greek market, which represents the 23,9% of its turnover, operates through its subsidiaries in European countries, in North America, in Middle East, in Africa and in Asia.

Details on the various operating segments:

#### **a) Jewellery - Watches – Accessories**

This segment deals with the design, manufacturing, processing and marketing of jewellery, watches and other similar fashion accessories like handbags, small-sized leather goods, belts, pashminas and sunglasses.

The Group's Commercial activities primarily focus on wholesale and retail products, under the brand Folli Follie, covering a spectrum of 30 countries. In addition, through its subsidiary company Links of London Limited, Group's products are available through an extensive points of sale network across Europe, Middle East, Africa and North America, as well as via selected outlets engaged in wholesale transactions on a global basis.

#### **b) Department Stores**

The Group operates five department stores, under the brand name "Attica", through its subsidiary "Attica Department Stores S.A.". The flagship store, which is the largest one, is located in Athens city centre, while there are two more Attica stores running inside two of the greatest malls within the broader Athens area. More precisely, the first one is located in a fancy mall called "Golden Hall", whereas the second is established in "The Mall" of Athens. With respect to the two remaining stores, both are located in Thessaloniki, the second city of Greece in terms of size. The older of the two is placed inside the mall "Mediterranean Cosmos", located in the city's suburbs, while the latest was opened in the Thessaloniki city centre. Aside from Attica Stores, the Group is successfully operating two discount department stores under the brand name "Factory Outlet" at Piraeus Street and at the commercial park of Athens International Airport.

#### **c) Retail – Wholesale**

The Retail-Wholesale sector is operated by the Group's subsidiaries FF Group Romania SRL, FF Group Bulgaria EOOD, FF Holdings S.A., Collective Patras S.A., Moustakis S.A.

The Group's retail distribution network covers more than 30.000 m<sup>2</sup> in the three countries, Greece, Romania and Bulgaria.

This segment includes the following:

- i. **Wholesale** of clothing, shoes, accessories and fragrances. Group's distributions regard the sale of: sports apparel and footwear, as well as general active wear and street wear collections with special interest in apparel, footwear, fashion accessories, kids clothing, footwear and fashion accessories (fashion), children's clothing, travel goods and perfumes.
- ii. **Retail sales** of footwear, clothing accessories for mono-brand/ and multi-brand retail apparel, footwear-accessories and perfumes.

<b>SALES PER SEGMENT (after eliminations)</b>				
<b>Continuing Operations</b>				
<i>Amounts in € mil.</i>	<b>2015</b>	<b>2014</b>	<b>% Δ</b>	<b>% in total</b>
Jewellery-Watches-Accessories	857,0	704,9	21,6%	71,8%
Department Stores	171,4	153,5	11,6%	14,4%
Retail / Wholesale	164,7	139,7	17,9%	13,8%
<b>Total</b>	<b>1.193,0</b>	<b>998,1</b>	<b>19,5%</b>	<b>100,0%</b>

### **Sales per segment (post elimination)**

- Revenues of the segment **"Jewellery-Watches-Accessories"** rose during the year 2015 by 21,6% to €857 million compared to €704,9 million in the corresponding year of 2014.
- Revenues in **"Department Stores"** increased during 2015 by 11,6% with revenues reaching €171,4 million from €153,5 million in the corresponding year 2014.
- Subsequently, the sector **"Retail and Wholesale"** reported for the year 2015 revenues of €164,7 million from €139,7 million in 2014, increased by 17,9%.



- Financial Position of the Group and ratios

FF GROUP			
Liquidity		31.12.2015	31.12.2014
General	Current Assets	6,88	5,24
	Current liabilities		
Direct	(Current Assets-Inventories)	4,71	3,83
	Current liabilities		
Cash	(Cash + Securities)	117,49%	114,23%
	Current liabilities		
Working Capital	(Receivables + Inventories)	894.871.684,79	686.673.201,83
	(Suppliers + Other Current Liabilities)		
Activity			
Velocity of money	Net sales	0,77	0,73
	Current Assets		
Recovery	Average Receivables /	171,28	169,00
	Net sales		
Inventory turnover	Cost of goods	1,43	1,60
	Average stock		
days Inventory	Average stock	255,60	228,50
	Cost of goods		
Financial			
Indebtedness	International Equity	27,27%	30,91%
	Total Equity		
Loans to Equity	International Equity	0,37	0,45
	Total equity		
Profitability			
Gross profit	Gross profit	48,72%	50,27%
	Sales		
Return on Assets	Net Profit	8,45%	7,38%
	TOTAL ASSETS		
Return on Equity	Net Profit	11,62%	10,69%
	Total equity		

## **II. Significant events during 2015**

### **External Environment**

The year 2015 has been an eventful and challenging year for Greece on the back of two general elections in a period of just eight months, a referendum in between, a protracted bank holiday and capital controls since July, as well as a third bailout and a EUR14bn recapitalization of banks. But the economic shocks turned out milder than expected, with GDP declining by only 0.3% last year, a resilience that was driven, to a large extent, by private consumption. In the first three quarters of 2015 private consumption was growing on average by 0.9% yoy as 'Grexit' fears subsided and a sense of stability emerged post September's general elections.

After a long period of recession finally in 2014 growth turned positive, but increased political uncertainty and prolonged negotiations with creditors sharply deteriorated business and consumer confidence undermined domestic demand and led to a prolonged flight of deposits.

To ensure the stability of the banking system, a bank holiday and capital controls were imposed in July 2015, limiting cash withdrawals from banks and cash transfers abroad. High levels of non-performing loans and deposit outflows during the first half of 2015 have been constraining credit.

The new financing program agreed with the European Stability Mechanism in 2015 has removed short-term fiscal financing uncertainties and led to a new slower pace of fiscal consolidation, which will be good for growth. Together with diminished political uncertainty after the September 2015 elections and the gradual softening of capital controls, confidence has improved and bond spreads have been reduced.

A relatively unimpeded implementation of the new program, together with the new public debt intervention, could reinstate the acceptability of the Greek sovereign bonds held by the banks as collateral by the European Central Bank (ECB) for the provision of liquidity. It could also lead to a return of the deposits withdrawn from the banking system since December 2014 and at a later stage to make the access to the quantitative easing program of ECB feasible. These developments would strengthen the ability of the banking system to provide credit and will speed the lifting of the capital controls.

The liquidity of businesses in 2016 will also improve, albeit to a lesser degree, by the halt of the growth of arrears and acceleration of their repayment.

The restart of the program of privatization – utilization of state-owned private property could provide a further boost to investment activity. However, the planned for this year activities of the Hellenic Republic Asset Development Fund (HRADF), even if fully executed, will lead to the implementation of investment projects mostly from 2017.

Following its recapitalization, the banking system can also gradually contribute to the revival of the economy. Its actions will depend on the implementation progress of the program, which will steady the financing of the Greek state, lifting the unprecedented liquidity crunch experienced in 2015.

Greece has implemented significant labor market reforms, but significant progress has still to be made. Competitiveness has improved markedly, the unemployment rate at 25%, is still high despite a moderate decline since 2013. Tax and benefit reforms have materially improved the budget position, but public debt is still very high.

Fully implementing key structural reforms would significantly boost output over the next decade. This additional growth would also bring much needed jobs and generate part of the resources needed to develop a better social safety net.

Following a deep and prolonged depression, during which real GDP fell by 26% the Greek economy is projected to grow again in the course of 2016 and 2017, but a full recovery will take time.

## **Business Developments of the Group 2015**

### **07/08/2015 FF Group announces a new exclusive distribution agreement with the Shiseido Group**

As a result of FF Group's strategic focus on growth and development, the Group announces the expansion of its Beauty & Cosmetics activity with the exclusive representation and distribution of SHISEIDO products in Greece and Cyprus.

Folli Follie S.A. acquired all shares of the Shiseido Group's subsidiary SHISEIDO HELLAS (Athens, Greece), which imports and sells the global brand "SHISEIDO" products in Greece.

Shiseido concluded an agency contract for importing and selling the global brand "SHISEIDO" in Greece, with SHISEIDO HELLAS (corporate name has been changed to SELECTIVE COSMETICS HELLAS S.A.), which became affiliated with Folli Follie S.A. and will further enhance the brand toward the sustainable growth in Greece through a collaboration structure with FF Group which has strong sales and marketing capabilities in the Greek market.

The FF Group started its activities in the Beauty & Cosmetics channel in the beginning of 2012 with the exclusive representation and distribution of PROCTER & GAMBLE PRESTIGE fragrance products in Greece, as well as Dolce & Gabbana Make Up, during the following years this activity was enriched with the brand Molton Brown as well as the store concept "Heaven on Earth".

The new cooperation with the SHISEIDO GROUP marks an important addition to our existent portfolio for our Beauty and Cosmetics activity into skincare, and stands for a strong commitment to further development and internationalize this division outside the Greek core market.

The SHISEIDO GROUP is one of the oldest cosmetics company in the world and was founded in the 19th century. The company has a long lasting presence in the Greek market and started its local operation in 1991.

### **07/09/2015 FOLLI FOLLIE S.A.: Financial Calendar 2015 (updated for the Capital Return and distribution of Tax Free Reserves)**

The Board of Directors of the Company, during its meeting of September 4<sup>th</sup>, 2015 decided on the cut-off dates and the payment dates:

a) Of the capital return € 0,19821526131 per share that has been decided by the Annual General Meeting of Shareholders on June 26<sup>th</sup>, 2015.

b) Distribution of tax free reserves pursuant to article 72 paragraph 12 of tax law 4172/2013, as decided by the Extraordinary General Meeting on December 29<sup>th</sup>, 2014. The net distributable amount of the untaxed reserves amounts to € 0.10052312165 per share. This amount is not subject to further taxation of the shareholders or the company as it has already been paid by the company independently at an applicable tax rate of 19% with consequent depletion of any further tax liability.

Following the above resolutions on the above dates, the economic calendar 2015 is as follows:

Shareholders' entitled for the capital return and the tax free reserves - record date: 23/09/2015

Cut-off date: 22/09/2015 (post 18/09/2015, date of expiration of the futures contracts SME listed in the derivatives' market, having underlying security the Company's share).

Commencement of payment of the capital return and tax free reserves: 29/09/2015. The capital return and tax

free reserves will be paid through Piraeus Bank. Through a separate announcement the Company will inform investors on the details and the procedure for the payment of the capital return and tax free reserves.

### **- General meeting of shareholders resolutions**

The decisions of the Group's General Meetings which took place on June 26<sup>th</sup>, 2015 are as follows:

**«FOLLI-FOLLIE COMMERCIAL MANUFACTURING SOCIETE ANONYME»**, under the trade name «FF GROUP» (hereinafter, the "Company"), announces that, today this Friday the 26<sup>th</sup> June 2015, Friday, at 12:00 pm, at the offices of the Company in Agios Stefanos, Attica, 23<sup>rd</sup> km. of Athens – Lamia National Road, the shareholders of the Company convened into a General Meeting pursuant to announcement of the respective invitation.

In the General Meeting were present or represented shareholders representing 73.42% (quorum) of the Company's share capital, namely 49,153,754 shares and voting rights out of a total of 66,948,210.

More specifically, today the Shareholders General Meeting adopted the following resolutions:

1. Approval of the annual company's and consolidated financial statements for the fiscal year 1st January 2014 – 31st December 2014, after having heard the reports of the Board of Directors on the realization of the above fiscal year and the Chartered Auditor-Accountant. 49,088,612 shares voted in favor, i.e. 99.87% of the total shares there represented. 5,256 shares voted against, i.e. a percentage of 0.01% of the total shares there represented. 59,886 shares abstained, i.e. a percentage of 0.12% of the total shares there represented.
2. Resolution on the distribution of the net profits of the fiscal year 1st January 2014 – 31st December 2014 and on the non-distribution of dividend to the shareholders. 49,153,754 shares voted in favor, i.e. 100% of the total shares there represented.
3. Release of the members of the Board of Directors and the Chartered Auditor-Accountant from any liability to compensate for the fiscal year 2014. 48,952,694 shares voted in favor, i.e. 99.59% of the total shares there represented. 132,083 shares voted against, i.e. a percentage of 0.27% of the total shares there represented. 68,977 shares abstained, i.e. a percentage of 0.14% of the total shares there represented.
4. Election of Mrs. Chryssoula Tsakalogianni, daughter of George, (SOEL no. 23811), as an ordinary Chartered Auditor – Accountant and Mr. George Varthalitis, son of John, (SOEL no. 10251) as a deputy Chartered Auditor – Accountant, both members of the auditing company "V.N.T. AUDITING S.A." (ELTE no. 045 and SOEL no. 174 under the trade name "VNT S.A. Certified Public Accountants", for the fiscal year 2015 and definition of their remuneration due for that year. 41,716,399 shares voted in favor, i.e. 84.87% of the total shares there represented. 6,119,943 shares voted against, i.e. a percentage of 12.45% of the total shares there represented. 1,317,412 shares abstained, i.e. a percentage of 2.68% of the total shares there represented.
5. Approval of all kinds of fees and compensations paid to the members of the Board of Directors in fiscal year 2014 and prior approval of all kinds of fees and compensations to be paid during fiscal year 2015. 38,801,890 shares voted in favor, i.e. 78.94% of the total shares there represented. 4,335,441 shares voted against, i.e. a percentage of 8.82% of the total shares there represented. 6,016,423 shares abstained, i.e. a percentage of 12.24% of the total shares there represented.

6. Approval of provision of guarantees, facilities (including share capital increases) in favour of affiliated companies of the group according to article 42 e par. 5 of cl 2190/1920 and authorization to the Board of Directors for the materialization of the said decision. 49,149,164 shares voted in favor, i.e. 99.99% of the total shares there represented. 4,590 shares voted against, i.e. a percentage of 0.01% of the total shares there represented.
7. Approval of a program for buying owned shares by the company and decision on the minimum price of acquisition at 5 Euros and maximum price at 50 Euros. 46,708,530 shares voted in favor, i.e. 95.03% of the total shares there represented. 1,446,353 shares voted against, i.e. a percentage of 2.95% of the total shares there represented. 998,871 shares abstained, i.e. a percentage of 2.02% of the total shares there represented.
8. Increase of the share capital by capitalization of a part of the reserves above par value (amounting to 13,270,156.94 Euros), by way of relevant increase of nominal value of the share. 47,846,812 shares voted in favor, i.e. 97.34% of the total shares there represented. 398,967 shares voted against, i.e. a percentage of 0.81% of the total shares there represented. 908,075 shares abstained, i.e. a percentage of 1.85 % of the total shares there represented.
9. Equal reduction (i.e. for the amount of 13,270,156.94 Euro) of the share capital, return of cash to the shareholders (amounting to 0.20 Euros per share), reduction of the nominal value of the share and provision of the necessary authorizations to the Board of Directors of the Company in relation to the return of the amount of the reduction of the capital to the shareholders in cash, the record date and the date of the commencement of the payment of this return of cash. 47,846,812 shares voted in favor, i.e. 97.34% of the total shares there represented. 398,967 shares voted against, i.e. a percentage of 0.81% of the total shares there represented. 908,075 shares abstained, i.e. a percentage of 1.85 % of the total shares there represented.
10. Resolution on item 10 was adjourned for the next meeting.

#### **- Treasury shares**

As of 31.12.2015 the Company holds 501.148 treasury shares.

### **III. Significant Events after the ending period and until the preparation date of the Report**

There are no subsequent events from the end of the period and until the preparation date of this report which influence significantly the financial statements of the Group.

#### **Main risks and uncertainties for 2015**

The main risks of the current financial year according to the Administration are the following:

### **IV. Risks associated with the macroeconomic environment**

- The uncertainty stemming from the Greek financial crisis is likely to impose adverse effects to the business, the operating results and the financial position of the Group.
- Changes in consumers' behaviour.
- The Group is susceptible to economic and political risks, as well as uncertainties pertaining to countries where it operates.
- Market Risk
  - Interest Rate Risk
  - Foreign Exchange Risk
  - Prices - Inflation
- Credit Risk
- Liquidity Risk
- Inventory Risk

## **Market Risk**

### **i) Interest Rate Risk:**

This risk stems from bond loans and short-term bank loans of the Group and of the leasing contracts with relating to buildings and equipment of the Group, namely the fact that these agreements are denominated at a floating rate linked to EURIBOR. Therefore, the Group is exposed to an interest rate fluctuation risk. As part of addressing this risk, the Group uses interest rate risk hedging tools.

### **ii) Foreign Exchange Risk:**

a) Risk of reduced gross profitability due to appreciation of foreign currencies: The risk is derived from the fact that the company (and the group) purchases the greatest part of its products in prices expressed in USD and sells these products to the markets in which it is active in prices expressed in local currencies. The Group's products' sales prices are finalized several months before their receipt and repayment and any possible dollar revaluation, in relation to local currencies, would increase the cost of sales, without allowing the increase of sale prices, thus depriving the Group from a part of its gross profit. Also, part of the Group's disposal expenses, and mostly royalties, is expressed in US dollars. Thus, any possible US dollar revaluation in relation to the Euro would increase the Group's operating expenses. The management of this risk is performed by the Group's cash management department, in collaboration with the pertinent commercial management, and the strategy and general planning are provided by the company's Board of Directors. Commercial managements take into consideration the foreign exchange rate change risk during the determination of their products' retail sale prices. The Group also uses foreign exchange risk setoff products, mostly forward type agreements.

b) Risk from the conversion of financial statements expressed in foreign currency: The Group has investments in foreign companies, which operate in currencies other than Euro and thus their financial statements are not prepared in Euro. The Group is exposed to a risk from the conversion of the said financial statements to Euro, in order to be consolidated in the Group's financial statements.

### **iii) Price risk – Inflation:**

According to the administration, the Group runs no risk from price fluctuation, since it does not own a significant securities portfolio and the prices of the products it sells do not present particular fluctuations. Thus, the international increase of inflation pressure in combination with the disturbance of the international financial system may modify consuming habits, affecting the group's sales and profitability.

## **Credit Risk**

This is the risk caused by the potential breaching of contractual obligations on behalf of the trading parties. With regard to the confrontation of the credit risk from wholesale, the Group channels the sales through the most renowned department stores in the countries in which it maintains its activities, as well as via a trustworthy network of selected franchisees. In addition, the Group deals with this kind of risks by getting involved in credit insurance contracts.

## **Liquidity risk**

Despite the unprecedented financial crisis and the liquidity downside on a global basis, the Group retains high liquidity due to its adopted capital structure as well as the retail nature of the greatest proportion of its sales. What is more, the Group acts with a view to the reinforcement of this liquidity, through the successful opening of discount outlets, aiming to the disposal of the older stock and the limitation of expenses.

## **Inventory risk**

This risk is a result of the intense retaining of older stock from certain companies of the Group and concerns its inability to dispose this stock or to distribute it in prices lower than those eventuated during its appraisal process. This risk is alleviated via specialized disposal areas-markets such as: Outlet type discount department stores, discount outlets and large hotel units, located in countries that the Group is commercially active. The Group has evaluated its older stock at its net realizable value. The estimation of these values is based on the management's experience and the actual market data. Furthermore, management believes that this evaluation method (essentially forecasting for stock evaluation) covers the inventory risk entirely.

## **External Factors that may affect the financial results and the share price**

The supply and demand for products, as well as the cost, sales and results of the Issuer and the Group overall, are affected by various external factors, such as political instability, financial uncertainty and the market recession. These risks affect each company in a different degree, regardless of the sectors they are doing business in.

## **V. Labour and environmental issues**

On December 31, 2015 the Group employed 5.162 employees, over 4.949 employees on December 31, 2014. The corresponding figures for the Company are 1.104 versus 1.143. The Group employs (a) employees with permanent contracts, (b) wage workers, and (c) hourly employees. Additionally, a Labour union was formed in consolidated companies Attica Department Stores S.A. (About 180 members).

The Group fully respects the environmental legislation of the countries it operates. More precisely, it participates in recycling programs and ensures the accurate application of the relevant laws in terms of (a) packaging, (b) electrical accumulators and other vehicles equipment, as well as (c) electrical and electronic equipment. It has also signed contracts with certified companies responsible for managing recycled material. The Group's cooperation with suppliers is based on standards prohibiting any form of child labour, discrimination or inflicted labour, securing the health and safety of the employees involved in the production process, as well as equality of payments and respect of the life quality. We visit our suppliers regularly in order to ensure that every single one of them complies with the principles of social responsibility inspired by us.

## VI. Transactions with Affiliates

The receivables and liabilities of the Group's affiliates, from and to the parent company, as well as the income and expenses of each company caused by their transactions with the parent company within 2015, according to IAS 24, are the following:

For the Group

	1/1- 31/12/2015		1/1- 31/12/2014	
	Executives	Other Related Parties	Executives	Other Related Parties
<u>Purchases of goods</u>				
Folli Follie SA		0,00		7.724,12
Attica Department Stores SA		2.976.667,00		3.283.934,47
<b>Total</b>	<b>0,00</b>	<b>2.976.667,00</b>	<b>0,00</b>	<b>3.291.658,59</b>
<u>Sales of services- Other income</u>				
Folli Follie SA		0,00		0,00
Attica Department Stores SA		32.455,00		34.810,69
<b>Total</b>	<b>0,00</b>	<b>32.455,00</b>	<b>0,00</b>	<b>34.810,69</b>
<u>Get services - Other expenses</u>				
Folli Follie SA		0,00		0,00
Attica Department Stores SA		22.584,00		31.127,40
<b>Total</b>	<b>0,00</b>	<b>22.584,00</b>	<b>0,00</b>	<b>31.127,40</b>
<u>Sales of Goods</u>				
Folli Follie SA		18.929,36		625,31
Attica Department Stores SA		0,00		2.206,65
<b>Total</b>	<b>0,00</b>	<b>18.929,36</b>	<b>0,00</b>	<b>2.831,96</b>
<u>Transactions &amp; remuneration of board members &amp; managers</u>				
Folli Follie SA	3.312.982,32	0,00	2.862.768,32	0,00
Attica Department Stores SA	283.672,25	0,00	274.791,00	0,00
<b>Total</b>	<b>3.596.654,57</b>	<b>0,00</b>	<b>3.137.559,32</b>	<b>0,00</b>
	31/12/2015		31/12/2014	
	Executives	Other Related Parties	Executives	Other Related Parties
<u>Receivables</u>				
Folli Follie SA	0,00	47.374,22	0,00	40.411,54
Attica Department Stores SA	0,00	305.683,00	0,00	0,00
Planaco SA	0,00	0,00	41.793,16	0,00
<b>Total</b>	<b>0,00</b>	<b>353.057,22</b>	<b>41.793,16</b>	<b>40.411,54</b>
<u>Payables</u>				
Folli Follie SA	0,00	0,00	0,00	0,00
Attica Department Stores SA	0,00	642.562,00	0,00	1.064.194,86
Planaco SA	12,94	0,00	0,00	0,00
<b>Total</b>	<b>12,94</b>	<b>642.562,00</b>	<b>0,00</b>	<b>1.064.194,86</b>



	1/1- 31/12/2015	1/1- 31/12/2014		1/1- 31/12/2015	1/1- 31/12/2014
<u>Sales of Goods</u>			<u>Sales of Services - Other Income</u>		
FOLLI-FOLLIE H.K. - Group	1.096.820,33	1.396.454,97	FOLLI-FOLLIE H.K. - Group	4.521.788,97	15.319,90
FOLLI-FOLLIE JAPAN LTD	130.350,52	124.939,08	FOLLI-FOLLIE JAPAN LTD	12.700,00	355,20
FOLLI FOLLIE UK LTD	0,00	0,00	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	17.756,33	7.550,58	FOLLI FOLLIE FRANCE SA	4.057,46	4.626,48
FOLLI FOLLIE SPAIN SA	61.882,36	66.849,25	FOLLI FOLLIE SPAIN SA	5.377,46	8.035,91
MFK FASHION LTD	283.260,40	609.898,65	MFK FASHION LTD	14.680,24	15.405,11
PLANACO SA	13.884,75	20.112,32	PLANACO SA	7.072,00	30.158,25
LINKS OF LONDON LTD	7.666.631,54	9.308.045,76	LINKS OF LONDON LTD	278.483,77	128.181,10
HELLENIC DISTRIBUTIONS SA	0,00	0,00	HELLENIC DISTRIBUTIONS SA	0,00	0,00
HDFS SKOPJE DOO (P.T.A.M.)	0,00	0,00	HDFS SKOPJE DOO (P.T.A.M.)	0,00	0,00
HELLENIC TOURIST BUREAU A.E.	0,00	0,00	HELLENIC TOURIST BUREAU A.E.	0,00	0,00
FF GROUP ROMANIA SRL	4.974.146,53	10.393.206,28	FF GROUP ROMANIA SRL	21.537,17	6.895,31
FF GROUP BULGARIA EOOD	3.432.671,99	5.941.551,30	FF GROUP BULGARIA EOOD	10.916,65	11.213,57
MOUSTAKIS SA	1.153.359,94	1.319.624,93	MOUSTAKIS SA	164.361,40	160.368,34
LOGISTICS EXPRESS SA	0,00	309.827,12	LOGISTICS EXPRESS SA	0,00	28.788,82
ATTICA DEPARTMENT STORES SA	11.996.384,24	12.529.332,09	ATTICA DEPARTMENT STORES SA	0,00	26,83
ICS ELMEC SPORT SRL	0,00	0,00	ICS ELMEC SPORT SRL	0,00	0,00
ICE CUBE SA	0,00	199.085,55	ICE CUBE SA	0,00	2.610,52
COLLECTIVE PATRAS SA	357.538,55	378.511,17	COLLECTIVE PATRAS SA	89.972,48	58.198,08
FOLLI FOLLIE SHENZHEN	0,00	0,00	FOLLI FOLLIE SHENZHEN	0,00	0,00
FF HOLDINGS SA	1.103.830,20	533.210,51	FF HOLDINGS SA	388.048,91	76.998,56
<b>TOTAL</b>	<b>32.288.517,68</b>	<b>43.138.199,56</b>	<b>TOTAL</b>	<b>5.518.996,51</b>	<b>547.181,98</b>
	1/1- 31/12/2015	1/1- 31/12/2014		1/1- 31/12/2015	1/1- 31/12/2014
<u>Purchase of Goods</u>			<u>Get Services - Other Expenses</u>		
FOLLI-FOLLIE H.K. - Group	6.195.424,11	6.793.803,48	FOLLI-FOLLIE H.K. - Group	36.472,33	1.257.021,44
FOLLI-FOLLIE JAPAN LTD	0,00	0,00	FOLLI-FOLLIE JAPAN LTD	0,00	245,60
FOLLI FOLLIE UK LTD	0,00	0,00	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	0,00	0,00	FOLLI FOLLIE FRANCE SA	0,00	0,00
FOLLI FOLLIE SPAIN SA	0,00	0,00	FOLLI FOLLIE SPAIN SA	3.291,38	52.616,06
MFK FASHION LTD	0,00	0,00	MFK FASHION LTD	0,00	0,00
PLANACO SA	0,00	0,00	PLANACO SA	1.020,00	2.040,00
LINKS OF LONDON LTD	835.534,03	1.744.588,47	LINKS OF LONDON LTD	117.797,92	955.392,12
HELLENIC DISTRIBUTIONS SA	0,00	0,00	HELLENIC DISTRIBUTIONS SA	0,00	0,00
HDFS SKOPJE DOO (P.T.A.M.)	0,00	0,00	HDFS SKOPJE DOO (P.T.A.M.)	0,00	0,00
HELLENIC TOURIST BUREAU A.E.	0,00	0,00	HELLENIC TOURIST BUREAU A.E.	0,00	0,00
FF GROUP ROMANIA SRL	305.721,30	105.000,31	FF GROUP ROMANIA SRL	0,00	0,00
FF GROUP BULGARIA EOOD	192.599,82	179.040,58	FF GROUP BULGARIA EOOD	0,00	0,00
MOUSTAKIS SA	271,75	467,43	MOUSTAKIS SA	0,00	0,00
LOGISTICS EXPRESS SA	0,00	114.282,44	LOGISTICS EXPRESS SA	0,00	60,00
ATTICA DEPARTMENT STORES SA	171.488,11	84.739,85	ATTICA DEPARTMENT STORES SA	161.537,96	203.827,60
ICS ELMEC SPORT SRL	0,00	0,00	ICS ELMEC SPORT SRL	0,00	0,00
ICE CUBE SA	0,00	557,72	ICE CUBE SA	0,00	0,00
COLLECTIVE PATRAS SA	323.245,18	212.279,05	COLLECTIVE PATRAS SA	0,00	0,00
FOLLI FOLLIE SHENZHEN	0,00	0,00	FOLLI FOLLIE SHENZHEN	0,00	0,00
FF HOLDINGS SA	6.053,87	114,03	FF HOLDINGS SA	175,60	0,00
<b>TOTAL</b>	<b>8.030.338,17</b>	<b>9.234.873,37</b>	<b>TOTAL</b>	<b>320.295,19</b>	<b>2.471.202,82</b>
	31/12/15	31/12/14		31/12/15	31/12/14
<u>Receivables</u>			<u>Payables</u>		
FOLLI-FOLLIE H.K. - Group	30.070.317,33	18.576.589,64	FOLLI-FOLLIE H.K. - Group	-2.768.735,88	955.891,63
FOLLI-FOLLIE JAPAN LTD	192.516,01	42.170,22	FOLLI-FOLLIE JAPAN LTD	259,40	234,11
FOLLI FOLLIE UK LTD	5.209,14	4.908,52	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	2.440.068,55	1.709.254,76	FOLLI FOLLIE FRANCE SA	0,00	0,00
FOLLI FOLLIE SPAIN SA	0,00	5.995.128,43	FOLLI FOLLIE SPAIN SA	786,50	0,00
MFK FASHION LTD	1.414.787,26	1.552.351,16	MFK FASHION LTD	0,00	0,00
PLANACO SA	6.118.702,68	5.149.925,00	PLANACO SA	0,00	3.063,41
LINKS OF LONDON LTD	32.300.621,40	10.113.331,22	LINKS OF LONDON LTD	2.913.601,53	1.940.525,15
HELLENIC DISTRIBUTIONS SA	0,00	0,00	HELLENIC DISTRIBUTIONS SA	0,00	0,00
HDFS SKOPJE DOO (P.T.A.M.)	0,00	0,00	HDFS SKOPJE DOO (P.T.A.M.)	0,00	0,00
HELLENIC TOURIST BUREAU A.E.	0,00	0,00	HELLENIC TOURIST BUREAU A.E.	0,00	0,00
FF GROUP ROMANIA SRL	5.003.379,34	7.501.892,07	FF GROUP ROMANIA SRL	0,00	0,00
FF GROUP BULGARIA EOOD	166.738,78	45.460,59	FF GROUP BULGARIA EOOD	0,00	0,00
MOUSTAKIS SA	247.107,58	301.157,98	MOUSTAKIS SA	0,00	0,00
LOGISTICS EXPRESS SA	0,00	0,00	LOGISTICS EXPRESS SA	0,00	0,00
ATTICA DEPARTMENT STORES SA	1.342.113,94	1.597.901,16	ATTICA DEPARTMENT STORES SA	95.390,74	140.898,41
ICS ELMEC SPORT SRL	0,00	0,00	ICS ELMEC SPORT SRL	0,00	0,00
ICE CUBE SA	0,00	0,00	ICE CUBE SA	0,00	0,00
COLLECTIVE PATRAS SA	0,00	0,00	COLLECTIVE PATRAS SA	238.786,24	2.873,26
FOLLI FOLLIE SHENZHEN	0,00	0,00	FOLLI FOLLIE SHENZHEN	483,15	433,24
FF HOLDINGS SA	5.828.482,34	4.034.470,19	FF HOLDINGS SA	345.356,83	436.920,69
STRENABY FINANCE LTD	12.851,48	4.890,96	STRENABY FINANCE LTD	0,00	0,00
FF Group Finance Luxembourg SA	0,00	0,00	FF Group Finance Luxembourg SA	224.473.359,50	218.061.294,74
FF Cosmetics	116.975,24	0,00	FF Cosmetics	0,00	0,00
<b>TOTAL</b>	<b>85.259.871,07</b>	<b>56.629.431,90</b>	<b>TOTAL</b>	<b>225.299.288,01</b>	<b>221.542.134,64</b>

## **Trends, Prospects and expected development of the Group**

Greater China and Asia remain the key growth drivers of the Group, supported by strong demographics of a strengthening middle class. We continue with the expansion strategy for our own brands Folli Follie and Links of London in Asia supported by our strategic partner Fosun International. Leveraging on our diversified geographic exposure and product portfolio we support our overall growth profile.

Our domestic activities experienced a significant recovery during the last two years; we achieved significant market share gains and continued to invest into expanding the store network. Regarding the prospects of the Greek market, they are positively correlated with those of the Greek economy.

Seasonality has a significant impact on the Group. For the activity jewellery, watches and accessories seasonality can be observed during the holidays (Christmas, Eastern and Chinese New Year) as well as during the summer sales season. For retail and wholesale of clothing & footwear, during the first and third quarter of each year. During these periods wholesale sales are positively affected by planned purchases of large wholesale customers for the periods spring/summer, autumn/winter.

## **Corporate Governance Statement**

### **A) Corporate Governance Principles**

The Company has adopted Principles of Corporate Governance, as defined by the current Greek legislation and international practice.

### **B) Corporate Governance Code**

Our company hereby states the adoption of the widely accepted Corporate Governance Code of the Hellenic Federation of Enterprises (SEV) for Listed Companies. This code can be found at the SEV's website, under the following address: The Company complies with the specific practices for listed companies provided by the Greek Code of Corporate Governance (EKED): [http://www.ecgi.org/codes/documents/hellenic\\_cg\\_code\\_oct2013\\_en.pdf](http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf). The company may proceed to amendments in the Code and the Corporate Governance Principles applied.

The term "Corporate Governance" describes the way in which companies are managed and controlled. Corporate governance is in particular a system of relations between the company's management, the Board of Directors (BoD), its shareholders and other stakeholders, constitutes the structure through which the objectives of the company are approached and set, identifies the key risks that are faced during its operation identifies the means of achieving corporate goals, organizes the system of risk management and enables the monitoring of the management's performance during the procedure of the implementation of the above. and enable monitoring of performance management in the implementation process of the above.

Effective corporate governance plays an essential role in promoting the competitiveness of enterprises, strengthening internal operating structures and growth from innovative actions, while increased transparency has improved the transparency for the economic activity of private companies and public organizations and institutions in a wider sense with obvious benefit for shareholders and the investment community.

In October of 2013 the new Corporate Governance Code of the Hellenic Federation of Enterprises (SEV) for Listed Companies was released, which amended the original in the framework of the first revision of the Greek Council of Corporate Governance (ESED). ESED was founded in 2012 and is the result of the collaboration between the Athens Stock Exchange (ATHEX) and the Hellenic Federation of Enterprises (SEV), and recognized jointly the contribution of corporate governance for the continuous improvement of the competitiveness for Greek enterprises and the gain of credibility for the Greek market and works since then systematically since towards this direction.

## **Deviations from the Corporate Governance Code and justification**

### **Board of Directors' role and competencies**

- The Board of Directors has not proceeded to the establishment of a separate committee supervising the procedure of candidacy submission for election in the Board of Directors and preparing suggestions to the Board of Directors with regard to the rewards of the executive members and main top executives, given that the Company's policy in relation to these rewards is not fixed and settled.

### **Board of Directors' size and composition**

- The Board of Directors consists of 6 executive members, 5 non-executive members and 2 independent, non-executive members. This balance has provided the Board with effective and productive operation during the last years.
- The Board of Directors does not appoint an independent Vice Chairman among its independent members, but an executive one, since the assistance of the Board of Directors' Vice Chairman and Chairman is considered extremely important for the exercise of the Board's executive duties.

### **Duties and behaviour of Board of Directors' Members**

- The detailed notification of any occupational commitments of the Board of Directors' members is not required (including significant non-executive commitments in companies and non-profit foundations) before their appointment in the Board of Directors.

### **Board of Directors' candidate members**

- There is no committee promoting the candidacies for the Board of Directors, since due to the company's structure and operation, this type of committee is not considered necessary at the moment.

### **Board of Directors' operation**

- At the beginning of each calendar year, the Board of Directors does not endorse a calendar of meetings or a 12-month action plan, since its convention and meeting are easy to arrange whenever the company needs or the law provides it, without requiring a predetermined action plan.
- The Chairman does not have regular meetings with non-executive members, without the presence of executive members, to discuss their performance and rewards and other relative issues, since any issue is discussed with the presence of all members.
- There are no introductory information programs ensured by the Board of Directors for new members, nor a constant occupational training for other members, since the persons suggested to be elected as Board of Directors' members have proven and ample experience and organizational – administrative skills.
- There is no specific term for the provision of sufficient resources to the Board of Directors' committees for the fulfilment of their duties and the recruitment of external consultants, since all relative resources are approved on occasion by the company administration, based on the various corporate needs.

### **Board of Directors' Evaluation**

- There is no established procedure for the evaluation of the Board of Directors' and its committee's evaluation, nor is the performance of the Board of Directors' Chairman evaluated during the procedure presided by the independent Vice Chairman or another non-executive Board of Directors' member in lack of an independent Vice Chairman. This procedure is not considered necessary in light of the company's organizational structure.

- Regular and non-executive members do not convene without the presence of executive members, in order to evaluate the performance of executive members and determine their rewards.
- The Board of Directors does not describe in the corporate governance annual statement its evaluation procedure, as well as the evaluation procedure for its committees, since no such evaluation procedures are applied.

### **Internal Audit System**

The internal audit system consists of all auditing arrangements and procedures constantly covering all company activities and contributing to its effective and safe operation, the efficiency and efficacy of corporate tasks, the credibility of financial information and compliance with the applicable laws and regulations.

The Company has a sufficient and effective internal audit system with clearly described procedures, aiming to the effective management of its available resources, according to the Board of Directors' decisions and the management of the most significant risks.

In particular, the company's I.A.S. aims are the following:

- Constant implementation of the corporate strategy with effective use of the available resources.
- Acknowledgment and management of all sorts of risks assumed by the Company.
- Reassurance of the completeness and credibility of the data and information required for the accurate and timely determination of its financial condition and the compilation of trustworthy financial statements.
- Compliance with the institutional framework governing the Company's operation, including internal regulations and codes of ethics.
- Prevention and avoidance of erroneous actions and irregularities that could endanger the Company's reputation and interests as well as the reputation and interests of its shareholders and other interested parties.

### **Audit Committee**

The Audit Committee is a Committee of the Board of Directors' and is convened in order to assist the Board in fulfilling its obligations for the monitoring and evaluation of the Internal Audit System adequacy and effectiveness, based on the findings and comments of internal and external auditors as well as the ones provided by supervisory authorities' audits.

The members of the Audit Committee are appointed by the Company's General Shareholders' Meeting. The Audit Committee consists of at least two (2) non-executive members and one independent non-executive member of the Board of Directors, who presides over its meetings and has sufficient knowledge and experience in accounting and auditing issues. The Audit Committee is convened regularly. The exact time schedule is determined by the Committee itself.

### **Information on the composition and operation of the Audit Committee:**

According to article 37 of L. 3693/2008, all listed companies ("public interest" according to the law) must have an Audit Committee consisting of three members of the Board of Directors, at least two non-executive ones and one independent non-executive member.

The Company's Audit Committee consists of the following members of the Board of Directors:

- Mantzavinos Zaharias, Non-executive member and Audit Committee Chairman
- Epameinondas Dafermos, Non-executive member
- Aronis Georgios, Independent non-executive member

The Audit Committee monitors and supervises the performance of the internal audit by the internal audit direction. It is convened regularly and during its meetings, it evaluates and utilizes the auditing work findings

provided by the supervisory authorities and internal audit division.

The Audit Committee Chairman convenes the Committee, presides in its meetings, introduces the issues to be discussed and in general coordinates and supervises the Committee work. The Committee Chairman informs the BoD on the Committee's work in the framework of the BoD meetings.

### **Remunerations**

- The Board of Directors' executive members' contracts do not include any term according to which the Board of Directors may claim the refund of the entire or part of the bonus that has been allocated, due to revised financial statements of previous financial years or in general, based on erroneous financial data used for the estimation of this bonus.
- There is no rewards committee, consisting exclusively of non-executive members, independent by their majority, dealing with the determination of the Board of Directors' executive and non-executive members' rewards. Thus, there are no provisions for the duties of the said committee, the frequency of its meetings and other issues regarding its operation. The composition of such a committee, in light of the company's structure and operation, has not been considered necessary so far.
- Each Board of Directors' executive member's reward is not approved by the Board of Directors further to a suggestion by the rewards committee without the presence of its executive members, given that no such rewards committee exists.

### **General Meeting**

- No deviation was found.

### **Information on the operation of the shareholders' General Meeting and its basic authorities and description of the shareholders' rights and their exercise.**

#### **General Meeting of shareholders**

The Board of Directors ensures that the preparation and performance of the shareholders' General Meeting facilitates the effective exercise of the shareholders' rights, who can be completely updated on all issues related with their participation in the General Meeting, including the agenda issues and their rights during the General Meeting. The Board of Directors utilizes the shareholders' General Meeting to facilitate an effective and open discourse with the company.

In combination with the provisions of Law 3884/2010, the company posts at its website, at least twenty (20) days before the General Meeting, in Greek and English, information regarding the following:

- The date, time and place of the shareholders' General Meeting;
- The basic participation rules and practices, including the right to introduce issues in the agenda and submit questions, as well as the deadlines within which the above rights may be exercised;
- The voting procedures, representation terms and documents used for voting via a representative;
- The suggested Meeting agenda, including drafts of the decisions to be discussed and voted and any other supporting documents;
- The suggested list of candidate members for the Board of Directors and their CVs (if members are to be elected); and
- The total number of shares and voting rights on the day the meeting is convened.

At least the company's Board of Directors' Chairman, the Vice Chairman and the Managing Director attend the shareholders' General Meeting, in order to provide information on issues of their competence, placed for

discussion, and on questions or clarifications requested by the shareholders. The General Meeting Chairman has ample time for the submission of questions by shareholders.

### **General Meeting basic authorities**

The shareholders' General Meeting is the Company's superior body and has a right to decide generally on any corporate case. Its lawful decisions also commit absent and disagreeing shareholders.

The General Meeting is the only pertinent body to decide on the following:

- Any issue submitted to it by the Board of Directors or eligible parties, according to the provisions of the Law or the Articles of Association, to call for its convention;
- Amendments on the Articles of Association. Such amendments are those regarding the increase or reduction of share capital, the Company's dissolution, the extension of its duration and its merger with another company;
- The election of the Board of Directors' members and the auditors, and determination of their rewards;
- The approval or amendment of annual financial statements prepared by the Board of Directors and the disposal of net profit;
- The approval, by special voting performed with nominal call, of the Board of Directors' management and the release of the board of Directors and auditors of any liability further to the voting of the Annual Financial Statements and the hearing of the report on the Board of Directors' activities and the general status of the corporate cases. The company's Board of Directors' and its employees may participate in the above voting, but only with shares they hold by ownership;
- The hearing of auditors with regard to the company's books' and accounts' audits they have performed;
- The issuing of bond loans with rights over profits, according to article 3b of Law 2190/1920 and convertible bond loans;
- The appointment of liquidators in case of the company's dissolution;
- The filing of lawsuits against Board of Directors' members or the auditors, for breach of their duties as deriving from the Law and Articles of Association.

### **Shareholders' rights and their exercise**

Each shareholder who appears as such in the records of the body which keeps the securities of the company is entitled to attend and vote at the company's General Meeting of shareholders. The exercise of these rights does not require the blocking of shares or to follow any similar procedure. Shareholders are entitled to attend the General Meeting or may be represented therein by a person they legally authorize.

The rights of the company's shareholders are originated from the share itself and are in proportion to the share capital, to which the paid value of the share is attributed to. Each share grants all rights pursuant to the Law 2190/1920 as amended and in force, and the company's articles of association.

The Chairman of the Board and the Vice President, are available to meet with shareholders with significant holdings, and discuss with them corporate governance related issues. The President also ensures that the views of shareholders are communicated to the Board.

## **VII. Information on the Board of Directors' composition and operation**

### **Board of Directors' composition**

The Board of Directors, acting collectively, assumes the administration and management of corporate cases to the company's and its shareholders' benefit, ensuring the application of the corporate strategy and the fair and equivalent treatment of all shareholders. It generally decides on all issues regarding the company, except for those that according to the Law or the Articles of Association, are vested in the competence of the shareholders' General Meeting.

The Board of Directors' members are elected by the General Meeting. The General Meeting also determines which members shall be independent, non-executive ones. The Board of Directors determines which of its members shall be executive and which non-executive.

The company's Board of Directors is the trustee of the Corporate Governance Principles of the company. The Board of Directors consists of seven (9) to fifteen (13) members. It is elected with secret voting by the General Meeting, with a three-year service extended until the regular General Meeting of its retirement year. In any case, this service cannot exceed the number of four years. Board of Directors' members may be shareholders or not, and are always re-electable.

Today the Board of Directors consists of five executive members, four non-executive members and two independent non-executive members. From the non-executive members, two fulfil its prerequisites, according to the provisions of L. 3016/2002 on Corporate Governance and are considered independent. Executive members are employed by the company or provide services to it by exercising administrative duties. The Board of Directors' non-executive members do not exercise administrative duties to the company.

Member of the Board of Directors:

NAME	SEAT	Start duty	End duty
1. Koutsolioutsos Dimitrios	Chairman, Executive member	20/6/2014	20/6/2019
2. Koutsolioutsos Ekaterini	Vice Chairman, Executive member	20/6/2014	20/6/2019
3. Koutsolioutsos Georgios	Managing Director, Executive member	20/6/2014	20/6/2019
4. Zachariou Emmanuel	Deputy Managing Director & General Manager, executive member	20/6/2014	20/6/2019
5. Aronis Georgios	Independent non-executive member	20/6/2014	20/6/2019
6. Dafermos Epaminondas	Independent non-executive member	20/6/2014	20/6/2019
7. Jiannong Qian	Non-executive member	20/6/2014	20/6/2019
8. Koukoutsas Ilias	Non-executive member	20/6/2014	20/6/2019
9. Mantzavinos Zacharias	Non-executive member	20/6/2014	20/6/2019
10. Kouloukountis Ilias	Non-executive member	20/6/2014	20/6/2019
11. Nioti Eirini	Executive member	20/6/2014	20/6/2019



## Brief CVs of the BoD members:

**Dimitrios Koutsolioutsos**, Graduate of the Athens College, he studied Finance at the University of Milan, L. BOCCONI. He is the Chairman of the Board of Directors.

**Ekaterini Koutsolioutsos**, was born in Athens. She is a graduate in Sociology from the British University. She continued her university studies in Italy, where she acquired degrees in Tourism Studies and Linguistics. In Italy, she dealt with the creation and distribution of jewellery for 25 years and in 1982 she returned to Greece to found together with her husband Dimitrios Koutsolioutsos the company FOLLI FOLLIE. Today she is Vice Chairman of the Company's and executive member of the Board of Directors.

**Georgios Koutsolioutsos**, is a graduate of the Italian School Athens. He studied Finance at the University of Hartford in Paris and holds postgraduate degrees in business management and Marketing from the Hartford University of Connecticut in America. He started his professional experience in New York, where he worked for approximately two years in the jewellery industry. Since 1994 he is supervising and managing the company's local and international distribution. Since January 2011 he holds the position of Group CEO.

**Emmanuel Zachariou**, He has many years of experience in wholesale & retail of branded apparel. He has served for 18 years as Commercial Manager, BoD Vice Chairman & minority shareholder of the formerly listed company SPORTSMAN S.A. (later member of the NOTOS COM Group of Companies) and has been during 10 years the General Manager, BoD Vice Chairman and minority shareholder of the company ALOUETTE SA.

**Jiannong Quian**. He graduated from Shandong University of Finance and holds a master's degree in Economics from a German University. He held management positions at Metro AG in Germany as well as in China, he was Assistant General Director at the company China Resources Vanguard, Vice President of OBI AG in China, Deputy General Director of the company Wumart Stores Inc, as well as President and Managing Director of the company China Nepstar. He entered FOSUN Group in late 2009 and holds the position as General Director of the Business Investment Division and assistant to the Chairman of the Group.

**Georgios Aronis**, He was born in Athens in 1957. He studied Finance and has an MBA, major in Finance, by ALBA. He has been working for Alpha Bank since 2004 as head of Retail Banking and May.2006 he became Executive General Manager. He has worked for 15 years in multinational banks, most of the time for ABN AMRO in Greece and abroad. For 6 years he worked in managerial positions for National Bank of Greece and from 2002 until 2004 he was General Manager of Retail Banking. He is Chairman of Board of Directors of Alpha Insurance Agencies, Vice President of Alpha Asset Management A.E.D.A.K. and Alpha Life. Since January 2011 he is a non-executive Board member of the Issuer.

**Epaminondas Dafermos**, He was born in Crete in 1939. He has a degree in Mechanical Engineer from the University of Munich in Germany. Since 1965 he has been working as a top business executive for companies such as IZOLA (Direction of Production and Supplies) and AGET IRAKLIS (Managing Director). For the past 18 years he cooperated with Mr. Kiriakos Filippou in his group of companies, as Managing Director and member of his companies' BoDs. He speaks English and German, is married and has a daughter. Since January 2011 he is a non-executive Board member of the Issuer.

**Ilias Koukoutsas**. He studied at Athens KATEE (Accountants' Department) and ASOEE (Business Management Department). He worked for twenty years at the department stores Lambropoulos Brothers (1981-2001) and held the position of Commercial Director before before he retired. He has been a member of the Board of Directors' at SELPE (Hellenic Retail Sales Association). His cooperation with Elmec Sport Group of Companies began in 2002. Today Mr. Koukoutsas also serves as Managing Director of the subsidiary company North Landmark S.A., and General Manager of Attica Department Stores S.A. Since January 2011 he is a non-executive Board member of the Issuer.



**Ilias Kouloukountis.** He was born in Athens in 1943. He studied at the Athens College, the Millfield School in Somerset UK and the King's College of Durham University, UK. He started working in 1966 at the company A.G.PAPPADAKIS & CO LTD. In 1971 and in combination with his family businesses, he established OFF SHORE CONSULTANCE INC in Piraeus and OFF SHORE UK LTD in London. From 1997 until 2000 he served as manager and general administrator of the company KASSIAN MARITIME NAVIGATION AGENCY LTD. From 2000 until today he has been the President and General Manager of the company EQUITY SHIPPING CO LTD. Since January 2011 he is a non-executive Board member of the Issuer.

**Zacharias Mantzavinos.** He was born in 1936 in Athens and he is a Professor Emeritus at the Dentistry School of the University of Athens, with postgraduate studies in the Dentistry School of the University of Pennsylvania, USA. He has published over 100 scientific theses in Greek and international journals and has served as a Dean of the dentistry school and President for two terms. He has also served as member of the first Administrative Committee of the University of the Aegean, as member of the Superior Scientific State Council and the American Academy of Periodontology, the Pierre Fouchard Academy, the International College of Dentists and other Greek and international companies. Since January 2011 he is a non-executive Board member of the Issuer.

**Eirini Nioti.** She was born in Athens. She has studied finance at the SAINT GEORGE COMMERCIAL COLLEGE. She has been working for FOLLI FOLLIE since 1986 and is supervisor of the Group's available cash management. She speaks English, French and Italian. Since January 2011 she is an executive Board member of the Issuer.

## **Relations with shareholders**

### **Communication with shareholders**

-no deviation was found

## **VIII. The explanatory report of the Board of Directors to the Shareholders' Regular General Meeting. (According to §7 of article 4, L.3556/2007)**

### **A. Share Capital Structure**

The Company's share capital amounts to € 20,084,463 divided into 66,948,210 common shares with a nominal value of € 0.30 each and is paid in full. Each share corresponds to one voting right. All shares are publicly listed in the Athens Stock Exchange and lie in the category of Big Capitalization.

Each share embodies all rights and obligations determined by the Law and the FF Group S.A. Article of Association, which do not entail any restrictive provisions in excess of those provided by the Law. The shareholders' liability is limited to the nominal value of the shares they own. The ownership of the shares entails the owner's acceptance of the Folli Follie Group's Articles of Association and the lawful decisions of the shareholders' General Meetings. The Folli Follie Group Articles of Association do not grant any special rights in favour of specific shareholders, nor do they include any terms regarding capital restructures and shareholders' rights amendments that entail restrictive provisions in excess of those provided by the Law. Shareholders exercise their rights in relation to the management of the company via the General Meetings. Each shareholder has a right to participate in the shareholders' General Meeting either in person or via a representative. Each share provides the right of one vote.

10 days prior to the Regular General Meeting, each shareholder may request the annual financial statements and relative reports of the company's Board of Directors and Auditors.

Shareholders representing 5% of the paid-up share capital of the Company have the right to request from the company's pertinent Court of First Instance the appointment of one or several auditors particularly for the company audit, according to articles 40 and 40e of L. 2190/1920. They may also request for a shareholders' Extraordinary General Meeting to be convened. In such a case, the Board of Directors must convene this Meeting within 30 days after the submission of the request to the Board of Directors' Chairman. In this request, the shareholders must state the issues on which the General Meeting must decide. Shareholders have a preference privilege in each future increase of the company's share capital, according to their participation in the existing share capital as determined in article 13, paragraph 5 of C.L. 2190/1920.

Each share's dividend will be paid within two months further to the date of the Regular General Meeting which approved the annual financial statements. The place and way of payment shall be notified to the shareholders via the press. Dividends are distributed from profit already taxed to the legal entity and thus the shareholder has no tax obligations on the amount of dividends they collect. Dividends that have not been claimed for five years shall be deleted in favour of the State.

Any differences between the company on the one hand and the shareholders or any third party on the other hand, are subject to the exclusive competence of the regular courts and the company is defended only before the courts pertinent at its head offices area.

### **B. Limitations in the transfer of company shares**

The transfer of company shares takes place according to the procedures determined by the law and the Regulation of the Athens Stock Exchange and based on the company's articles of association; no limitations apply to their transfer.

### **C. Significant direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007**

On 31.12.2015, the following shareholders held more than 5% of total voting rights

Dimitrios G. Koutsolioutsos: 36%

FF Investment Luxemburg 1 and 2 S.A.R.L: 13.85% (both companies belong to Fosun Group)

Fidelity Investments: 7,4%

#### **D. Holders of any shares with special control rights**

There are no shares of the Company that provide their holders with special voting rights.

#### **E. Restrictions on voting rights**

There are no restrictions of voting rights to shares arising from the Company.

#### **F. Agreements among the shareholders of the Company**

The Company is not aware of any potential agreements between the shareholders or the voting rights exercise arising from its shares.

The share is indivisible as to the exercise of rights and any obligations emanated from such exercise. If, for any reason, there are more owners or beneficiaries of a share, these are represented against the company, by a person appointed after a mutual agreement.

#### **G. Rules for appointing and replacing members of the Board and to amend the Articles of Incorporation.**

For the appointment and replacement of Board members, as well as for the imposition of amendments in the Articles of Incorporation (when required), the company complies with the provisions of Law 2190/1920 (as applicable)

#### **H. Jurisdiction of the Board or some of its members in relation to the issuance of new shares or share buybacks:**

1. The company is not accountable for the coverage its own shares.
2. Relying on the principle of "equal treatment" of the same-level shareholders and the provisions of Law 3340/2005, as applicable, the Company may acquire its own shares itself or through a person using his own name but acting on its behalf. In order to execute such procedure, the Company should get an approval from the General Meeting, which establishes the terms and conditions of such acquisitions. In particular, it determines the maximum number of shares that can potentially be acquired, the validity duration of this approval, which cannot exceed twenty-four (24) months and in case of acquisition for value, the minimum and maximum value of the acquisition.

#### **I. Significant agreement that is implemented, modified or terminated in the event of a change in the control of the Company, following a public offer and the effects thereof**

Does not exist.

#### **J. Agreements that the Company has made with members of the Board of Directors and its staff, entailing a compensation in case of their resignation, dismissal without cause, termination of their service or employment as a result of the public offer.**

There are no agreements between the Company and its Board members or staff that foresee compensations, especially in case of resignation, dismissal without valid reason, termination of their duty or employment in case of a public offer due to a takeover bid.

#### **K. Dividend policy**

Despite the positive results of the Group within the context of the prevalent market crisis and towards the further strengthening of the financial position of the company in conjunction with the intense investment plans in place the Board will propose at the Annual General Meeting, not to distribute to the shareholders dividend for the fiscal year 2015.

## **L. Significant events after the year end**

On the balance sheet date and until the approval of the Financial Statements by the Board, there were no events significantly influencing these financial statements.

Ag. Stefanos, March 30<sup>th</sup>, 2016

**Chief Executive Officer**

**Deputy Executive Officer and General Manager**

**George Koutsolioutsos**

**Emmanouil Zachariou**

## C. Independent certified auditors' accountants report

To the Shareholders of "FOLLI – FOLLIE GROUP SA"

### **Report on Stand-alone and Consolidated Financial Statements**

We have audited the accompanying stand alone and consolidated financial statements of "FOLLI – FOLLIE GROUP SA", which comprise the stand alone and consolidated statement of financial position as at 31 December 2015, the stand alone and consolidated statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the company Stand-alone and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company "FOLLI – FOLLIE GROUP SA" and of its subsidiaries as at December 31 2015, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## Report on Other Legal and Regulatory Requirements

- (a) The Director's Report includes a statement of corporate governance which contains the information required by article 43a (paragraph 3d) of Codified law 2190/1920.
- (b) We confirm that the information given in the Director's Report is consistent with the accompanying stand alone and consolidated financial statements and complete in the context of the requirements of articles 43a (paragraph 3a), 108 and 37 of Codified Law 2190/1290.



Certified Public Accountants  
396, Mesogion Avenue  
15341, Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 174

Athens, 30 March 2016  
The Certified Public Accountant

Chrisa G. Tsakalogianni  
SOEL Reg.: 23811

## D. Financial Statements

### 1. Statements of Financial Position for the Group and the Company

#### 1.1 Statement of Financial Position of the Group

		The Group	
		31.12.2015	31.12.2014
<b>Assets</b>			
<b>Non-current assets</b>	<b>Notes</b>		
Tangible fixed assets	<u>4</u>	197.018.259,62	185.779.347,36
Investment Property	<u>4</u>	75.285.901,43	76.038.010,41
Intangible assets	<u>5</u>	42.747.496,06	11.690.537,09
Goodwill	<u>5</u>	94.707.301,22	94.536.264,50
Investments in subsidiaries		0,00	0,00
Investments in Associates		631.023,17	659.948,73
Investments available for sale	<u>7</u>	195.153.199,19	207.159.387,54
Deferred tax claims		0,00	0,00
Other long term assets	<u>8</u>	45.136.123,53	29.845.281,96
<b>Total non-current</b>		<b>650.679.304,22</b>	<b>605.708.777,59</b>
<b>Current assets</b>			
Inventories	<u>9</u>	490.327.968,61	366.558.622,52
Trade receivables	<u>10</u>	585.865.489,69	533.812.508,45
Other current assets	<u>10</u>	214.794.679,99	165.969.184,46
Derivatives		1.750.137,59	367.185,08
Other financial assets at fair value through profit		18.740.760,00	150.696,81
Cash & cash equivalent	<u>11</u>	245.450.700,72	297.032.823,27
<b>Total current assets</b>		<b>1.556.929.736,60</b>	<b>1.363.891.020,59</b>
<b>Total assets</b>		<b>2.207.609.040,82</b>	<b>1.969.599.798,18</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity of shareholders of the parent company</b>			
Share capital	<u>12</u>	20.084.463,00	20.084.463,00
Share Premium	<u>12</u>	81.730.417,03	95.000.573,97
Other reserves	<u>12</u>	264.828.624,99	291.694.842,24
Other equity	<u>12</u>	69.117.157,55	-38.013.825,67
Retained earnings	<u>12</u>	1.140.207.546,99	965.291.618,19
		<b>1.575.968.209,56</b>	<b>1.334.057.671,73</b>
Minority interests		29.720.774,10	26.799.057,11
<b>Total equity</b>		<b>1.605.688.983,66</b>	<b>1.360.856.728,84</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term borrowings	<u>13</u>	332.643.035,38	304.343.050,12
Deferred tax liabilities	<u>19</u>	21.420.614,55	19.010.973,29
Employee benefit liabilities	<u>14</u>	5.040.581,06	3.667.333,40
Total long-term provisions	<u>15</u>	4.788.593,01	3.523.109,43
Other long-term liabilities	<u>16</u>	11.670.289,44	17.706.847,00
<b>Total long-term liabilities</b>		<b>375.563.113,44</b>	<b>348.251.313,24</b>
<b>Short-term liabilities</b>			
Short-term borrowings	<u>14</u>	45.035.170,21	46.793.826,94
Derivatives		0,00	0,00
Trade and other payables	<u>17</u>	133.552.626,45	181.869.312,81
Current Income tax	<u>18</u>	39.757.406,66	26.823.077,51
Current tax liabilities	<u>18</u>	8.011.740,40	5.005.538,82
Dividends payable		0,00	0,00
<b>Total short term liabilities</b>		<b>226.356.943,72</b>	<b>260.491.756,08</b>
<b>Total liabilities</b>		<b>601.920.057,16</b>	<b>608.743.069,32</b>
<b>Total equity &amp; liabilities</b>		<b>2.207.609.040,82</b>	<b>1.969.599.798,16</b>

## 1.2 Statement of Financial Position of the Company

		The Company	
		31.12.2015	31.12.2014
<b>Assets</b>			
<b>Non-current assets</b>			
	<b>Notes</b>		
Tangible fixed assets	<u>4</u>	45.929.766,18	47.782.940,21
Investment Property	<u>4</u>	75.285.901,43	76.038.010,41
Intangible assets	<u>5</u>	2.521.534,61	3.042.095,53
Goodwill	<u>5</u>	39.373.861,68	39.373.861,68
Investments in subsidiaries		214.770.996,29	205.249.961,86
Investments in Associates		1.450.000,00	1.200.000,00
Investments available for sale	<u>7</u>	137.429.044,66	153.744.263,03
Deferred tax claims		0,00	0,00
Other long term assets	<u>8</u>	1.407.257,33	1.357.222,31
<b>Total non-current</b>		<b>518.168.362,18</b>	<b>527.788.355,03</b>
<b>Current assets</b>			
Inventories	<u>9</u>	37.671.158,84	35.799.923,84
Trade receivables	<u>10</u>	72.146.994,77	67.575.884,05
Other current assets	<u>10</u>	66.150.559,81	47.321.225,01
Derivatives		778.104,61	367.185,08
Other financial assets at fair value through profit		0,00	0,00
Cash & cash equivalent	<u>11</u>	61.283.352,71	146.752.090,49
<b>Total current assets</b>		<b>238.030.170,74</b>	<b>297.816.308,47</b>
<b>Total assets</b>		<b>756.198.532,92</b>	<b>825.604.663,50</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity of shareholders of the parent company</b>			
Share capital	<u>12</u>	20.084.463,00	20.084.463,00
Share Premium	<u>12</u>	81.730.417,03	95.000.573,97
Other reserves	<u>12</u>	283.297.729,14	302.704.324,61
Other equity	<u>12</u>	-85.554.366,48	-85.554.366,48
Retained earnings	<u>12</u>	140.249.492,33	168.141.558,00
		<b>439.807.735,02</b>	<b>500.376.553,10</b>
		0,00	0,00
<b>Total equity</b>		<b>439.807.735,02</b>	<b>500.376.553,10</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term borrowings	<u>13</u>	242.066.785,17	241.921.726,69
Deferred tax liabilities	<u>19</u>	21.750.235,77	20.857.789,75
Employee benefit liabilities	<u>14</u>	2.179.175,80	2.209.439,00
Total long-term provisions	<u>15</u>	1.624.382,84	3.274.058,81
Other long-term liabilities	<u>16</u>	3.942.283,35	8.821.741,52
<b>Total long-term liabilities</b>		<b>271.562.862,93</b>	<b>277.084.755,77</b>
<b>Short-term liabilities</b>			
Short-term borrowings	<u>14</u>	6.361.030,07	1.877.732,91
Derivatives		0,00	0,00
Trade and other payables	<u>17</u>	36.133.054,52	43.961.212,24
Current Income tax	<u>18</u>	0,00	0,00
Current tax liabilities	<u>18</u>	2.333.850,38	2.304.409,48
Dividends payable		0,00	0,00
<b>Total short term liabilities</b>		<b>44.827.934,97</b>	<b>48.143.354,63</b>
<b>Total liabilities</b>		<b>316.390.797,90</b>	<b>325.228.110,40</b>
<b>Total equity &amp; liabilities</b>		<b>756.198.532,92</b>	<b>825.604.663,50</b>



## 2. Statement of Comprehensive Income for the Group and Company

### 2.1 The Group

		The Group 01.01. - 31.12.2015	The Group 01.01. - 31.12.2014
	Notes		
Turnover	20	1.193.043.273,00	998.061.616,80
Cost of goods		-611.815.104,96	-496.308.619,66
<b>Gross Profit</b>		<b>581.228.168,04</b>	<b>501.752.997,14</b>
Other operating income	19	12.184.818,67	11.683.280,32
Administration expenses	22	-72.059.864,32	-56.947.769,48
Selling expenses	22	-268.665.837,12	-242.304.024,93
Other operating expenses	23	-14.144.524,59	-11.824.357,89
<b>Operating income</b>		<b>238.542.760,68</b>	<b>202.360.125,16</b>
Financial income	24	9.457.609,53	26.415.623,81
Financial expenses	24	-22.447.497,47	-35.662.078,39
Investments in Associates		-282.190,84	-314.909,24
<b>Profit/Loss (before the tax)</b>		<b>225.270.681,90</b>	<b>192.798.761,34</b>
Income tax	25	-38.637.246,55	-47.357.909,08
<b>Profit/Loss (after the tax)</b>		<b>186.633.435,35</b>	<b>145.440.852,26</b>
Depreciation & amortization		26.463.865,57	20.642.275,26
<b>Profit before taxes depreciation &amp; amortisation</b>		<b>265.006.626,25</b>	<b>223.002.400,42</b>
<b>Other comprehensive income / (expenses): Recognised in Equity</b>			
<i>Amounts not reclassified to income statement</i>			
<i>Revaluation of liabilities for employee benefits</i>			
<i>Amounts may be reclassified to income statement in subsequent periods</i>			
Financial assets available for sale		-22.786.470,04	-850.911,48
Valuation of Assets		1.469.616,00	0,00
Valuation of financial instruments		0,00	3.441.862,41
Deferred taxes non-participants in Profit		-459.421,53	-2.008.152,50
Other income / expenses not participating in profit for the period		294.910,71	-1.059.237,68
Foreign translation exchange differences		104.223.060,00	91.197.517,58
<b>Other comprehensive income, net of taxes</b>		<b>82.741.695,14</b>	<b>90.721.078,33</b>
<b>Total comprehensive income after taxes</b>		<b>269.375.130,49</b>	<b>236.161.930,59</b>
<b>Profit is attributable to:</b>			
<b>Shareholders of the parent company</b>		182.639.194,95	141.202.422,37
<b>Non controlling interests</b>		3.994.240,40	4.238.429,89
<b>Total</b>		<b>186.633.435,35</b>	<b>145.440.852,26</b>
<b>Total comprehensive income</b>			
<b>Attributable to :</b>			
<b>Shareholders of the parent company</b>		265.326.483,53	232.019.734,21
<b>Non controlling interests</b>		4.048.646,96	4.142.196,38
<b>Total</b>		<b>269.375.130,49</b>	<b>236.161.930,59</b>
<b>Earnings / Losses per share</b>			
<b>Basic and diluted (in euros):</b>	26	2,74441	2,11286

ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 01.01-31.12.2015

(THE AMOUNTS IN ALL TABLES ARE EXPRESSED IN EURO)

## 2.2 The Company

		The Company 01.01. - 31.12.2015	The Company 01.01. - 31.12.2014
	Notes		
Turnover	20	152.730.393,64	157.115.879,18
Cost of goods		<u>-86.715.042,76</u>	<u>-85.358.333,31</u>
<b>Gross Profit</b>		<b>66.015.350,88</b>	<b>71.757.545,87</b>
Other operating income	21	9.333.428,25	3.221.127,31
Administration expenses	22	-14.405.657,36	-13.685.037,25
Selling expenses	22	-60.494.272,53	-56.579.202,43
Other operating expenses	23	<u>-1.347.413,17</u>	<u>-3.906.783,16</u>
<b>Operating income</b>		<b>-898.563,93</b>	<b>807.650,34</b>
Financial income	24	7.127.438,04	22.563.476,83
Financial expenses	24	<u>-22.402.458,53</u>	<u>-23.193.816,84</u>
<b>Profit/Loss (before the tax)</b>		<b>-16.173.584,42</b>	<b>177.310,33</b>
Income tax	25	-3.752.441,20	-7.257.868,53
<b>Profit/Loss (after the tax)</b>		<b>-19.926.025,62</b>	<b>-7.080.558,20</b>
Depreciation & amortization		<u>6.040.182,68</u>	<u>5.871.092,93</u>
<b>Profit before taxes depreciation &amp; amortisation</b>		<b>5.141.618,75</b>	<b>6.678.743,27</b>
<b>Other comprehensive income / (expenses): Recognised in Equity</b>			
<i>Amounts not reclassified to income statement</i>			
<i>Revaluation of liabilities for employee benefits</i>			
<i>Amounts may be reclassified to income statement in subsequent periods</i>			
Financial assets available for sale		-16.924.218,37	-850.911,48
Valuation of Assets		1.694.032,81	0,00
Valuation of financial instruments		0,00	7.947.879,47
Deferred taxes non-participants in Profit		-440.448,53	-2.066.448,66
Profit / loss from associates		<u>91.880,00</u>	<u>-786.172,00</u>
<b>Other comprehensive income, net of taxes</b>		<b>-15.578.754,09</b>	<b>4.244.347,33</b>
<b>Total comprehensive income after taxes</b>		<b>-35.504.779,71</b>	<b>-2.836.210,87</b>
<b>Profit is attributable to:</b>			
<b>Shareholders of the parent company</b>		-19.926.025,62	-7.080.558,20
<b>Non controlling interests</b>		<u>0,00</u>	<u>0,00</u>
<b>Total</b>		<b>-19.926.025,62</b>	<b>-7.080.558,20</b>
<b>Total comprehensive income</b>			
<b>Attributable to :</b>			
<b>Shareholders of the parent company</b>		-35.504.779,71	-2.836.210,87
<b>Non controlling interests</b>		<u>0,00</u>	<u>0,00</u>
<b>Total</b>		<b>-35.504.779,71</b>	<b>-2.836.210,87</b>
<b>Earnings / Losses per share</b>			
<b>Basic and diluted (in euros):</b>	26	-0,29942	-0,10595

### 3 Statement of Changes in Equity for the Group and the Company

#### 3.1 The Group

The Group												
	Notes	Share Capital	Share Premium	Consolidation Differences	Fair Value Reserves	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total shareholders' equity	Minority Interests	Total Equity
<b>Balance at 1.1.2014</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>0,00</b>	<b>0,00</b>	<b>47.741.628,46</b>	<b>1.077.755.479,47</b>	<b>-43.627.819,44</b>	<b>1.160.137.628,10</b>	<b>23.293.877,43</b>	<b>1.183.431.505,53</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	0,00	141.202.422,35	0,00	141.202.422,35	4.238.429,89	145.440.852,24
Valuation of financial assets		0,00	0,00	0,00	0,00	0,00	3.441.862,41	0,00	0,00	3.441.862,41	0,00	3.441.862,41
Valuation of investments available for sale		0,00	0,00	0,00	0,00	0,00	-850.911,48	0,00	0,00	-850.911,48	0,00	-850.911,48
Exchange Differences		0,00	0,00	0,00	0,00	0,00	0,00	0,00	91.197.517,58	91.197.517,58	0,00	91.197.517,58
Actuarial loss / (gain)		0,00	0,00	0,00	0,00	0,00	-1.059.237,68	0,00	0,00	-1.059.237,68	0,00	-1.059.237,68
Other income not calculated in profit for the period		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Subsidiary's Capital increase Expenses		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred tax in equity		0,00	0,00	0,00	0,00	0,00	-2.008.152,50	0,00	0,00	-2.008.152,50	0,00	-2.008.152,50
Income tax relating to items of the total income		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-476.439,25</b>	<b>141.202.422,35</b>	<b>91.197.517,58</b>	<b>231.923.500,68</b>	<b>4.238.429,89</b>	<b>236.161.930,57</b>
Capital increase		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Various Expenses/income in Equity		0,00	-50.211.157,50	0,00	0,00	0,00	0,00	0,00	0,00	-50.211.157,50	0,00	-50.211.157,50
Capital increase expenses		0,00	0,00	0,00	0,00	0,00	-552.327,43	0,00	0,00	-552.327,43	0,00	-552.327,43
Minority interest resulted from Subsidiaries' rates change		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	163.391,78	163.391,78
Dividends payable		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-901.883,25	-901.883,25
Acquisition of minority shareholding		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers		0,00	0,00	1.464.179,18	0,00	0,00	252.216.395,66	-253.666.283,63	-19.848,13	-5.556,92	5.241,26	-315,66
Liquidation of Participations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares		0,00	0,00	0,00	0,00	-7.234.415,20	0,00	0,00	0,00	-7.234.415,20	0,00	-7.234.415,20
<b>Balance at 31st December 2014</b>		<b>20.084.463,00</b>	<b>95.000.573,97</b>	<b>-85.563.675,68</b>	<b>0,00</b>	<b>-7.234.415,20</b>	<b>298.929.257,44</b>	<b>965.291.618,19</b>	<b>47.549.850,01</b>	<b>1.334.057.671,73</b>	<b>26.799.057,11</b>	<b>1.360.856.728,84</b>
<b>Balance at 1.1.2015</b>		<b>20.084.463,00</b>	<b>95.000.573,97</b>	<b>-85.563.675,68</b>	<b>0,00</b>	<b>-7.234.415,20</b>	<b>298.929.257,44</b>	<b>965.291.618,19</b>	<b>47.549.850,01</b>	<b>1.334.057.671,73</b>	<b>26.799.057,11</b>	<b>1.360.856.728,84</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	0,00	182.639.194,95	0,00	182.639.194,95	3.994.240,40	186.633.435,35
Valuation of financial assets		0,00	0,00	0,00	0,00	0,00	1.469.616,00	0,00	0,00	1.469.616,00	0,00	1.469.616,00
Valuation of investments available for sale		0,00	0,00	0,00	0,00	0,00	-22.786.470,04	0,00	0,00	-22.786.470,04	0,00	-22.786.470,04
Exchange Differences		0,00	0,00	0,00	0,00	0,00	0,00	0,00	104.213.246,99	104.213.246,99	9.813,01	104.223.060,00
Actuarial loss / (gain)		0,00	0,00	0,00	0,00	0,00	250.317,16	0,00	0,00	250.317,16	44.593,55	294.910,71
Other income not calculated in profit for the period		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Subsidiary's Capital increase Expenses		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred tax in equity		0,00	0,00	0,00	0,00	0,00	-459.421,53	0,00	0,00	-459.421,53	0,00	-459.421,53
Income tax relating to items of the total income		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-21.525.958,41</b>	<b>182.639.194,95</b>	<b>104.213.246,99</b>	<b>265.326.483,53</b>	<b>4.048.646,96</b>	<b>269.375.130,49</b>
Capital increase		13.270.156,94	-13.270.156,94	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital Return		-13.270.156,94	0,00	0,00	0,00	0,00	163.036,43	0,00	0,00	-13.107.120,51	-1.072.454,45	-14.179.574,96
Various Expenses/income in Equity		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital increase expenses		0,00	0,00	0,00	0,00	0,00	-416.911,86	0,00	0,00	-416.911,86	0,00	-416.911,86
Minority interest resulted from Subsidiaries' rates change		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends payable		0,00	0,00	0,00	0,00	0,00	0,00	-6.729.843,06	0,00	-6.729.843,06	0,00	-6.729.843,06
Acquisition of minority shareholding		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes from Purchases of subsidiaries		0,00	0,00	0,00	0,00	0,00	0,00	1.701.520,85	0,00	1.701.520,85	0,00	1.701.520,85
Transfers		0,00	0,00	-1.260,00	0,00	0,00	-168.316,77	-2.694.943,94	2.918.996,23	54.475,52	-54.475,52	0,00
Liquidation of Participations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares		0,00	0,00	0,00	0,00	-4.918.066,64	0,00	0,00	0,00	-4.918.066,64	0,00	-4.918.066,64
<b>Balance at 31st December 2015</b>		<b>20.084.463,00</b>	<b>81.730.417,03</b>	<b>-85.564.935,68</b>	<b>0,00</b>	<b>-12.152.481,84</b>	<b>276.981.106,83</b>	<b>1.140.207.546,99</b>	<b>154.682.093,23</b>	<b>1.575.968.209,56</b>	<b>29.720.774,10</b>	<b>1.605.688.983,66</b>

## 3.2 The Company

The Company												
	Notes	Share Capital	Share Premium	Consolidation Differences	Fair Value Reserves	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total shareholders' equity	Minority Interests	Total Equity
<b>Balance at 1.1.2014</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>0,00</b>	<b>43.672.225,11</b>	<b>437.796.611,32</b>	<b>0,00</b>	<b>561.210.664,42</b>	<b>0,00</b>	<b>561.210.664,42</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	0,00	-7.080.558,20	0,00	-7.080.558,20	0,00	-7.080.558,20
Valuation of financial assets		0,00	0,00	0,00	0,00	0,00	7.947.879,47	0,00	0,00	7.947.879,47	0,00	7.947.879,47
Valuation of investments available for sale		0,00	0,00	0,00	0,00	0,00	-850.911,48	0,00	0,00	-850.911,48	0,00	-850.911,48
Exchange Differences		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Actuarial loss / (gain)		0,00	0,00	0,00	0,00	0,00	-786.172,00	0,00	0,00	-786.172,00	0,00	-786.172,00
Other income not calculated in profit for the period		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Subsidiary's Capital increase Expenses		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred tax in equity		0,00	0,00	0,00	0,00	0,00	-2.066.448,66	0,00	0,00	-2.066.448,66	0,00	-2.066.448,66
Income tax relating to items of the total income		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>4.244.347,33</b>	<b>-7.080.558,20</b>	<b>0,00</b>	<b>-2.836.210,87</b>	<b>0,00</b>	<b>-2.836.210,87</b>
Capital increase		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Various Expenses/income in Equity		0,00	-50.211.157,50	0,00	0,00	0,00	0,00	0,00	0,00	-50.211.157,50	0,00	-50.211.157,50
Capital increase expenses		0,00	0,00	0,00	0,00	0,00	-552.327,75	0,00	0,00	-552.327,75	0,00	-552.327,75
Minority interest resulted from Subsidiaries' rates change		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends payable		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Acquisition of minority shareholding		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers		0,00	0,00	0,00	0,00	0,00	262.574.490,11	-262.574.490,11	0,00	0,00	0,00	0,00
Liquidation of Participations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares		0,00	0,00	0,00	0,00	-7.234.415,20	0,00	0,00	0,00	-7.234.415,20	0,00	-7.234.415,20
<b>Balance at 31st December 2014</b>		<b>20.084.463,00</b>	<b>95.000.573,97</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>-7.234.415,20</b>	<b>309.938.734,80</b>	<b>168.141.563,01</b>	<b>0,00</b>	<b>500.376.553,10</b>	<b>0,00</b>	<b>500.376.553,10</b>
<b>Balance at 1.1.2015</b>		<b>20.084.463,00</b>	<b>95.000.573,97</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>-7.234.415,20</b>	<b>309.938.734,80</b>	<b>168.141.563,01</b>	<b>0,00</b>	<b>500.376.553,10</b>	<b>0,00</b>	<b>500.376.553,10</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	0,00	-19.926.025,62	0,00	-19.926.025,62	0,00	-19.926.025,62
Valuation of financial assets		0,00	0,00	0,00	0,00	0,00	1.694.032,81	0,00	0,00	1.694.032,81	0,00	1.694.032,81
Valuation of investments available for sale		0,00	0,00	0,00	0,00	0,00	-16.924.218,37	0,00	0,00	-16.924.218,37	0,00	-16.924.218,37
Exchange Differences		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Actuarial loss / (gain)		0,00	0,00	0,00	0,00	0,00	0,00	91.880,00	0,00	91.880,00	0,00	91.880,00
Other income not calculated in profit for the period		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Subsidiary's Capital increase Expenses		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred tax in equity		0,00	0,00	0,00	0,00	0,00	-440.448,53	0,00	0,00	-440.448,53	0,00	-440.448,53
Income tax relating to items of the total income		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-15.670.634,09</b>	<b>-19.834.145,62</b>	<b>0,00</b>	<b>-35.504.779,71</b>	<b>0,00</b>	<b>-35.504.779,71</b>
Capital increase		13.270.156,94	-13.270.156,94	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital Return		-13.270.156,94	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-13.270.156,94	0,00	-13.270.156,94
Various Expenses/income in Equity		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital increase expenses		0,00	0,00	0,00	0,00	0,00	-145.971,73	0,00	0,00	-145.971,73	0,00	-145.971,73
Minority interest resulted from Subsidiaries' rates change		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends payable		0,00	0,00	0,00	0,00	0,00	0,00	-6.729.843,06	0,00	-6.729.843,06	0,00	-6.729.843,06
Acquisition of minority shareholding		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers		0,00	0,00	0,00	0,00	0,00	1.328.082,00	-1.328.082,00	0,00	0,00	0,00	0,00
Liquidation of Participations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares		0,00	0,00	0,00	0,00	-4.918.066,64	0,00	0,00	0,00	-4.918.066,64	0,00	-4.918.066,64
<b>Balance at 31st December 2015</b>		<b>20.084.463,00</b>	<b>81.730.417,03</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>-12.152.481,84</b>	<b>295.450.210,98</b>	<b>140.249.492,33</b>	<b>0,00</b>	<b>439.807.735,02</b>	<b>0,00</b>	<b>439.807.735,02</b>

## 4 Cash Flow Statement

	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
<b>Cash Flows related to Operating Activities</b>				
Net Profit before taxes (Continuing operations)	225.270.681,90	192.798.761,32	-16.173.584,42	177.310,33
Adjustments				
Depreciation and Amortisation	26.463.865,57	20.642.275,26	6.040.182,68	5.871.092,93
Provisions	1.357.037,35	2.336.170,90	771.501,00	1.490.018,78
Exchange differences	82.638.468,65	19.355.381,23	0,00	0,00
Results (income, expenses, gains and losses) from investing activities	1.387.454,73	-10.097.828,78	3.030.151,80	-12.394.782,60
Interest and related expenses	14.093.081,20	17.460.400,47	11.690.852,55	11.349.244,73
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-117.619.726,53	-90.087.105,64	-1.871.235,00	-4.586.670,97
Decrease/(increase) of Receivables	-97.210.083,62	-95.591.081,88	-30.710.329,39	11.315.029,73
Increase/(decrease) of payable accounts (except Banks)	-30.687.906,32	41.579.897,84	-9.468.319,07	-27.644.882,34
Minus				
Interest paid and similar expenses	-7.668.166,60	-15.649.049,47	-5.265.937,95	-9.265.140,05
Income Tax paid	-40.163.843,09	-26.512.905,12	-3.762.116,94	0,00
Net cash inflows/(outflows) from Operating Activities (a)	<b><u>57.860.863,24</u></b>	<b><u>56.234.916,13</u></b>	<b><u>-45.718.834,74</u></b>	<b><u>-23.688.779,46</u></b>
<b>Investing Activities</b>				
Purchases of subsidiaries, associates and other investments	-48.363.629,00	-13.708.073,25	-9.070.150,89	-5.000.529,86
Purchases of tangible and intangible assets	-66.032.272,07	-36.107.530,90	-3.438.861,04	-3.609.764,87
Proceeds from sale of tangible and intangible assets	1.537.180,69	410.900,63	22.627,45	30.919,64
Interest received	1.865.952,54	6.512.641,99	423.743,98	3.070.435,92
Dividends received	0,00	0,00	1.000.000,00	541.904,99
Proceeds from sale of financial assets	27.695.440,83	-8.657.222,34	-1.794.629,17	-8.657.222,34
Decrease/(increase) of other long-term receivables	-14.015.996,21	-147.656,82	-50.035,02	51.791,07
Net cash inflows/(outflows) from Investing Activities (b)	<b><u>-97.313.323,22</u></b>	<b><u>-51.696.940,69</u></b>	<b><u>-12.907.304,69</u></b>	<b><u>-13.572.465,45</u></b>
<b>Financing Activities</b>				
Proceeds from Loans	40.840.592,76	267.761.823,82	0,00	255.000.000,00
Proceeds from leases	3.623.278,05	1.035.348,82	0,00	0,00
Payment of Loans	-25.380.703,57	-166.241.115,22	0,00	-145.571.253,58
Payments for leases	-4.157.693,90	-2.669.111,74	-1.796.581,21	-1.547.897,23
Own Stock	-4.918.066,64	-7.234.415,20	-4.918.066,64	-7.601.600,28
Expenses related to capital increase	-174.490,50	-552.327,43	-145.971,73	-552.327,75
Dividends paid / Return capital	-21.962.578,77	-51.189.550,52	-19.981.978,77	-50.213.674,43
Net cash inflows/(outflows) from Financing Activities (c)	<b><u>-12.129.662,57</u></b>	<b><u>40.910.652,53</u></b>	<b><u>-26.842.598,35</u></b>	<b><u>49.513.246,73</u></b>
<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b><u>-51.582.122,55</u></b>	<b><u>45.448.627,97</u></b>	<b><u>-85.468.737,78</u></b>	<b><u>12.252.001,82</u></b>
<b>Cash and cash equivalents at beginning of the Year</b>	297.032.823,27	251.584.195,30	146.752.090,49	134.500.088,67
<b>Cash and cash equivalents at end of the Year</b>	<b><u>245.450.700,72</u></b>	<b><u>297.032.823,27</u></b>	<b><u>61.283.352,71</u></b>	<b><u>146.752.090,49</u></b>

## E. INFORMATION ABOUT THE GROUP

### 1. General Information

The company “**FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME**” under the distinctive title “**FOLLI FOLLIE GROUP**” is a Societe Anonyme registered in Greece, in the Registry of Societes Anonymes with number: 3027701000, placed in Agios Stefanos, Attica. The Company is active in the fields of jewellery manufacturing, department stores operation, as well as in apparel and footwear industry. These financial statements include the financial statements of «**FOLLI FOLLIE GROUP**» and its subsidiaries, (together referred to as Group), covering the period from January 1 2015 up to December 31 2015, approved by the Board of the Company on March 30<sup>th</sup>, 2016.

#### 1.1 Group Structure

The consolidated financial statements include the financial statements of the parent company and its subsidiaries.

The structure of the Group, is presented in the following table:

Company Name	Head Office	Direct	Indirect	Total	Consolidation Method
		% Participation	% Participation		
FOLLI FOLLIE JAPAN LTD	JAPAN		99,99%	99,99%	Full
FOLLI FOLLIE FRANCE SA	FRANCE	100,00%		100,00%	Full
FOLLI FOLLIE SPAIN SA	SPAIN	100,00%		100,00%	Full
FOLLI FOLLIE UK LTD	UK	100,00%		100,00%	Full
FOLLI FOLLIE GROUP SOURCING LTD	HONG KONG	99,99%		99,99%	Full
FOLLI FOLLIE ASIA LTD	HONG KONG		99,99%	99,99%	Full
FOLLI FOLLIE TAIWAN LTD	TAIWAN		99,99%	99,99%	Full
FOLLI FOLLIE KOREA LTD	S. KOREA		99,99%	99,99%	Full
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE		99,99%	99,99%	Full
FOLLI FOLLIE MACAU LTD	MACAU		99,99%	99,99%	Full
FOLLI FOLLIE MALAYSIA LTD	MALAYSIA		99,99%	99,99%	Full
FOLLI FOLLIE THAILAND LTD	THAILAND		99,99%	99,99%	Full
FOLLI FOLLIE SHANGHAI (PILION LTD)	CHINA		99,99%	99,99%	Full
FOLLI FOLLIE SHENZHEN LTD	CHINA		99,99%	99,99%	Full
FOLLI FOLLIE GUAM LTD	GUAM		99,99%	99,99%	Full
FOLLI FOLLIE HAWAII LTD	HAWAII		99,99%	99,99%	Full
FOLLI FOLLIE HONG KONG INTERNATIONAL LTD	HONG KONG		99,99%	99,99%	Full
FF GROUP FINANCE LUXEMBOURG SA	LUXEMBURG	100,00%		100,00%	Full
STRENABY FINANCE LTD	UK	100,00%		100,00%	Full
FOLLI FOLLIE HOLDINGS SA	GREECE	100,00%		100,00%	Full
LINKS (LONDON) LIMITED	UK	20,00%	80,00%	100,00%	Full
LINKS OF LONDON (INTERNATIONAL) LTD	UK	20,00%	80,00%	100,00%	Full
LINKS OF LONDON COM LTD (UK)	UK	20,00%	80,00%	100,00%	Full
LINKS OF LONDON INC (USA)	USA	20,00%	80,00%	100,00%	Full
JUICY COUTURE EUROPE LTD	UK	20,00%	80,00%	100,00%	Full
JUICY COUTURE IRELAND LTD	IRELAND	20,00%	80,00%	100,00%	Full
LINKS OF LONDON (ASIA) LTD	CHINA	20,00%	80,00%	100,00%	Full
LINKS OF LONDON JAPAN CO. LTD	JAPAN	20,00%	80,00%	100,00%	Full
FF GROUP ROMANIA SRL	ROMANIA	100,00%		100,00%	Full
APPAREL ROMANIA SRL	ROMANIA		49,00%	49,00%	Full
FF GROUP BULGARIA EOOD	BULGARIA	100,00%		100,00%	Full
MOUSTAKIS SA	GREECE	100,00%		100,00%	Full
ATTICA DEPARTMENTS STORES SA	GREECE	32,51%	13,39%	45,90%	Full
MFK FASHION LTD	CYPRUS	100,00%		100,00%	Full
PLANACO SA	GREECE	100,00%		100,00%	Full
COLLECTIVE SA	GREECE	80,00%		80,00%	Full
WARLABY TRADING LIMITED	CYPRUS		100,00%	100,00%	Full
NARIACO INVESTMENTS LIMITED	CYPRUS		100,00%	100,00%	Full
MARINA MITILINIS SA	GREECE	50,00%		50,00%	Equity Method
CARELAB SA	GREECE		23,00%	23,00%	Equity Method

The affiliate companies, presented in the individual financial statements, are valued based on their acquisition value minus any possible impairments.

**ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 01.01-31.12.2015**

**(THE AMOUNTS IN ALL TABLES ARE EXPRESSED IN EURO)**

## 2 Important accounting policies of the Group

### 2.1 Basis of Preparations

The attached financial statements of the Group and Company (from now on referred as financial statements) have been prepared in accordance with the International Financial Reports Standards (from now on referred as "IFRS") that have been approved by the European Union.

### 2.2 New standards and interpretation

Standards and Interpretations Effective for the Year 2015

- **Annual Improvements 2010-2012** issued in December 2013 that concern IAS 16, IAS 24, IAS 38, IFRS 2, IFRS 3, IFRS 8 and IFRS 13. The improvements are effective for annual periods commencing on or after 01.07. 2014. They are not expected to have a material impact on the financial statements of the group or the company.
- **"Amendment of IAS 19 Employee Benefits"** issued in November 2013 that concerns contributions to define benefit plans by employees or other, related to services. The amendment is effective for annual periods beginning on or after 01.07.2014. It is not expected to have a material impact on the financial statements of the group or the company.

#### **New Standards and Interpretations Effective for Annual Periods Beginning after 01.01.2015**

- **"Complete IFRS 9 Financial instruments"** issued in July 2014. The new standard is effective for annual periods beginning on or after 01.01.2018, but it is not endorsed yet by the European Union. The standard is not expected to have a material impact on the financial statements of the group or the company.
- **"Amendment of IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization"** The amendment provides clarification regarding the acceptable depreciation methods. It is effective for annual periods beginning on or after 01.01.2016. It is not expected to have a material impact on the financial statements of the group or the company.
- **"Amendment of IFRS 11 Accounting for Acquisitions of interests in Joint Operations"** The amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. It is effective for annual periods beginning on or after 01.01.2016. It is not expected to have a material impact on the financial statements of the group or the company.
- **"IFRS 14 Regulatory Deferral Accounts"** The Standard describes regulatory deferral account balances as amounts of expense or income that would not be recognized as assets or liabilities in accordance with other Standards, but that qualify to be deferred in accordance with this Standard because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate-regulated goods or services. It permits a first-time adopter within its scope to continue to account for regulatory deferral account balances in its first IFRS financial statements in accordance with its previous GAAP when it adopts IFRS. It is effective for annual periods beginning on or after 01.01.2016. It is not expected to have a material impact on the financial statements of the group or the company.

- **“IFRS 15 Revenue From Contracts With Customers”.** The standard replaces IAS 11 and 18, as well as Interpretations 13,15,18 and 31. Under the new standard an entity recognizes revenue by following 5 steps. It is effective for annual periods beginning on or after 01.01.2017. It is not expected to have a material impact on the financial statements of the group or the company.
- **“Agriculture: Bearer Plants – Amendments to IAS 16 and 41”.** The amendments are effective for annual periods beginning on or after 01.01.2016. The standard is not relevant to the activities of the group or the company.
- **“Equity Method in Separate Financial Statements – Amendments to IAS 27”.** The amendments are effective for annual periods beginning on or after 01.01.2016. Under new amendments, interests in subsidiaries, associates and joint ventures, in the separate financial statements of an investor can be measured in accordance with equity method as it is stated in IAS 28. It is not expected to have a material impact on the financial statements of the company.
- **«Disclosing Initiative – Amendments to IAS 1».** (Effective for annual periods beginning on or after 1 January 2016). It is not expected to have material effect on the financial statements.
- **«Sale or Distribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28».** (Effective for annual periods beginning on or after 1 January 2016). It is not expected to have material effect on the financial statements.
- **«Investments Entities – Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28».** (Effective for annual periods beginning on or after 1 January 2016). It is not expected to have material effect on the financial statements.
- **Amendments to IAS 7 Statement of Cash Flows.** It requires disclosure of changes in liabilities arising from financing activities. (Effective for annual periods beginning on or after 1 January 2017). It is not expected to have material effect on the financial statements.
- **«Amendments to IAS 12 Income Taxes»** It concerns the recognition of deferred tax assets for unrealized losses. (Effective for annual periods beginning on or after 1 January 2017). It is not expected to have material effect on the financial statements.
- **«New IFRS 16 Leases».** It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months. Lessor continues to classify its leases as operating or finance and to account for those two types of leases differently. (Effective for annual periods beginning on or after 1 January 2019). It is expected to have effect on the financial statements in relation to the accounting treatment of operating leases from the perspective of lessee under superseded IAS 17.



## 2.3 Consolidation

### 2.3.1 Subsidiaries

The consolidated financial statements incorporate the financial statements of the parent company and its subsidiaries. Controlling procedures take place as long as the parent company is able to define the financial and operational activities of an affiliate, with a view to gaining some benefit. The results, assets and liabilities of the subsidiaries are integrated into the financial statements based on the method of complete consolidation. The financial statements of the subsidiaries have been prepared as per the same accounting policies followed by the company. Inter-company transactions, balances, as well as incomes and expenses are eliminated during consolidation. The accounting goodwill derived from businesses acquisition, is registered as a non-depreciable asset, subject to annual impairment audit, in case it is positive. If it is negative, it is registered as income in the financial results of the Group. The goodwill captures the difference between the acquisition price and the reasonable value of the separate assets, the liabilities and potential liabilities of the acquired company.

### 2.3.2 Currency translations

#### (a) Operating currency and presentation currency

The figures of the financial statements regarding the Group's subsidiaries and the parent company are noted in Euro; which is the currency of the financial environment within which they operate (functional currency).

#### (b) Transactions and balances

Any transactions in foreign currencies are converted into the functional currency, based on the valid exchange rates on the transactions' dates. Any profits or losses stemming from currency differences that generated during the clearing of such transactions throughout the fiscal year, or upon the conversion of the currency figures expressed in a foreign currency based on the current exchange rates, applicable on the date of the Balance Sheet publication, are registered in the financial results. Any exchange rate differences derived from non-currency elements valued at their reasonable price, are considered as a section of the reasonable value; thus they are registered in the same section with the differences of reasonable value. The figures presented in the financial statements of the Group's companies are based on the prevailing currency of the specific country where each company is active. The individual financial statements of the companies participating in the consolidation, which had initially presented in a currency other than the Group's currency for presentation purposes, have been converted into €. Assets and liabilities have been translated into €, based on the exchange rate on the closing date of the balance sheet. Incomes and expenses have been translated into the currency used for the Group's presentation purposes, based on the average exchange rates of each fiscal year. Any differences resulting from this procedure are transferred to the reserve fund for subsidiary balance sheets translation in a foreign currency, in the net position, through the remaining total earnings.

## 2.4 Tangible Assets

Tangible Assets are consistently valued at the acquisition cost less depreciation. Acquisition cost includes all expenses directly attributable to the acquisition of these assets. Subsequent expenditures increase the book value of tangible assets, only if it is believed that future economic benefits will pump into the group and their cost can be measured reliably. Establishments in third party properties (opening of shops) are depreciated based on the estimated lease duration. Depreciations are calculated using the straight line method over their useful life, as follows:

Asset Category	Operational Years
Buildings (privately owned)	50
Electro-Mechanical etc. installations on privately owned buildings	20-25
Installations on third parties' property	8-12
Mechanical equipment	7-9
Motor vehicles	7-9
Other equipment	7

The self-produced tangible assets constitute an addition to the acquisition cost of the tangible assets in values that incorporate the direct payroll cost of the personnel participating in the manufacturing procedure, the cost of consumed materials and other general costs.

Tangible assets' residual values and useful lives are subject to review on the date of the balance sheet. If the residual values, the expected useful life or the expected consumption rate of future financial benefits incorporated in an asset change, these changes are treated as changes in accounting estimations. In case of a tangible asset sale, the differences between the value received and its accounting value are recognised as profit or losses in the results.

The accounting value of tangible assets is checked for devaluation when there are relevant indications, i.e. in circumstances showing that the accounting value may not be retrievable. If there is such an indication that the accounting value exceeds the estimated recoverable amount, the assets or cash-generating units are devaluated up to the recoverable amount. The retrievable amount of property, infrastructure and equipment is the greater between the net selling price and their usage value. To calculate the usage value, the expected future cash flows are discounted at their current value using the pre-tax discount rate that reflects market's current estimations regarding the time value of money value and the risks related to the corresponding asset.

When the tangible assets' accounting values exceed their recoverable value, the difference (devaluation) is initially recognised as a decrease in the fair value reserve (it case there is one linked with the asset in question) which is reported in equity accounts. Every devaluation loss exceeding the reserve corresponding to a specific asset is directly recognised as expense in the income statement.

## **2.5 Investments in property**

Investments in property are investments related to all those properties (including land, buildings or parts of buildings), purchased by the group, and used for leasing purposes. Property investments are initially registered at their acquisition cost including any transaction costs. Subsequently they are valued at fair value.

Management determines the fair value using various valuation methods. The purpose of using a specific valuation method is the determination of the transaction price on the valuation date, on a commercial basis, driven by regular business considerations. The evaluation methods, include among others, the use of recent commercial-based transactions, the reference to the current fair value of a substantially similar instrument, as well as the analysis of the discounted cash flows.

The estimation of the properties fair value was conducted by a registered real estate expert who has the skills and experience required for the assessment procedure and is totally irrelevant to the group. The reassessment / assessment concerns only the land and buildings and does not take into consideration the engineering or other mobile equipment of the Company. Since there is no establishment of horizontal or vertical ownerships of the buildings, the distinction of the estimated value between the land and a building was considered as the proportional land area per building, based on the above said structure. The book value reported in the Group's financial statements, reflect the market conditions on the date of balance sheet generation. Any gain or loss resulting from a change in fair value of properties investments is recognized in the income statement incurred.

Transfers towards the category of real estate investments are only conducted in case of a change in their perceived use, as a result of the end of the private-use period on behalf of the Group, the finalization of an asset's construction, or the utilization of an operating lease derived from a third party. Accounting transfers of properties from "investments" into "owner-occupied" category are only executed in case of a change on their utilization purposes, evidenced by their establishment as owner-occupied assets or their classification as held for sale properties. For the transfer of property from the category of "investments" into the category of "owner-occupied", the reasonable cost of the property used for its subsequent accounting manipulation, is its fair value on the date of the change of use. Gains or losses resulting from the removal or disposal of the investment in property, are recognized in the income statement of the period that the removal or disposal took place.

Group's real estate investments refer to two properties located at Piraeus Street and at the airport. The reasonable value of the investment properties of the Group, equal to approx. €75 mil., was estimated by an independent and chartered assessor at the beginning of 2010. The same value was taken into consideration for the financial statements of 31.12.2010.

## **2.6 Intangible Assets**

### **2.6.1 Trademarks and Licenses**

The acquired trademarks and licenses are initially recognized at historical cost.

The licenses have a finite useful life and are carried at cost less accumulated depreciation. Depreciation is calculated using the method of the useful life with a view to the allocation of trademarks and licenses costs throughout their estimated useful life.

### **2.6.2 Other Intangible Assets**

This category incorporates the Group's rental rights, initially recognized at their acquisition cost. After the initial recognition, intangible assets are measured at cost less accumulated depreciation and any impairment loss that may have occurred. It also includes purchased software used in administration or production process. The acquired licenses related to software are capitalized on the basis of the incurred expenses during the acquisition and installation of the software. The costs associated with the maintenance of computer software are recognized in the period in which they occur. The capitalized costs are depreciated based on the straight-line method over their estimated useful lives.

### **2.6.3 Assets Impairments**

Intangible assets with indefinite useful lives that are not amortized, are reviewed for impairment at least annually. The assets subject to amortization are reviewed for impairment when there are indications that their carrying value may not be recoverable. The retrievable amount is the higher between the fair value less the costs required for the disposal and the value in use of the asset. The use value is determined by discounting the future cash flows using the appropriate discount rate. If the recoverable value is less than the undischarged, then the latter is reduced down to its recoverable amount. Impairment losses are recognized as expenses in the income statement of the period they incurred, unless the asset has been readjusted so that the impairment loss decreases the corresponding revaluation reserve. When in a later period the impairment loss should be reversed, the carrying value of the asset is increased up to the level of the revised estimate of recoverable amount, provided that the new book value does not exceed the residual value as it would have been determined if the impairment losses had not been registered in previous periods. The reversal of the loss is recognized as an income, unless the asset has been readjusted. In this case, the reversal increases the corresponding revaluation reserve.

For the assessment of impairment losses, assets are included in the smallest possible cash-generating units.

## **2.7 Financial Assets**

### **2.7.1 Initial Recognition**

Financial assets are recorded in the Group's balance sheet, since it becomes part of the contractual provisions of the instrument.

The assets of the group are classified in the following categories:

- Loans and receivables, receivables from trading activities
- Current and time deposits
- Financial assets at fair value through profit
- Financial assets available for sale, and
- Investments held to maturity.

Financial assets are divided into different categories by management, based on their characteristics and the purpose for which they were acquired.

The category in which each financial instrument is classified, differs from the others as different rules apply with respect to their valuation and the recognition of each designated financial result either in the income statement or directly in equity. Financial assets are recognized depending on the accounting date that the trade was executed.

### **2.7.2 Financial Assets at fair value through results**

Financial assets deriving their fair value through the income statement, include assets held primarily for commercial purposes valued by the group at fair price through income statement upon initial recognition. In addition, derivative financial assets which do not qualify for accounting hedge are classified in this category.

Financial assets included in this category are valued at fair value through the results and cannot be reclassified to another category. The financial assets that have been classified in this in this category include shares listed on the Athens and Cyprus Stock Exchange and mutual fund shares.

### **2.7.3 Investments held until maturity**

The held-to maturity investments are non-derivative financial assets with fixed or determined payments and fixed maturity. The financial assets classified as held-to maturity investments as long as management is willing and able to hold them until maturity.

After initial recognition, investments that fall into this category are valued at residual cost, using the effective interest rate method. The residual cost is the amount in which the financial asset was initially measured or the financial liability after the deduction of principal repayments, including or excluding any accumulated depreciation of any difference between that initial amount and the amount payable at maturity, calculated with the method of effective interest rate, after the deduction of any devaluation. The calculation includes all fees and units paid or received between the parties, which are considered an integral part of the effective interest rate, the transaction costs and any discount or impairment.

Moreover, if there is any evidence that a financial asset has declined in value, then the investment is valued at the present value of projected cash flows and any difference from the book value of the investment is recognized in the income statement as a loss.

### **Fair Value**

The fair value of the investments in an active market is demonstrated by reference to quoted market prices on the balance sheet date. If the market for an investment is not active, management determines the fair value using valuation techniques. The purpose of using a valuation technique is the determination of the transaction price on the measurement date, based on an entirely commercial context, driven by regular business considerations. The evaluation methods include among others, the use of recent commercial-based transactions, the reference to the current fair value of a relevant instrument, as well as the analysis its of discounted cash flows.

## **2.8 Inventories**

Inventories are valued at the lower price between the acquisition value and net realizable value. Cost is calculated based on the weighted average cost. Net realizable value is estimated based on the inventories current selling prices in the context of the ordinary course of business and after the deduction of any selling expenses where applicable.

## **2.9 Loans, receivables from business and other receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that have no quoted price in the active market. They come into existence when the Group provides money, products or services directly to a debtor with no intention of commercial claim.

Loans and receivables are measured at unamortized cost, using the effective interest method, less any devaluation provisions. Every change in the value of loans and receivables is recognized in the income statement when the loans and receivables are eliminated or undergo a value discount, as well as during the application of the effective interest method.

The receivables from commercial activities are initially recognized at fair value and subsequently are measured at

unamortized cost using the effective interest rate method. Appropriate allowance for estimated irrecoverable amounts, are recognized in the income statement when there is objective evidence that the asset has been impaired. The recognized provision is measured as the difference between the book value of the asset and the present value of its expected cash flows discounted at the applicable effective interest rate upon the initial recognition. For some receivables, impairment checks are executed per individual requirement (e.g. for each customer separately) whenever the recovery of the claim has been declared overdue on the date of the financial statements or in cases where objective evidence indicates the need for an impairment. Other assets are pooled and tested for impairment in total. The amount of impairment losses is the difference between the carrying value and the estimated future cash flows of the receivables. The amount of impairment loss is recorded as an expense in the financial results.

Receivables and loans are included in current assets, except those falling due after twelve months from the balance sheet date. These are characterized as non-current assets. They are also classified as commercial and other receivables in the balance sheet and constitute a vast proportion of the Group's financial assets.

## **2.10 Cash equivalents**

Cash and cash equivalents include the cash deposited in the bank or held in hand, as well as short term highly liquid investments such as repos and deposits maturing in less than three months.

For the preparation of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding the outstanding balances of bank overdrafts.

## **2.11 Share Capital**

Common shares are classified as equity. Direct costs linked with the issuance of shares, are considered after the deduction of the relative income tax. Direct costs associated with the issuing of shares towards the acquisition of other companies are included in the acquisition cost of the purchased company. The acquisition cost of treasury shares after the exclusion of income tax (if applicable), is shown as a deduction in the group's equity, until the aforementioned shares are sold or canceled. Any gain or loss from the sale of treasury shares, free of direct transaction costs and other income tax, if any, is presented as an equity reserve.

## **2.12 Financial Obligations**

### **2.12.1 Initial Recognition**

The financial liabilities are registered in the Group's balance sheet once the group becomes part of the contractual provisions of the instrument. The group's financial liabilities include bank loans and overdraft accounts (overdraft), trade and other payables, as well as financial leases.

Financial liabilities are classified in the following categories:

- Financial liabilities available at fair value through financial results
- Financial liabilities available at depreciated cost.

### **2.12.2 Financial Obligations (other than loans)**

Financial liabilities are recognized when the group is involved in a contractual agreement of the financial instrument and are deleted when the group is exempted from the liability or this is cancelled or expired. Liabilities from financial leases are measured at initial value less the amount of financial capital repayments, while interest is recognized as an expense item in the "Financial expenses" in the Income Statement. Trade payables are recognized initially at their nominal value and subsequently are measured at the unamortized cost. Gains and losses are recognized in the Income Statement when the liabilities are eliminated, as well as when the effective interest rate method is applied. Dividends to shareholders are recognized in the account "Dividends Payable", when approved by the General Meeting of Shareholders.

Liabilities from trading activities are recognized initially at their fair value and subsequently are measured at the undepreciated cost using the effective interest rate method.

### **2.12.3 Bank Loans**

All loans are initially recognized at cost, which is the fair value of the amount received, irrespective of their direct issuing expenses. After the initial recognition, loans are evaluated at their undepreciated cost, based on the method of the effective interest rate, and any difference is recorded in the financial results during the loan period.

## **2.13 Accounting Income Tax**

### **2.13.1 Current Income Tax**

Current tax claims / liabilities include those claims or obligations imposed by the tax authorities relating to the current or previous reporting periods that have not been paid until the balance sheet date. They are calculated according to the prevailing tax rates and tax laws on the basis of the taxable profits each year. All changes on the current tax claims or liabilities are recognized as expense in the income statement.

### **2.13.2 Deferred Income Tax**

Deferred income tax is calculated based on the liability method which focuses on the temporary differences. This involves the comparison of the book value of the claims and liabilities on the consolidated financial statements with their respective tax bases. Deferred tax claims are recognized to the extent that they are likely to be offset against future income taxes.

The group recognizes a previously unrecognized deferred tax claim to the extent that a future taxable profit is likely to be generated.

The deferred tax claim is reviewed on every balance sheet date and is reduced up to the extent that a sufficient taxable profit that would allow the recovery of such claim is not likely to be generated.

Deferred tax liabilities are recognized for all taxable temporary differences. Tax losses can be transferred to subsequent periods are recognized as deferred tax liabilities.

Deferred tax claims and liabilities are measured based on the tax rates expected to apply during the settlement period of the claim or liability, taking into account the tax rates (and tax laws) substantially prevailing on the date of Balance Sheet.

Changes in deferred tax claims or liabilities are recognized as part of the income tax on the income statement, except for those resulting from specific changes on assets or liabilities, which are recognized directly in the Group's equity and result in a relative change in deferred tax claims or liabilities being charged / credited to the relevant equity account.

## **2.14 Retirement Benefits and Short-term Employee Benefits**

### **2.14.1 Short-term Benefits**

Short-term benefits for employees (other than benefits for the termination of employment) in cash and in kind are recognized as an expense when accrued. Any unpaid amount is recorded as a liability, unless the amount already paid exceeds the amount of benefits. Then, the company recognizes this excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a series of lower future payments or a refund.

### **2.14.2 Benefits payable after leaving service**

The Group has both programs of fixed contributions as well as programs of fixed provisions.

#### **2.14.2.1 Defined Contribution**

The staff group is mainly covered by the main State Insurance Agency on the private sector (IKA) provided pension and medical benefits. Each employee is required to contribute part of their monthly salary to the fund, while contributing a portion covered by the group. Upon retirement, the pension fund responsible for paying pension benefits to employees. Consequently the group has no legal or constructive obligation to pay future benefits under this program.



Under the defined contribution plan, the group's obligation (legal or constructive) is limited to the amount agreed to contribute to the organization (e.g. fund) that manages contributions and provides benefits. Thus the amount of benefits the employee will receive is determined by the amount paid by the group (or the employee) and paid by the investment of contributions thereof. A contribution payable by the group in a defined contribution plan is recognized as a liability after removal of the levy paid and a corresponding output.

#### **2.14.2.2 Defined Benefit Liabilities – Retirement Benefit due to service exit**

The obligation in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit under the Law 2112/20 and changes resulting from any actuarial gains or losses and past service cost. Actuarial gains and losses arising from experience adjustments and changes in the proportional cases at the end of the previous year exceeded 10% of defined benefit obligation, are charged or credited to the results based on the expected average remaining working lives of employees participating in this program.

Past service cost is recognized directly in profit or loss, unless the changes in pension plans are optional for the retention of workers in service for a specified period (vesting date). In this case, the service cost is amortized on a regular basis until the date of vesting of benefits. The termination benefits paid service when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary retirement from service in return for these benefits. The group recognizes these termination benefits when demonstrably committed to either terminate the employment of workers according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of the bid to encourage voluntary redundancy. Where termination benefits attributable to service rendered beyond twelve months after the balance sheet date, discounted to present value.

The actuarial study was conducted by an independent actuary using the method of projected unit credit (projected unit credit method). Specifically, the study involved the investigation and calculation of actuarial sizes required by the standards set by International Accounting Standards (IAS 19) and is required to be registered in the balance sheet and income statement of each company.

### **2.15 Other Provisions**

Provisions are recognized when a present commitment is likely to lead to a reliably-estimated outflow of economic resources for the Group. The timing or the amount of the outflow can be uncertain. A present obligation arises from the existence of a legal or constructive obligation resulting from past events. Each formed prediction is used only for the expenses that it was originally meant to cover. Provisions are reviewed on each balance sheet date and are adjusted in order to reflect the best current estimate.

The provisions are valued at the expected cost required for the present commitment to be settled, based on the most trustworthy evidence available on the balance sheet date, including the risks and uncertainties related to this commitment. When the effect of time value of money is significant, the amount of the provision is the present value of the expenses expected to be required for the settlement of the obligation.

When discounting method is used, the book value of a forecast increases in each period so as to reflect the passage of time. This increase is recognized as an expense in financial results. When there is a number of similar commitments, the likelihood that an outflow will be required towards a settlement, is determined by taking into account the category of commitments, as a whole. A provision is recognized even if the possibilities of an outflow included in the category of commitments are limited. If it is not likely that an outflow of resources embodying economic benefits will be required for the settlement of the commitment, the provision is reversed.

### **2.16 Contingent liabilities**

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the probability of resource outflows incorporating economic benefits is minimal.

## **2.17 Contingent assets**

Possible inflows of economic benefits for the group not being able to be recognized as assets, are considered contingent assets and are disclosed in the notes of the financial statements.

## **2.18 Leasing**

### **2.18.1 Company Group as lessee**

#### **2.18.1.1 Finance Leases**

The ownership of a leased asset is transferred to the lessee, if and only if all risks and benefits associated with the leased asset are transferred to him, independent of the legal form of contract. At the beginning of the leasing period, the asset is recognized at fair value or if lower, at the present value of minimum lease payments including extra payments if any, covered by the lessee. A corresponding amount is recognized as an obligation of the lease irrespective of whether some of the lease payments are made in advance, at the beginning of the lease.

#### **2.18.1.2 Operational Leases**

All other leases are treated as operating leases. The payments related to operating lease contracts are recognized as an expense in the financial results based on the straight-line method (correlation between revenue and expense). The relative costs, such as maintenance and insurance are recognized as an expense when incurred.

### **2.18.2 Group Company as Lessor**

#### **2.18.2.1 Operational Leases**

When the Group does not transfer all risks and benefits of the asset, leases are classified as operating leases. Initial direct costs incurred by lessors in negotiating and agreeing an operating lease are added to the book value of the leased asset and recognized, throughout the whole lease period, as rental income.

## **2.19 Revenue Recognition**

Revenues are recognized to the extent that the economic benefits that will flow into the Group are likely to be measured reliably. Revenues are free of added value tax, discounts and returns. Income among Group's companies, which are consolidated based on the full consolidation method, are entirely eliminated.

The recognition of revenue is as follows:

### **2.19.1 Sales of Goods**

Revenues are recognized, when the significant risks and benefits stemming from the ownership of goods are transferred to the buyer and the collection of receivables is reasonably assured. The wholesale sales of goods are mainly executed on credit.

### **2.19.2 Services**

Revenues from service contract agreements with a predetermined value, are recognized based on the stage of the transaction on the balance sheet date. Under this method, the income is recognized based on the proportion of services provided until the date of financial statements, with respect to the total of services to be performed. When the result of a transaction cannot be estimated reliably, the income is recognized only to the extent that the recognized expenses are recoverable.

In cases of changes in the initial estimates of revenues, expenditures, or the level of integration, these changes may lead to increases or decreases in the estimated revenues or costs and are recorded in the period's revenues.



### **2.19.3 Dividends**

The dividend income is recognized when the right to receive payment.

### **2.19.4 Interest Income**

Interest income is recognized based on the time proportion, as well as using the effective interest rate method.

### **2.19.5 Income from Rents**

Income from rents is recognized on the accrual basis in accordance with the terms of the relevant agreements.

## **3. Financial Information per segment**

The operational sectors of the Group are strategic units selling different goods. They are monitored and managed separately by the board of Directors, because these goods are of completely different nature in terms of market demand and gross profit margin.

The sectors of Group are the following:

#### **- Jewellery, Watches, Accessories:**

This sector includes the processing and distribution of jewelleries, watches and relevant accessories.

#### **- Department Stores:**

This sector deals with the operation of the department stores.

#### **- Clothing - Footwear:**

This sector concerns the wholesale and retail sales of branded clothing, footwear as well as perfumes and cosmetics.

#### **Other Activities:**

This sector includes the sales to exterior customers which are below 5

The accounting policies underlying the operating sectors are the same as those used for the generation of the financial statements. The efficiency of the sectors is calculated based on the profitability, on a pre-tax income and without taking into account figures such as non-recurring and foreign exchange transactions that management monitors in total.

## Results per segment for the period ended at 31.12.15 and 31.12.14

GROUP						
<i>amounts in € mil.</i>	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Total	Eliminations	Consolidated data
<b>Reference period</b>						
Sales to external customers	891.037	177.114	171.518	1.239.668	-46.625	1.193.043
Sales intersectoral	1.465	11.017	205	12.687	-12.687	0
Cost of sales	-442.442	-116.473	-99.016	-657.930	46.115	-611.815
Cost of sales sectors	0	-476	-11.996	-12.473	12.473	0
<b>Gross Margin</b>	<b>450.061</b>	<b>71.181</b>	<b>60.711</b>	<b>581.952</b>	<b>-724</b>	<b>581.228</b>
Other operating income	23.934	6.173	4.083	34.190	-22.005	12.185
Selling Cost	-186.027	-56.751	-47.929	-290.707	22.041	-268.666
Selling expenses crosscutting	-172	-43	0	-214	214	0
Administration cost	-53.630	-14.569	-4.443	-72.642	582	-72.060
Other operating cost	-12.052	-1.712	-202	-13.966	-178	-14.145
<b>Segment operating earnings (EBIT)</b>	<b>222.115</b>	<b>4.279</b>	<b>12.220</b>	<b>238.613</b>	<b>-71</b>	<b>238.543</b>
<b>Previous Reporting Period</b>						
Sales to external customers	735.534	159.388	153.705	1.048.627	-50.565	998.062
Sales intersectoral	1.702	11.298	116	13.115	-13.115	0
Cost of sales	-356.450	-101.031	-86.495	-543.976	47.668	-496.309
Cost of sales sectors	0	-460	-12.529	-12.989	12.989	0
<b>Gross Margin</b>	<b>380.786</b>	<b>69.195</b>	<b>54.796</b>	<b>504.777</b>	<b>-3.024</b>	<b>501.753</b>
Other operating income	7.275	2.622	4.412	14.308	-2.625	11.683
Selling Cost	-149.899	-50.448	-44.922	-245.269	2.965	-242.304
Selling expenses crosscutting	-76	-50	0	-126	126	0
Administration cost	-40.511	-11.387	-3.922	-55.821	-1.127	-56.948
Other operating cost	-10.657	-1.847	-289	-12.793	968	-11.824
<b>Segment operating earnings (EBIT)</b>	<b>186.917</b>	<b>8.084</b>	<b>10.075</b>	<b>205.076</b>	<b>-2.716</b>	<b>202.360</b>

ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 01.01-31.12.2015

(THE AMOUNTS IN ALL TABLES ARE EXPRESSED IN EURO)

### Balance Sheet of the Group as of 31.12.15

<i>Amounts in € thousand</i>	<b>Jewellery- Watch- Accessories</b>	<b>Clothing- Footware</b>	<b>Department Stores</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated Data</b>
<b>31.12.2015</b>						
Tangible & Intangible Assets	140.257	111.467	105.684	357.409	52.350	409.759
Inventories	392.407	45.341	58.642	496.390	-6.062	490.328
Trade & other receivables				680.253	-94.388	585.865
Cash & cash equivalent				245.451		245.451
				<b>1.779.503</b>	<b>-48.099</b>	<b>1.731.403</b>
Other assets non-allocated				1.033.448	-557.242	476.206
<b>Total</b>				<b>2.812.951</b>	<b>-605.342</b>	<b>2.207.609</b>
Trade & other payables	135.601	50.510	85.871	271.982	-138.429	133.553
Other liabilities non allocated				704.939	-236.571	468.367
Equity				1.836.030	-230.341	1.605.689
<b>Total</b>				<b>2.812.951</b>	<b>-605.342</b>	<b>2.207.609</b>

### Geographical Segments

	<i>Greece</i>	<i>Rest of Europe</i>	<i>Asia</i>	<i>Total</i>
Sales	285.155.037,68	152.803.772,80	755.084.462,67	1.193.043.273,15
Non current Assets	435.976.612,42	112.780.992,38	101.921.699,42	650.679.304,22

#### 4. Own-used tangible assets – Investments in real property

The book value of assets, for the Group and Company respectively, as shown in the consolidated balance sheet for the periods presented were as follows:

The Group								
	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	Investment Property
<b><u>Cost</u></b>								
<b>Balance at 1.1.2014</b>	<b>38.035.478,66</b>	<b>97.058.484,75</b>	<b>9.750.155,81</b>	<b>3.660.809,61</b>	<b>76.696.590,77</b>	<b>45.055.033,08</b>	<b>270.256.552,68</b>	<b>82.049.706,85</b>
Additions	0,00	9.449.739,98	1.317.413,23	41.495,55	10.236.310,97	5.961.790,70	<b>27.006.750,43</b>	165.717,00
Disposals	0,00	-3.582.742,72	-571.896,69	-7.682,99	-4.058.320,25	0,00	<b>-8.220.642,65</b>	0,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	-1.774,93	2.925.232,71	223.058,16	1.240,84	222.551,25	-5.096.935,77	<b>-1.726.627,74</b>	1.069.110,43
Exchange Differences	1.822.099,65	2.116.249,62	518.929,08	3.727,53	2.443.870,24	-23.672,25	<b>6.881.203,87</b>	0,00
<b>Balance at 31.12.2014</b>	<b>39.855.803,38</b>	<b>107.966.964,34</b>	<b>11.237.659,59</b>	<b>3.699.590,54</b>	<b>85.541.002,98</b>	<b>45.896.215,76</b>	<b>294.197.236,59</b>	<b>83.284.534,28</b>
<b>Balance at 1.1.2015</b>	<b>39.855.803,38</b>	<b>107.966.964,34</b>	<b>11.237.659,59</b>	<b>3.699.590,54</b>	<b>85.541.002,98</b>	<b>45.896.215,76</b>	<b>294.197.236,59</b>	<b>83.284.534,28</b>
Additions	0,00	8.808.053,01	775.743,28	6.210.973,37	7.800.611,13	5.296.837,71	<b>28.892.218,50</b>	357.473,78
Disposals	0,00	-1.936.343,94	-44.347,43	-80.167,50	-3.776.590,90	-345.397,95	<b>-6.182.847,72</b>	0,00
New subsidiaries	0,00	0,00	0,00	0,00	2.532.370,90	0,00	<b>2.532.370,90</b>	0,00
Transfers	0,00	440.141,45	-186.310,55	-0,10	698.290,60	-1.150.013,52	<b>-197.892,12</b>	252.892,12
Exchange Differences	1.723.615,25	4.481.042,08	394.312,67	-24.338,20	2.362.894,20	-151.196,94	<b>8.786.329,06</b>	0,00
<b>Balance at 31.12.2015</b>	<b>41.579.418,63</b>	<b>119.759.856,94</b>	<b>12.177.057,56</b>	<b>9.806.058,11</b>	<b>95.158.578,91</b>	<b>49.546.445,06</b>	<b>328.027.415,21</b>	<b>83.894.900,18</b>
<b><u>Accumulated amortisation</u></b>								
<b>Balance at 1.1.2014</b>	0,39	29.185.565,54	8.615.974,50	1.747.737,61	54.724.703,71	677.232,54	<b>94.951.214,29</b>	5.996.551,44
Amortisation charge	0,00	8.634.293,66	730.435,57	284.915,70	7.712.715,69	0,00	<b>17.362.360,62</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.095.353,73
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
Decrease of amortisation	0,00	-3.060.084,85	-493.220,78	-1.506,89	-3.777.228,42	0,00	<b>-7.332.040,94</b>	0,00
Transfers	0,00	213.420,15	21.741,95	0,00	92.554,44	302.939,64	<b>630.656,18</b>	154.618,70
Exchange Differences	0,00	680.123,37	479.427,04	-800,58	1.646.898,02	51,23	<b>2.805.699,08</b>	0,00
<b>Balance at 31.12.2014</b>	<b>0,39</b>	<b>35.653.317,87</b>	<b>9.354.358,28</b>	<b>2.030.345,84</b>	<b>60.399.643,44</b>	<b>980.223,41</b>	<b>108.417.889,23</b>	<b>7.246.523,87</b>
<b>Balance at 1.1.2015</b>	<b>0,39</b>	<b>35.653.317,87</b>	<b>9.354.358,28</b>	<b>2.030.345,84</b>	<b>60.399.643,44</b>	<b>980.223,41</b>	<b>108.417.889,23</b>	<b>7.246.523,87</b>
Amortisation charge	0,00	9.650.785,91	967.520,22	348.858,02	8.306.764,43	0,00	<b>19.273.928,58</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.362.032,32
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	1.283.543,76	0,00	<b>1.283.543,76</b>	0,00
Decrease of amortisation	0,00	-1.010.235,91	-40.024,31	-54.873,44	-2.555.843,66	0,00	<b>-3.660.977,32</b>	0,00
Transfers	0,00	0,00	-104.440,61	0,00	105.621,27	0,00	<b>1.180,66</b>	442,56
Exchange Differences	0,00	3.783.041,95	317.633,57	-27.357,29	1.619.994,92	277,53	<b>5.693.590,68</b>	0,00
<b>Balance at 31.12.2015</b>	<b>0,39</b>	<b>48.076.909,82</b>	<b>10.495.047,15</b>	<b>2.296.973,13</b>	<b>69.159.724,16</b>	<b>980.500,94</b>	<b>131.009.155,59</b>	<b>8.608.998,75</b>
<b><u>Net Book amount 31.12.2014</u></b>	<b>39.855.802,99</b>	<b>72.313.646,47</b>	<b>1.883.301,31</b>	<b>1.669.244,70</b>	<b>25.141.359,54</b>	<b>44.915.992,35</b>	<b>185.779.347,36</b>	<b>76.038.010,41</b>
<b><u>Net Book Amount 31.12.2015</u></b>	<b>41.579.418,24</b>	<b>71.682.947,12</b>	<b>1.682.010,41</b>	<b>7.509.084,98</b>	<b>25.998.854,75</b>	<b>48.565.944,12</b>	<b>197.018.259,62</b>	<b>75.285.901,43</b>

The Company								
	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	Investment Property
<b><i>Cost</i></b>								
<b>Balance at 1.1.2014</b>	<b>12.243.777,69</b>	<b>46.737.349,36</b>	<b>1.595.920,67</b>	<b>2.390.227,24</b>	<b>21.922.201,93</b>	<b>902.250,00</b>	<b>85.791.726,89</b>	<b>84.357.579,33</b>
Additions	0,00	1.758.357,04	20.920,00	39.360,16	1.585.836,78	0,00	<b>3.404.473,98</b>	165.717,00
Disposals	0,00	-697.106,11	-172.629,04	-7.682,99	-996.114,66	0,00	<b>-1.873.532,80</b>	0,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	0,00	-1.070.920,81	217,36	0,00	1.810,38	-900.000,00	<b>-1.968.893,07</b>	1.069.110,43
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2014</b>	<b>12.243.777,69</b>	<b>46.727.679,48</b>	<b>1.444.428,99</b>	<b>2.421.904,41</b>	<b>22.513.734,43</b>	<b>2.250,00</b>	<b>85.353.775,00</b>	<b>85.592.406,76</b>
<b>Balance at 1.1.2015</b>	<b>12.243.777,69</b>	<b>46.727.679,48</b>	<b>1.444.428,99</b>	<b>2.421.904,41</b>	<b>22.513.734,43</b>	<b>2.250,00</b>	<b>85.353.775,00</b>	<b>85.592.406,76</b>
Additions	0,00	915.439,92	21.775,00	0,00	1.118.758,38	776.627,06	<b>2.832.600,36</b>	357.473,78
Disposals	0,00	-415.988,18	-42.349,98	-18.297,16	-931.313,64	0,00	<b>-1.407.948,96</b>	0,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	0,00	73.038,92	0,00	0,00	393.696,02	-774.627,06	<b>-307.892,12</b>	252.892,12
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2015</b>	<b>12.243.777,69</b>	<b>47.300.170,14</b>	<b>1.423.854,01</b>	<b>2.403.607,25</b>	<b>23.094.875,19</b>	<b>4.250,00</b>	<b>86.470.534,28</b>	<b>86.202.772,66</b>
<b><i>Accumulated amortisation</i></b>								
<b>Balance at 1.1.2014</b>	<b>0,00</b>	<b>17.685.069,11</b>	<b>1.168.111,85</b>	<b>781.253,62</b>	<b>15.715.964,36</b>	<b>0,00</b>	<b>35.350.398,94</b>	<b>8.304.423,92</b>
Amortisation charge	0,00	1.931.292,07	72.437,06	219.160,28	1.928.589,48	0,00	<b>4.151.478,89</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.095.353,73
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
Decrease of amortisation	0,00	-662.860,20	-154.071,28	-1.506,89	-958.080,83	0,00	<b>-1.776.519,20</b>	0,00
Transfers	0,00	-154.562,56	0,00	0,00	38,72	0,00	<b>-154.523,84</b>	154.618,70
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2014</b>	<b>0,00</b>	<b>18.798.938,42</b>	<b>1.086.477,63</b>	<b>998.907,01</b>	<b>16.686.511,73</b>	<b>0,00</b>	<b>37.570.834,79</b>	<b>9.554.396,35</b>
<b>Balance at 1.1.2015</b>	<b>0,00</b>	<b>18.798.938,42</b>	<b>1.086.477,63</b>	<b>998.907,01</b>	<b>16.686.511,73</b>	<b>0,00</b>	<b>37.570.834,79</b>	<b>9.554.396,35</b>
Amortisation charge	0,00	1.856.532,32	86.342,29	216.539,64	1.910.731,19	0,00	<b>4.070.145,44</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.362.032,32
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
Decrease of amortisation	0,00	-262.092,76	-38.368,52	-7.559,43	-791.215,52	0,00	<b>-1.099.236,23</b>	0,00
Transfers	0,00	-971,17	-9,74	0,00	5,01	0,00	<b>-975,90</b>	442,56
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2015</b>	<b>0,00</b>	<b>20.392.406,81</b>	<b>1.134.441,66</b>	<b>1.207.887,22</b>	<b>17.806.032,41</b>	<b>0,00</b>	<b>40.540.768,10</b>	<b>10.916.871,23</b>
<b><i>Net Book amount 31.12.2014</i></b>								
	<b>12.243.777,69</b>	<b>27.928.741,06</b>	<b>357.951,36</b>	<b>1.422.997,40</b>	<b>5.827.222,70</b>	<b>2.250,00</b>	<b>47.782.940,21</b>	<b>76.038.010,41</b>
<b><i>Net Book Amount 31.12.2015</i></b>								
	<b>12.243.777,69</b>	<b>26.907.763,33</b>	<b>289.412,35</b>	<b>1.195.720,03</b>	<b>5.288.842,78</b>	<b>4.250,00</b>	<b>45.929.766,18</b>	<b>75.285.901,43</b>

ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 01.01-31.12.2015

(THE AMOUNTS IN ALL TABLES ARE EXPRESSED IN EURO)

## 5. Own-used intangible assets – Investments in real property

The Group					
	Software Progr.	Rental rights	Concessions, Licenses & Similar Rights	Total	Goodwil
<b><u>Cost</u></b>					
<b>Balance at 1.1.2014</b>	<b>15.513.854,91</b>	<b>8.422.857,08</b>	<b>3.568.538,98</b>	<b>27.505.250,97</b>	<b>92.030.714,21</b>
Additions	1.418.621,69	0,00	466.325,21	<b>1.884.946,90</b>	2.701.667,24
Disposals	-29.104,10	-14.400,00	-446.102,72	<b>-489.606,82</b>	0,00
New subsidiaries	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	1.388.875,87	-1.728.166,82	454.470,14	<b>115.179,19</b>	0,00
Exchange Differences	319.890,63	49.382,60	293.143,96	<b>662.417,19</b>	94.345,05
<b>Balance at 31.12.2014</b>	<b>18.612.139,00</b>	<b>6.729.672,86</b>	<b>4.336.375,57</b>	<b>29.678.187,43</b>	<b>94.826.726,50</b>
<b>Balance at 1.1.2015</b>	<b>18.612.139,00</b>	<b>6.729.672,86</b>	<b>4.336.375,57</b>	<b>29.678.187,43</b>	<b>94.826.726,50</b>
Additions	33.174.058,83	175.000,00	3.433.520,96	<b>36.782.579,79</b>	0,00
Disposals	-80.313,48	-432.000,00	0,00	<b>-512.313,48</b>	0,00
New subsidiaries	74.201,31	0,00	0,00	<b>74.201,31</b>	0,00
Transfers	0,00	0,00	0,00	<b>0,00</b>	0,00
Exchange Differences	-1.502.136,84	45.957,20	568.701,63	<b>-887.478,01</b>	171.036,72
<b>Balance at 31.12.15</b>	<b>50.277.948,82</b>	<b>6.518.630,06</b>	<b>8.338.598,16</b>	<b>65.135.177,04</b>	<b>94.997.763,22</b>
<b><u>Accumulated amortisation</u></b>					
<b>Balance at 1.1.2014</b>	<b>13.563.734,60</b>	<b>3.221.447,53</b>	<b>-1.218.878,16</b>	<b>15.566.303,97</b>	<b>158.092,00</b>
Amortisation charge	1.109.025,99	575.236,21	367.928,71	<b>2.052.190,91</b>	0,00
Decrease of amortisation	-25.333,43	-446.102,72	-6.000,00	<b>-477.436,15</b>	0,00
Amortisation of new subsidiaries	0,00	0,00	0,00	<b>0,00</b>	132.370,00
Transfers	1.077.328,02	-631.227,06	225.818,59	<b>671.919,55</b>	0,00
Exchange Differences	106.783,25	37.816,80	30.072,01	<b>174.672,06</b>	0,00
<b>Balance at 31.12.2014</b>	<b>15.831.538,43</b>	<b>2.757.170,76</b>	<b>-601.058,85</b>	<b>17.987.650,34</b>	<b>290.462,00</b>
<b>Balance at 1.1.2015</b>	<b>15.831.538,43</b>	<b>2.757.170,76</b>	<b>-601.058,85</b>	<b>17.987.650,34</b>	<b>290.462,00</b>
Amortisation charge	3.853.614,76	542.084,59	1.432.205,32	<b>5.827.904,67</b>	0,00
Decrease of amortisation	-590,19	-270.656,80	0,00	<b>-271.246,99</b>	0,00
Amortisation of new subsidiaries	53.718,24	0,00	0,00	<b>53.718,24</b>	0,00
Transfers	2.408,61	-0,29	-2.409,42	<b>-1,10</b>	0,00
Exchange Differences	-1.560.339,06	34.094,04	315.900,84	<b>-1.210.344,18</b>	0,00
<b>Balance at 31.12.15</b>	<b>18.180.350,79</b>	<b>3.062.692,30</b>	<b>1.144.637,89</b>	<b>22.387.680,98</b>	<b>290.462,00</b>
<b><u>Net Book amount</u></b>					
<b>31.12.2014</b>	<b>2.780.600,57</b>	<b>3.972.502,10</b>	<b>4.937.434,42</b>	<b>11.690.537,09</b>	<b>94.536.264,50</b>
<b><u>Net Book Amount</u></b>					
<b>31.12.2015</b>	<b>32.097.598,03</b>	<b>3.455.937,76</b>	<b>7.193.960,27</b>	<b>42.747.496,06</b>	<b>94.707.301,22</b>

The analysis of goodwill as of 31.12.2015 is as following:

- An amount of € 39.374 thousands is shown in the assets of the parent company, resulting from the absorption and refers to acquisition goodwill of the company ELMEC SPORT SA.
- An amount of € 52.366 thousands refers to goodwill resulting from the acquisition of LINKS (LONDON) LIMITED Company by a Group's subsidiary.
- An amount of € 2.714 thousand refers to goodwill resulting from the acquisition of JUICY COUTURE EUROPE LTD and JUICY COUTURE IRELAND LTD by the Group's subsidiary and an amount of € 82 thousands refers to other company acquisitions.

The Company					
	Software Progr.	Rental rights	Concessions, Licenses & Similar Rights	Total	Goodwil
<b><u>Cost</u></b>					
<b>Balance at 1.1.2014</b>	<b>1.996.182,78</b>	<b>7.132.487,94</b>	<b>558.404,30</b>	<b>9.687.075,02</b>	<b>39.373.861,68</b>
Additions	39.573,89	0,00	0,00	<b>39.573,89</b>	0,00
Disposals	-3.980,91	-14.400,00	-446.102,72	<b>-464.483,63</b>	0,00
New subsidiaries	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	94.005,05	351.880,30	0,00	<b>445.885,35</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2014</b>	<b>2.125.780,81</b>	<b>7.469.968,24</b>	<b>112.301,58</b>	<b>9.708.050,63</b>	<b>39.373.861,68</b>
<b>Balance at 1.1.2015</b>	<b>2.125.780,81</b>	<b>7.469.968,24</b>	<b>112.301,58</b>	<b>9.708.050,63</b>	<b>39.373.861,68</b>
Additions	16.786,90	175.000,00	57.000,00	<b>248.786,90</b>	0,00
Disposals	-590,19	-432.000,00	0,00	<b>-432.590,19</b>	0,00
New subsidiaries	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	0,00	0,00	0,00	<b>0,00</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.15</b>	<b>2.141.977,52</b>	<b>7.212.968,24</b>	<b>169.301,58</b>	<b>9.524.247,34</b>	<b>39.373.861,68</b>
<b><u>Accumulated amortisation</u></b>					
<b>Balance at 1.1.2014</b>	<b>1.761.008,11</b>	<b>3.798.682,13</b>	<b>491.881,09</b>	<b>6.051.571,33</b>	<b>0,00</b>
Amortisation charge	117.068,85	498.133,38	9.058,08	<b>624.260,31</b>	0,00
Decrease of amortisation	-3.876,53	-6.000,00	-446.102,72	<b>-455.979,25</b>	0,00
Amortisation of new subsidiaries	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	94.222,41	351.880,30	0,00	<b>446.102,71</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2014</b>	<b>1.968.422,84</b>	<b>4.642.695,81</b>	<b>54.836,45</b>	<b>6.665.955,10</b>	<b>0,00</b>
<b>Balance at 1.1.2015</b>	<b>1.968.422,84</b>	<b>4.642.695,81</b>	<b>54.836,45</b>	<b>6.665.955,10</b>	<b>0,00</b>
Amortisation charge	108.717,12	486.492,00	12.795,80	<b>608.004,92</b>	0,00
Decrease of amortisation	-590,19	-270.657,10	0,00	<b>-271.247,29</b>	0,00
Amortisation of new subsidiaries	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	0,00	0,00	0,00	<b>0,00</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.15</b>	<b>2.076.549,77</b>	<b>4.858.530,71</b>	<b>67.632,25</b>	<b>7.002.712,73</b>	<b>0,00</b>
<b><u>Net Book amount 31.12.2014</u></b>					
	<b>157.357,97</b>	<b>2.827.272,43</b>	<b>57.465,13</b>	<b>3.042.095,53</b>	<b>39.373.861,68</b>
<b><u>Net Book Amount 31.12.2015</u></b>					
	<b>65.427,75</b>	<b>2.354.437,53</b>	<b>101.669,33</b>	<b>2.521.534,61</b>	<b>39.373.861,68</b>

## 6. Investments in related entities

In the financial statements of the parent company, the following companies are valued at acquisition cost less impairment losses, as given in the table below. The subsidiaries are incorporated in the consolidated financial statements based on the full consolidation method.

<b>Investments in subsidiaries</b>	<b>The Company</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
<i>FOLLI-FOLLIE HONG KONG LTD</i>	22.627.986,94	22.627.986,94
<i>FOLLI-FOLLIE UK LTD</i>	3.110.450,19	3.110.450,19
<i>FOLLI-FOLLIE FRANCE SA</i>	7.155.791,41	7.155.791,41
<i>FOLLI-FOLLIE SPAIN SA</i>	12.293.581,68	4.983.697,81
<i>FF CYPRUS LTD (MFK FASHION LTD)</i>	6.835.983,56	1.985.983,56
<i>PLANACO SA</i>	7.776.221,01	7.776.221,01
<i>FOLLI FOLLIE HOLDING S.A</i>	109.417.114,01	109.412.114,01
<i>FF GROUP FINANCE LUXEMBOURG SA</i>	2.600.000,00	2.600.000,00
<i>STRENABY FINANCE LTD</i>	13.030.922,10	10.030.922,10
<i>FF ROMANIA SRL</i>	5.545.971,25	5.545.971,25
<i>FF BULGARIA FOOD</i>	1.544.023,14	1.544.023,14
<i>MOUSTAKIS S.A</i>	943.650,44	943.650,44
<i>FF COSMETICS SA - (SHISEIDO)</i>	1.000.000,00	0,00
<i>COLLECTIVE PATRAS SA</i>	960.000,00	960.000,00
<i>LINKS OF LONDON LTD</i>	20.261.000,00	20.261.000,00
<i>ATTICA DEPARTMENT STORES SA</i>	5.668.300,56	6.312.150,00
<i>AMORTIZATION PROVISION</i>	-6.000.000,00	0,00
<b>Total</b>	<b>214.770.996,29</b>	<b>205.249.961,86</b>

Investments in affiliated companies in the financial statements of the parent, are subject to an impairment of their value once a year (namely on 31.12 of each year), based on the value in use. In the event that the value in use of cash-generating units is less than the carrying value, an impairment loss equal to the difference is directly recognized.

With regard to the subsidiaries in Asia there are no impairment indications, because their equity is much greater than the participation value and therefore no impairment investigations are in place.

Due to the special market conditions (especially in the last two years), the other subsidiaries (Europe - Greece), are subject to an inspection for potential impairment once a year (namely on 31.12). In 2015, there were indications for impairment of the subsidiaries, as a result, provisions amounted to € 6 million were formed. Throughout the previous years, relative impairments had been finalized based on their value in use. These impairments were amounted to € 4.3 million, resulting in a reduction on the value of the participation.



## 7. Investments available for sale

Analysis of balances of investments available for sale and other long-term requirements of the group and the company presented in the following tables:

The Group				
	Dufry	Eurobank	Other	Total
<b>Balance 01.01.2014</b>	<b>153.000.000,00</b>	<b>0,00</b>	<b>747.536,89</b>	<b>153.747.536,89</b>
Additions	53.064.525,11	2.121.810,62	0,00	<b>55.186.335,73</b>
Reductions	0,00	0,00	-780,00	<b>-780,00</b>
Movements	0,00	0,00	0,00	<b>0,00</b>
Disposals	0,00	-1.084.790,00	0,00	<b>-1.084.790,00</b>
Valued at 01.01.14-31.12.14	-183.518,84	-411.330,59	-94.065,65	<b>-688.915,08</b>
<b>Balance 31.12.2014</b>	<b>205.881.006,27</b>	<b>625.690,03</b>	<b>652.691,24</b>	<b>207.159.387,54</b>
Additions	0,00	700.000,00	434.152,78	<b>1.134.152,78</b>
Reductions	0,00	0,00	0,00	<b>0,00</b>
Movements	0,00	0,00	0,00	<b>0,00</b>
Disposals	0,00	0,00	0,00	<b>0,00</b>
Valued at 01.01.15-31.12.15	-12.323.195,43	-657.532,67	-159.613,03	<b>-13.140.341,13</b>
<b>Balance 31.12.2015</b>	<b>193.557.810,84</b>	<b>668.157,36</b>	<b>927.230,99</b>	<b>195.153.199,19</b>
The Company				
	Dufry	A.B.G.	Other	Total
<b>Balance 01.01.2014</b>	<b>153.000.000,00</b>	<b>0,00</b>	<b>558.153,89</b>	<b>153.558.153,89</b>
Additions	0,00	2.121.810,62	0,00	<b>2.121.810,62</b>
Reductions	0,00	0,00	-780,00	<b>-780,00</b>
Movements	0,00	0,00	0,00	<b>0,00</b>
Disposals	0,00	-1.084.790,00	0,00	<b>-1.084.790,00</b>
Valued at 01.01.14-31.12.14	-427.048,40	-411.330,59	-11.752,49	<b>-850.131,48</b>
<b>Balance 31.12.2014</b>	<b>152.572.951,60</b>	<b>625.690,03</b>	<b>545.621,40</b>	<b>153.744.263,03</b>
Additions		700.000,00		<b>700.000,00</b>
Reductions				<b>0,00</b>
Movements				<b>0,00</b>
Disposals				<b>0,00</b>
Valued at 01.01.15-31.12.15	-16.211.198,02	-657.532,67	-146.487,68	<b>-17.015.218,37</b>
<b>Balance 31.12.2015</b>	<b>136.361.753,58</b>	<b>668.157,36</b>	<b>399.133,72</b>	<b>137.429.044,66</b>

In 2014, a subsidiary company of the Group participated in the capital increase of Dufry AG (due to the acquisition of Nuance), acquiring 377.200 shares totaling to €53 million.

Group's investments available for sale concern the shares (listed on the Athens Stock Exchange) which were valued at current closing prices on December 31 2015 (Level 1), as well as shares not listed on the Athens Stock Exchange, valued at acquisition cost and tested on each balance sheet date for possible impairments through other total comprehensive income.

## 8. Other long term Assets

Other long term assets	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<i>Bills and checks receivable</i>	18.130,66	0,00	0,00	0,00
<i>Rental deposits</i>	14.599.914,20	10.072.019,09	1.407.257,33	1.357.222,31
<i>Other non current assets</i>	30.518.078,67	19.773.262,87	0,00	0,00
<b>Total</b>	<b>45.136.123,53</b>	<b>29.845.281,96</b>	<b>1.407.257,33</b>	<b>1.357.222,31</b>

## 9. Inventories

Inventories	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<i>Merchandise</i>	495.699.765,73	371.479.142,97	40.501.347,43	38.146.401,34
<i>Products - Raw Materials &amp; Consumables</i>	147.038,55	180.509,61	0,00	0,00
<i>Packing materials</i>	148.575,38	163.886,21	0,00	0,00
<i>Less: Provisions for obsolescence</i>	-5.667.411,05	-5.264.916,27	-2.830.188,59	-2.346.477,50
<b>Total</b>	<b>490.327.968,61</b>	<b>366.558.622,52</b>	<b>37.671.158,84</b>	<b>35.799.923,84</b>

Inventories are measured at the lowest value between the acquisition value and the clear liquidating value, as provided for by IAS 2. A significant part of the increase in inventories derives from the impact of foreign exchange differences arising from the translation of financial statements of the Group's subsidiaries.

## 10. Trade Receivables and other Current Assets

Trade receivables	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<i>Trade receivables (customers via open balances)</i>	561.036.851,00	506.281.615,27	48.934.294,41	43.446.233,73
<i>Cheques/promissory notes receivables</i>	24.828.638,69	27.530.893,18	23.212.700,36	24.129.650,32
<b>Total</b>	<b>585.865.489,69</b>	<b>533.812.508,45</b>	<b>72.146.994,77</b>	<b>67.575.884,05</b>

Parent company as well as the Group as a whole, have formed accumulated provisions for bad debts summing up to €5.586.993,31 and €66.829.464,43 respectively for the fiscal year of 2015. With respect to the period of 2014, the corresponding provisions amounted to €5.443.372,78 and €60.353.976,95 respectively. The provision made for bad debts, resulted from the individual assessment of each customer – debtor regarding their ability of repaying, taking into account its corresponding aging. With respect to receivables entitled for legal settlement, the legal advisor's conclusions are taken into account.

The following tables depict the amounts of provisions and the aging of the balances of trade receivables.

Aging	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Receivables that are not past due	145.659.558,19	105.840.031,66	37.944.098,76	28.723.280,08
Receivables not impaired				
<i>to 90 days</i>	378.807.270,34	369.454.760,69	6.329.327,85	19.961.639,68
<i>91-180 days</i>	9.800.968,27	4.704.377,41	6.024.633,57	10.606.071,74
<i>181-270 days</i>	14.904.981,43	18.871.517,38	6.922.790,11	3.343.366,11
<i>271-360 days</i>	18.342.923,18	8.467.879,35	9.769.465,35	0,00
<i>above 360 days</i>	18.349.788,28	26.473.941,96	5.156.679,13	4.941.526,44
<b>Total</b>	<b>585.865.489,69</b>	<b>533.812.508,45</b>	<b>72.146.994,77</b>	<b>67.575.884,05</b>

The aging of 2014 receivables, was restructured in order to be comparable with those of 2015.

Other current assets	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<i>Trade receivables (customers via credit cards)</i>	17.475.753,31	16.518.444,90	1.909.908,16	1.752.659,41
<i>Short-term Loan Claims</i>	150.495,90	1.125.565,55	48.009.350,00	27.517.806,51
<i>Receivables from public sector</i>	7.617.058,46	7.051.175,07	2.873.704,01	3.189.257,99
<i>Advances to suppliers</i>	89.692.829,89	69.081.327,24	792.501,79	1.537.279,03
<i>Personel advances</i>	103.091,29	59.708,74	96.233,56	52.793,53
<i>Purchases under settlement</i>	2.149.479,51	2.403.292,36	244.774,11	392.904,05
<i>Other receivables</i>	87.048.653,58	60.445.585,93	10.441.619,10	10.445.430,85
<i>Prepaid expenses</i>	10.492.980,05	8.985.384,19	1.782.469,08	2.217.914,30
<i>Accrued income</i>	64.338,00	298.700,48	0,00	215.179,34
<b>Total</b>	<b>214.794.679,99</b>	<b>165.969.184,46</b>	<b>66.150.559,81</b>	<b>47.321.225,01</b>

The account "Advances to suppliers" primarily refers to advances given to production units towards the "reliable performance" commitment, the competitive prices of large annual orders and the assurance of privilege discounts when it comes to inventories purchases and the acquisition of the equipment to be established in subsidiaries' points of sales within the region of South Eastern Asia. A significant proportion of the increase in receivables derives from the impact of foreign exchange rate differences arising from the translation of financial statements of the Group's subsidiaries.

The fair value of these receivables is not substantially different from their carrying value.

## 11. Cash and cash equivalent

Cash & cash equivalent	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Cash on hand	10.617.857,14	1.774.938,75	424.097,80	380.462,15
Cash at bank	234.832.843,58	295.257.884,52	60.859.254,91	146.371.628,34
<b>Total</b>	<b>245.450.700,72</b>	<b>297.032.823,27</b>	<b>61.283.352,71</b>	<b>146.752.090,49</b>

## 12. Equity Shareholders and parent company

Equity of shareholders of the parent comp	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Share Premium	81.730.417,03	95.000.573,97	81.730.417,03	95.000.573,97
Own shares	-12.152.481,84	-7.234.415,20	-12.152.481,84	-7.234.415,20
Other reserves	276.981.106,83	298.929.257,44	295.450.210,98	309.938.739,81
Currency translated differences	154.682.093,23	47.549.850,01	0,00	0,00
Differences due Consolidation	-85.564.935,68	-85.563.675,68	-85.554.366,48	-85.554.366,48
Retained earnings	1.140.207.546,99	965.291.618,19	140.249.492,33	168.141.558,00
<b>Total</b>	<b>1.575.968.209,56</b>	<b>1.334.057.671,73</b>	<b>439.807.735,02</b>	<b>500.376.553,10</b>

## 13. Borrowings

Borrowings	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>Borrowed funds</b>				
Bond Loans	305.389.533,87	278.483.469,08	224.923.228,15	218.498.291,31
Bank Loans	42.440.231,53	42.459.030,32	0,00	0,00
Leases	29.848.440,19	30.194.377,66	23.504.587,09	25.301.168,29
<b>Total</b>	<b>377.678.205,59</b>	<b>351.136.877,06</b>	<b>248.427.815,24</b>	<b>243.799.459,60</b>
Long-term borrowings	332.643.035,38	304.343.050,12	242.066.785,17	241.921.726,69
Short-term borrowings	45.035.170,21	46.793.826,94	6.361.030,07	1.877.732,91
<b>Total</b>	<b>377.678.205,59</b>	<b>351.136.877,06</b>	<b>248.427.815,24</b>	<b>243.799.459,60</b>
<b>Bond Loans</b>				
More than 5 years	5.883.067,00	8.283.067,31	0,00	0,00
From 1 to 5 years	294.219.092,96	269.574.609,96	220.423.228,15	218.498.291,31
Up to 1 year	5.287.373,91	625.791,81	4.500.000,00	0,00
<b>Total</b>	<b>305.389.533,87</b>	<b>278.483.469,08</b>	<b>224.923.228,15</b>	<b>218.498.291,31</b>
<b>Bank Loans</b>				
More than 5 years	171.527,27	222.826,94	0,00	0,00
From 1 to 5 years	8.014.742,26	2.123.660,44	0,00	0,00
Up to 1 year	34.253.962,00	40.112.542,94	0,00	0,00
<b>Total</b>	<b>42.440.231,53</b>	<b>42.459.030,32</b>	<b>0,00</b>	<b>0,00</b>
<b>Leases</b>				
More than 5 years	15.315.692,81	15.785.507,70	13.814.651,51	15.785.507,70
From 1 to 5 years	9.038.913,08	8.353.377,77	7.828.905,51	7.637.927,68
Up to 1 year	5.493.834,30	6.055.492,19	1.861.030,07	1.877.732,91
<b>Total</b>	<b>29.848.440,19</b>	<b>30.194.377,66</b>	<b>23.504.587,09</b>	<b>25.301.168,29</b>

## 14. Retirement Benefit Liabilities – Retirement benefit due to service exit

	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
<b>Amounts recognized in income statement</b>				
Current service cost	592.942	404.219	195.919	118.531
Interest on obligation	133.809	97.365	45.237	52.274
<b>Normal output in the income statement</b>	<b>726.751</b>	<b>501.584</b>	<b>241.156</b>	<b>170.805</b>
Cost cuts / settlement / termination of service	767.069	558.084	530.344	391.126
<b>Total expense in the income statement</b>	<b>1.493.820</b>	<b>1.059.668</b>	<b>771.500</b>	<b>561.931</b>
<b>Change in present value of obligation</b>				
Present value of obligation at beginning of period	3.667.334	2.534.671	2.209.439	1.435.182
Current service cost	592.942	404.219	195.919	118.531
Interest on obligation	133.809	97.365	45.237	52.274
Benefits paid by the employer	(961.805)	(990.243)	(709.884)	(573.456)
Cost cuts / settlement / termination of service	767.069	558.084	530.344	391.126
Adjustments/New Subsidiaries	1.136.143	4.000	0	4.000
Cost of service during the period	-	-	-	-
Actuarial loss / (gain) recognized in Equity	(294.911)	1.059.238	(91.880)	781.782
<b>Present value of obligation at end of period</b>	<b>5.040.581</b>	<b>3.667.334</b>	<b>2.179.175</b>	<b>2.209.439</b>
Actuarial assumptions				
Discount rate			2,58%	2,10%
Future salary increases			0,00%	0,00%
Inflation rate			1,75%	1,75%

## 15. Long term liabilities

Total long-term provisions	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Provisions for additional taxes	237.052,17	1.897.153,74	211.000,00	1.871.000,00
Provisions for exposure & expenses	4.551.540,84	1.625.955,69	1.413.382,84	1.403.058,81
<b>Total</b>	<b>4.788.593,01</b>	<b>3.523.109,43</b>	<b>1.624.382,84</b>	<b>3.274.058,81</b>

Unaudited fiscal years:

Company Name	Unaudited Tax Years
FOLLI FOLLIE AEBTE	2009-2010
FOLLI FOLLIE UK LTD	2009-2015
FOLLI FOLLIE FRANCE SA	2009-2015
FOLLI FOLLIE SPAIN SA	2009-2015
FF CYPRUS LTD (MFK FASHION LTD)	2009-2015
PLANACO SA	2010
FOLLI FOLLIE JAPAN LTD	2010-2015
FOLLI FOLLIE GROUP SOURCING LTD	2009-2015
FOLLI FOLLIE ASIA LTD	2009-2015
FOLLI FOLLIE TAIWAN LTD	2009-2015
FOLLI FOLLIE KOREA LTD	2009-2015
FOLLI FOLLIE SINGAPORE LTD	2009-2015
FOLLI FOLLIE MACAU LTD	2009-2015
FOLLI FOLLIE GUAM LTD	2009-2015
FOLLI FOLLIE HAWAII LTD	2009-2015
FOLLI FOLLIE HONG KONG INTERNATIONALTD	2009-2015
FOLLI FOLLIE MALAYSIA LTD	2009-2015
FOLLI FOLLIE THAILAND LTD	2009-2015
FOLLI FOLLIE SHANGAI (PILION LTD)	2009-2015
FOLLI FOLLIE SHENZHEN LTD	2009-2015
FOLLI FOLLIE HOLDINGS SA	2010
LINKS (LONDON) LIMITED	2009-2015
LINKS OF LONDON (INTERNATIONAL) LTD	2009-2015
LINKS OF LONDON COM LTD (UK)	2009-2015
LINKS OF LONDON INC (USA)	2009-2015
LINKS OF LONDON (ASIA) LTD	2009-2015
LINKS OF LONDON JAPAN CO LTD	2009-2015
FF GROUP ROMANIA SRL	2009-2015
FF GROUP BULGARIA EOOD	2009-2015
MOUSTAKIS SA	2010
ATTICA DEPARTMENT STORES SA	-
JUICY COUTURE EUROPE LTD	2015
JUICY COUTURE IRELAND LTD	2015
COLLECTIVE PATRAS SA	-
FF GROUP FINANCE LUXEMBOURG SA	2015
STRENABY FINANCE LTD	2015
APPAREL ROMANIA SRL	2015
WARLABY TRADING LIMITED	-
NARIACO INVESTMENTS LIMITED	-

Throughout the periods 2011-2013, the Parent company and its subsidiaries subject to tax audit by statutory auditors, in accordance with the provisions of Article 82 § 5 of Law 2238/1994, were given a clear Tax Compliance Report without reservations.

For the tax audit of 2014, the Company and its subsidiaries meeting the relevant criteria for inclusion in the tax audit of Certified Auditors provided for by Article 65A § 1 of Law 4174/2013 and No. POL. 1124/2015 received a Tax Compliance Report without reservation.

In order for the year 2011 to be considered as tax finalized, the provisions of § 1 of Article 6 of POL. 1159/2011 should be met. For the years 2012 and beyond, the companies audited by statutory auditors and audit firms to implement tax provisions are selected for audit matters in accordance with Article 26 of N. 4174/2013, as amended. This audit can be performed within the period covered by the right of the Tax Administration to issue tax assessment acts. The tax audit for the year 2015 is ongoing and no additional tax liabilities that have been recorded in the financial statements are about to incur.

### **Provision for litigious cases**

This provision is equal to € 1.123 thousand and is based on the fact that the parent company is exposed to pending law cases; the Greek State is the plaintiff in these cases and the above amount is a reliable evaluation of the amounts required to be paid if the final decision is against the Company.

## **Provision for the forfeiture of penalty clauses**

This provision is equal to € 171 thousand and stems from the fact that the Group's subsidiaries may be required to pay certain amounts as penalty clauses to its suppliers with whom the company has contracted a shop-in-shop commercial cooperation contract, if such cooperation is prematurely terminated, under specific conditions and terms.

These provisions are re-examined on each balance sheet date and are adjusted in order to depict the present value of the expense anticipated for the settlement of the obligation.

## **16. Other Long Term Liabilities**

<b>Other long-term liabilities</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Other liabilities	11.670.289,44	16.012.814,19	3.942.283,35	7.127.708,71
Valuation from financial hedging instruments	0,00	1.694.032,81	0,00	1.694.032,81
<b>Total</b>	<b>11.670.289,44</b>	<b>17.706.847,00</b>	<b>3.942.283,35</b>	<b>8.821.741,52</b>

## **17. Trade and other Liabilities**

<b>Trade and other payables</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Suppliers	76.228.640,79	116.037.975,94	12.984.875,93	21.760.556,63
Cheques / promissory notes payables	3.705.367,21	6.988.224,70	2.939.437,58	2.992.236,93
Advances from customers	17.080.518,65	16.850.371,65	15.391.129,09	15.287.042,85
Personnel payroll payable	248.852,87	765.289,51	73.528,94	385.174,48
Other creditors payable	1.311.588,82	1.141.423,42	1.092.138,12	1.122.267,44
Social security contribution	3.040.734,59	2.808.782,08	1.452.080,48	1.433.169,29
Other liabilities	16.932.398,24	20.541.427,79	0,00	74.009,45
Accrued expenses	14.758.908,93	16.734.781,72	1.956.123,03	905.719,17
Deferred revenue	245.616,35	1.036,00	243.741,35	1.036,00
<b>Total</b>	<b>133.552.626,45</b>	<b>181.869.312,81</b>	<b>36.133.054,52</b>	<b>43.961.212,24</b>

## **18. Current income tax and current tax liabilities**

<b>Current Income tax</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Income tax	39.757.153,66	26.767.126,29	0,00	0,00
Taxes from tax audits	0,00	55.698,22	0,00	0,00
Special contribution tax	253,00	253,00	0,00	0,00
<b>Total</b>	<b>39.757.406,66</b>	<b>26.823.077,51</b>	<b>0,00</b>	<b>0,00</b>

<b>Current tax liabilities</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
V.A.T.	6.243.540,71	2.823.557,95	1.404.101,59	919.027,81
Other taxes	1.768.199,69	2.181.980,87	929.748,79	1.385.381,67
<b>Total</b>	<b>8.011.740,40</b>	<b>5.005.538,82</b>	<b>2.333.850,38</b>	<b>2.304.409,48</b>

## 19. Deferred Income Tax

	The Group				The Company			
	31.12.2015		31.12.2014		31.12.2015		31.12.2014	
Deferred tax Claims-liabilities	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation
<b>Current assets</b>								
Tangible fixed assets		15.763.347,73	0,00	12.470.357,10		15.173.726,79	0,00	12.785.688,18
Intangible assets		139.062,40		204.107,45	113.947,94		53.233,71	0,00
Long Term receivables				0,00				
<b>Non-current assets</b>								
Long Term Liabil.- Provisions		6.231.158,99		7.822.342,62		6.708.031,99		8.178.551,00
Def.Tax recognised in Equity	455.421,53		440.448,52	0,00	440.448,53		440.448,52	0,00
Losses	865.406,50		1.406.190,57	0,00			0,00	0,00
Short.Term Liabil. - Accruals		607.873,46	0,00	360.805,21		422.873,46	0,00	387.232,80
<b>Total</b>	<b>1.320.828,03</b>	<b>22.741.442,58</b>	<b>1.846.639,09</b>	<b>20.857.612,38</b>	<b>554.396,47</b>	<b>22.304.632,24</b>	<b>493.682,23</b>	<b>21.351.471,98</b>
Matching	-1.320.828,03	-1.320.828,03	-1.846.639,09	-1.846.639,09	-554.396,47	-554.396,47	-493.682,23	-493.682,23
<b>Total</b>	<b>0,00</b>	<b>21.420.614,55</b>	<b>0,00</b>	<b>19.010.973,29</b>	<b>0,00</b>	<b>21.750.235,77</b>	<b>0,00</b>	<b>20.857.789,75</b>

Deferred taxes are calculated based on the tax rate to be charged to the profit of each company during the year are expected to settle the deferred tax asset or liability, taking into account the tax provisions in effect at the balance sheet date. Therefore, the tax rate used to calculate the deferred tax is detailed as follows: based on recent amendments in the Greek tax legislation, 29% rate was used.

## 20. Revenues

Breakdown of turnover per segment is shown in par. 3 of the notes to the financial statements.

Turnover	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Sales of Merchandise	1.178.876.612,83	983.029.605,33	140.632.277,49	143.853.492,20
Sales of Products	4.931.849,57	6.849.366,01	4.152.205,57	5.533.611,01
Sales of other goods	409.379,50	454.799,07	380.533,47	448.733,59
Sales of services	8.825.431,10	7.727.846,39	7.565.377,11	7.280.042,38
<b>Total</b>	<b>1.193.043.273,00</b>	<b>998.061.616,80</b>	<b>152.730.393,64</b>	<b>157.115.879,18</b>

## 21. Other Income

Other operating income	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Income from Marketing	342.565,56	1.187.140,78	698.087,09	642.958,19
Income from Promoters & Merch.	45.755,90	36.136,29	45.755,90	36.136,29
Other income	6.565.693,33	5.593.354,90	2.637.388,93	2.028.573,98
Received grants	84.592,10	1.369,50	81.321,85	0,00
Rental income	325.046,55	32.954,92	176.176,60	29.826,60
Foreign exchange gains	1.461.090,79	4.291.710,11	954.289,89	391.928,56
Other operating & extraordinary income	496.727,74	466.344,98	4.546.871,79	17.434,85
Prior year income	2.863.346,70	74.268,84	193.536,20	74.268,84
<b>Total</b>	<b>12.184.818,67</b>	<b>11.683.280,32</b>	<b>9.333.428,25</b>	<b>3.221.127,31</b>



## 22. Administrative and Selling Expenses

Administration expenses	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Total Fees & staff	31.616.366,69	26.801.994,61	6.157.046,22	5.901.051,70
Legal-professional-other fees	7.370.706,18	6.642.341,36	3.058.225,68	3.324.976,80
Credit card commissions	13.628,43	28.104,13	0,00	24,00
Postage & telecommunication	651.505,12	616.771,62	69.383,40	61.758,32
Rent expenses	4.764.055,69	4.867.101,95	331.569,19	315.316,22
Car rentals & car leases	170.277,86	154.949,60	142.495,45	128.382,80
Insurance	615.352,97	542.825,52	157.361,95	151.940,57
Repairs & Maintenance	1.284.759,17	1.161.208,28	327.377,60	361.430,98
Utilities & cleaning	803.328,63	789.196,89	581.177,95	557.007,30
Other taxes (not income tax)	1.881.429,67	1.218.200,39	826.558,34	285.206,56
Transportation expenses	3.350.819,16	3.088.256,30	495.214,30	456.052,15
Advertising & promotional expenses	7.685.683,15	4.528.810,20	212.490,35	258.744,45
Fairs & exhibition expenses	127.849,99	139.732,42	0,00	0,00
Stationery & consumables	509.009,13	466.102,99	16.961,67	15.103,89
Other expenses	3.020.615,51	2.123.710,71	395.845,95	424.003,38
Depreciation & amortization	7.331.854,48	3.117.361,70	1.103.612,31	1.275.458,83
Provision for retirement	862.622,49	552.928,54	530.337,00	168.579,30
Other Provisions	0,00	108.172,27	0,00	0,00
<b>Total</b>	<b>72.059.864,32</b>	<b>56.947.769,48</b>	<b>14.405.657,36</b>	<b>13.685.037,25</b>

Selling expenses	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Total Fees & staff	90.467.682,30	81.382.790,24	23.361.503,35	22.116.058,63
Legal-professional-other fees	22.143.846,64	20.948.341,93	5.429.508,63	5.325.548,56
Credit card commissions	3.694.026,60	5.340.403,95	1.728.935,37	2.157.179,25
Postage & telecommunication	1.440.807,10	1.232.555,14	498.931,87	356.126,71
Rent expenses	71.332.523,21	62.018.379,59	8.753.595,09	7.995.786,03
Car rentals & car leases	241.266,94	184.784,53	185.729,86	136.792,54
Insurance	1.577.122,81	1.462.227,84	975.103,72	951.191,44
Repairs & Maintenance	3.619.304,90	3.775.342,90	741.331,56	770.947,66
Utilities & cleaning	7.375.424,35	6.986.749,26	2.261.113,14	2.337.167,93
Other taxes (not income tax)	1.109.929,74	1.569.860,87	502.603,12	678.009,36
Transportation expenses	7.671.779,94	4.914.115,23	3.046.803,04	1.197.699,84
Advertising & promotional expenses	21.218.254,71	19.065.983,96	5.000.803,25	5.371.843,43
Fairs & exhibition expenses	989.261,47	334.074,60	856.133,71	209.742,85
Stationery & consumables	2.664.223,52	4.026.800,53	46.950,78	58.765,22
Other expenses	13.547.289,96	10.880.437,71	1.964.258,90	1.944.765,53
Depreciation & amortization	19.001.895,23	17.416.111,78	4.899.803,14	4.578.225,75
Provision for retirement	571.197,70	765.064,87	241.164,00	393.351,70
Other Provisions	0,00	0,00	0,00	0,00
<b>Total</b>	<b>268.665.837,12</b>	<b>242.304.024,93</b>	<b>60.494.272,53</b>	<b>56.579.202,43</b>

## 23. Other Expenses

Other operating expenses	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Penalties & fines	273.577,23	78.462,52	201.515,76	42.151,91
Duties and taxes on deficits	15.624,09	9.081,40	0,00	0,00
Impairment of assets	22.114,82	42.348,51	0,00	0,00
Stock loss & damage	226.145,41	1.638.172,30	0,00	0,00
Loss from claims not susceptible of collection	73.532,87	419.425,47	0,00	0,00
Provisions for exposure & expenses	6.132.627,44	5.274.060,71	0,00	9.282,00
Foreign exchange losses	5.560.969,80	2.238.817,24	916.435,44	1.054.689,19
Prior years' expenses	643.732,15	1.871.924,24	225.824,44	2.800.062,04
Other expenses	1.196.200,78	252.065,50	3.637,53	598,02
<b>Total</b>	<b>14.144.524,59</b>	<b>11.824.357,89</b>	<b>1.347.413,17</b>	<b>3.906.783,16</b>

## 24. Financial Income - Expenses

Financial income	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Gain on sale of investments	18.291,60	351.995,33	18.291,60	351.995,33
Gains from forex instruments	599.538,15	367.185,08	591.825,82	367.185,08
Gains from invest. At fair value revaluation	189.590,53	0,00	0,00	0,00
Gains from derivatives	4.359.723,68	17.737.577,92	3.376.708,70	17.514.364,04
Dividends from subsidiaries	0,00	0,00	0,00	0,00
Dividends from investments fair value	0,00	0,00	0,00	0,00
Dividends from other investments	0,00	0,00	1.000.000,00	541.904,99
Interest on reserves	2.062.085,75	6.203.486,54	400.106,34	3.070.435,92
Other interests	103.866,79	309.155,45	23.637,64	26.673,01
Profits from sale of assets	202.582,51	17.074,92	7.087,36	16.919,53
Other financial income	1.921.930,52	1.429.148,57	1.709.780,58	673.998,93
<b>Total</b>	<b>9.457.609,53</b>	<b>26.415.623,81</b>	<b>7.127.438,04</b>	<b>22.563.476,83</b>

Financial expenses	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Losses from sale of investments	14.301,00	49.186,16	0,00	0,00
Losses from foreign exchange products	6.610,97	5.816,71	0,00	0,00
Loss on valuation of investment at fair value	36.553,00	20.059,79	0,00	20.059,79
Losses on valuation of other assets	188.624,98	841.539,22	176.798,98	841.539,22
Losses on derivatives	1.794.629,17	8.657.222,34	1.794.629,17	8.657.222,34
Losses from the disposal of assets	1.183.817,35	421.606,92	429.526,56	86.360,56
Assets Valuation	-12.984,24	0,00	-12.984,24	0,00
Other financial expenses	625.895,59	2.022.313,10	338.155,42	1.547.501,07
Impairment of investments	496.695,33	6.452.016,11	6.496.695,33	0,00
Interest expenses (Loans)	12.981.984,71	14.327.584,67	11.301.301,72	10.473.791,15
Interest expenses (Leases)	867.057,67	922.598,14	765.881,63	875.453,58
Other interests	595.675,03	398.866,66	0,00	0,00
Bank commission & taxes	3.668.636,91	1.543.268,57	1.112.453,96	691.889,13
<b>Total</b>	<b>22.447.497,47</b>	<b>35.662.078,39</b>	<b>22.402.458,53</b>	<b>23.193.816,84</b>

## 25. Income Tax

	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
<b>Profit/Loss (before the tax)</b>	<b>225.270.681,90</b>	<b>192.798.761,34</b>	<b>-16.173.584,42</b>	<b>177.310,33</b>
Current tax rate	29,00%	26,00%	29,00%	26,00%
<b>Tax related</b>	<b>65.328.497,75</b>	<b>50.127.677,95</b>	<b>-4.690.339,48</b>	<b>46.100,69</b>
Irreversible deviations from tax basis	2.840.657,02	13.804.610,83	2.784.095,02	7.093.054,17
Deleted deferred taxes		55.363,66	55.363,67	55.363,67
Effect of different deferred tax rate	2.435.780,70	-303.189,00	2.406.668,05	
Effect of different subsidiaries' tax rate	-35.164.342,86	-16.472.210,84		
Other Taxes		41.153,48		
Additional to prior years' taxes	3.196.653,94	379.503,00	3.196.653,94	63.350,00
Provisions for additional taxes		-275.000,00	0,00	0,00
<b>Total</b>	<b>38.637.246,55</b>	<b>47.357.909,08</b>	<b>3.752.441,20</b>	<b>7.257.868,53</b>

## 26. Earnings per share

Earnings per Share	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>Net profit for the period</b>	<b>186.633.435,35</b>	<b>145.440.852,26</b>	<b>-19.926.025,62</b>	<b>-7.080.558,20</b>
<b>Attributable to :</b>				
Shareholders of the parent company	182.639.194,95	141.202.422,37	-19.926.025,62	-7.080.558,20
Non controlling interests	3.994.240,40	4.238.429,89	0,00	0,00
<b>Weighted average number of shares</b>	<b>66.549.607,79</b>	<b>66.829.863,26</b>	<b>66.549.607,79</b>	<b>66.829.863,26</b>
<b>Basic earnings per share</b>	<b>2,7444</b>	<b>2,1129</b>	<b>-0,2994</b>	<b>-0,1059</b>

## 27. Related party transactions (according IAS 24)

The following tables refer to transactions with related parties as defined by IAS 24.

<b>Transactions between parent and subsidiary</b>		
	<b>01.01. - 31.12.2015</b>	<b>01.01. - 31.12.2014</b>
Sales of goods	32.288.517,68	43.138.199,56
Sales Services-other income	5.518.996,51	547.181,98
Purchases	8.030.338,17	9.234.873,37
Reception - other expenses	320.295,19	2.471.202,82

<b>Parent co transactions with other related parties</b>		
	<b>01.01. - 31.12.2015</b>	<b>01.01. - 31.12.2014</b>
Sales of goods	18.929,36	625,31
Sales Services - Other Income	0,00	0,00
Purchases	0,00	7.724,12
Reception - other expenses	0,00	0,00

<b>Transactions and Fees with managers</b>		
	<b>01.01. - 31.12.2015</b>	<b>01.01. - 31.12.2014</b>
The Company	3.312.982,32	2.862.768,32
The Group	3.596.654,57	3.137.559,32

<b>Group's transactions with other related parties</b>		
	<b>01.01. - 31.12.2015</b>	<b>01.01. - 31.12.2014</b>
Sales of goods	18.929,36	2.831,96
Sales Services - Other Income	32.455,00	34.810,69
Purchases	2.976.667,00	3.291.658,59
Reception - other expenses	22.584,00	31.127,40

Balance as at the end of the period		
	31.12.2015	31.12.2014
<b>The Company</b>		
<b>From subsidiaries</b>		
Requirements	85.259.871,07	56.629.431,90
Obligations	225.299.288,01	221.542.134,64
<b>From other related parties</b>		
Requirements	47.374,22	40.411,54
Obligations	0,00	0,00
<b>by executives</b>		
Requirements	0,00	0,00
Obligations	0,00	0,00
<b>The Group</b>		
<b>From other related parties</b>		
Requirements	353.057,22	40.411,54
Obligations	642.562,00	1.064.194,86
<b>by executives</b>		
Requirements	0,00	41.793,16
Obligations	12,94	0,00

## 28. Probable obligations and unavoidable commitments

The Group's companies have transferred to third parties, secure letters of contingent liabilities of the Group for those parties, which are not reflected in the consolidated balance sheet.

The Company has guaranteed loans to its subsidiaries, totaling € 262,4 million.

No other restrictions on ownership, transfers or other charges on assets owned by the Group are in place. The assets acquired through financial leases remain under the lessor ownership until the expiration of the contract and the repayment of the relative obligation.

## 29. Number of employed personnel

At 31.12.2015 the Group employed 5.162 employees versus 4.949 employees on 31.12.2014. The according figures for the Company are 1.104 versus 1.143 employees.

Total Fees & staff	The Group		The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014
Wages and salaries	103.628.396,79	91.447.967,60	24.375.683,08	22.894.734,80
Employer contributions	16.767.507,62	15.486.058,40	5.737.539,15	5.694.572,20
Released for reimbursement	519.193,93	270.626,50	0,00	0,00
Other benefits	2.303.026,76	1.981.721,66	539.403,45	429.392,64
<b>Total</b>	<b>123.218.125,10</b>	<b>109.186.374,16</b>	<b>30.652.625,68</b>	<b>29.018.699,64</b>

## 30. Management of financial Risk

### 30.1 Exchange rates for the translation of the financial statements and sensitivity

The exchange rates used in order to translate the financial statements of the subsidiaries and foreign branches in € are the following:

Date	EUR / USD	EUR / JPY	EUR / GBP	EUR / RON	EUR / CHF	EUR / BGN
<b>2015</b>						
<b>31.12.2015</b>	<b>1,08870</b>	<b>131,07000</b>	<b>0,73400</b>	<b>4,52400</b>	<b>1,08350</b>	<b>1,95580</b>
<b>31.12.2014</b>	<b>1,21410</b>	<b>145,23000</b>	<b>0,77890</b>	<b>4,48280</b>		<b>1,95580</b>
<b>AVERAGE 01.01.-31.12.15</b>	<b>1,10950</b>	<b>134,31400</b>	<b>0,72580</b>	<b>4,44540</b>	<b>1,06790</b>	<b>1,95580</b>
<b>AVERAGE 01.01.-31.12.14</b>	<b>1,32850</b>	<b>140,30610</b>	<b>0,80610</b>	<b>4,44370</b>		<b>1,95580</b>

On 31 December 2015 the net income and shareholders' equity would have been € 3.837 thousands lower (for the company € 598 thousand), if the EUR was weaker against USD by 10% and they would have been at € 3.250 thousand (for the Company € 668 thousand) higher, if the EUR was stronger of the USD by 10%.

### 30.2 Liquidity Risk

Prudent liquidity risk management requires (a) maintaining sufficient cash and (b) the availability of funding through adequate credit lines. Due to the dynamic nature of its activities, the Group maintains flexibility in funding by maintaining high unused credit limits in short-term bank loans. The Treasury Department prepares statements of expected future cash flows which are reviewed by management in order to better plan the management of liquidity.

Despite the financial crisis and the limitation of liquidity in a global basis, the Group has maintained increased liquidity, thanks to the retail nature of most of its sales, and takes steps towards the further support its liquidity, by creating discount outlets, in order to dispose old stock, as well as by limiting expenses.

Loans and other liabilities of the Group and Company are classified in accordance with their repayment horizon and are shown in the table below. The figures in the table refer to the nominal value of the liability plus interest and therefore may not agree with the amounts in the balance sheet.

<b>The Group</b>					
<b>Liquidity Analysis</b>					
	<i>Average Interest Rate</i>	<i>Up to 1 year</i>	<i>From 1 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
<b>31.12.2015</b>					
Floating rate loans	2,05%	40.108.754,08	319.272.267,68	6.613.130,59	365.994.152,35
Liabilities & Financial leases	3,96%	5.602.612,22	9.933.765,47	18.348.199,99	33.884.577,68
Suppliers etc. free liabilities		79.934.008,00	0,00	0,00	79.934.008,00
		<b>125.645.374,30</b>	<b>329.206.033,16</b>	<b>24.961.330,58</b>	<b>479.812.738,03</b>
	<i>Average Interest Rate</i>	<i>Up to 1 year</i>	<i>From 1 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
<b>31.12.2014</b>					
Floating rate loans	1,83%	41.260.192,82	285.371.485,86	9.206.354,64	335.838.033,32
Liabilities & Financial leases	3,20%	6.152.380,07	9.021.647,99	18.311.188,93	33.485.216,99
Suppliers etc. free liabilities		123.026.200,64	0,00	0,00	123.026.200,64
		<b>170.438.773,52</b>	<b>294.393.133,85</b>	<b>27.517.543,57</b>	<b>492.349.450,95</b>

The Company					
Liquidity Analysis					
31.12.2015	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Floating rate loans	1,80%	4.556.700,00	231.334.177,94	0,00	235.890.877,94
Liabilities & Financial leases	4,63%	1.904.112,92	8.735.101,32	17.012.743,33	27.651.957,57
Suppliers etc. free liabilities		15.924.313,51	0,00	0,00	15.924.313,51
		<b>22.385.126,43</b>	<b>240.069.279,27</b>	<b>17.012.743,33</b>	<b>279.467.149,03</b>
31.12.2014	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Floating rate loans	1,80%	0,00	229.313.956,73	0,00	229.313.956,73
Liabilities & Financial leases	3,35%	1.909.184,94	8.277.604,12	18.429.580,24	28.616.369,30
Suppliers etc. free liabilities		24.752.793,56	0,00	0,00	24.752.793,56
		<b>26.661.978,50</b>	<b>237.591.560,85</b>	<b>18.429.580,24</b>	<b>282.683.119,59</b>

### 30.3 Asset Management

Asset management aims to ensure that the Group will continue its activities to provide profits to shareholders and benefits for other shareholders, while maintaining a capital structure that minimizes the cost of capital.

A key indicator used by the asset manager is the leverage ratio, calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including short and long term loans) minus cash.

The leverage ratio is depicted below:

Levera Ratio	The Group		The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Borrowed funds	377.678.205,59	351.136.877,06	248.427.815,24	243.799.459,60
Less: Cash	245.450.700,72	297.032.823,27	61.283.352,71	146.752.090,49
Net debt	132.227.504,87	54.104.053,79	187.144.462,53	97.047.369,11
Equity	1.605.688.983,66	1.360.856.728,84	439.807.735,02	500.376.553,10
	<b>7,6%</b>	<b>3,8%</b>	<b>29,8%</b>	<b>16,2%</b>

### 31. Significant Events in the fiscal year

As a part of its broader growth and development strategy, FF Group announces the extension of Beauty & Cosmetics segment with the exclusive representation and distribution of Shiseido products in Greece and Cyprus. Folli Follie S.A. acquired the entire share capital of the Group's subsidiary Shiseido -SHISEIDO HELLAS- which imports and distributes the products of the international brand "SHISEIDO" in Greece.

### 32. Post Balance Sheets Events

On 31.12.2015, there were no events significantly affecting the financial figures which occurred after 31.12.2015 which could have material impact on the financial position and results of the Group.

Agios Stefanos, March 30<sup>th</sup> 2016

THE CHAIRMAN OF THE BOARD

Dimitrios Koutsolioutsos  
ID Card No. AK-031337

THE MANAGING DIRECTOR

Georgios Koutsolioutsos  
ID Card No. AB-593469

DEPUTY CEO & GENERAL MANAGER

Emmanouil Zachariou  
ID Card No. T005560

THE CHIEF FINANCIAL OFFICER

Fragiskos Gratsonis  
AB-017181

THE CHIEF ACCOUNTANT

Georgios Alavanos  
ID Card No. AI-518859  
Lic. No. OEE 0008211 A' CLASS



## F. Information of article 10 of Law 3401/2005

Date	Subject
3/11/2015	Announcement for change in voting rights
23/10/2015	Announcement for change in voting rights
6/10/2015	Announcement for change in voting rights
23/9/2015	Increase / decrease of the share capital and distribution of untaxed reserves
7/9/2015	FOLLI FOLLIE S.A.: Updated Economic Calendar 2015
27/8/2015	First Half 2015 Financial Results
7/8/2015	FF Group announces a new exclusive distribution agreement with the Shiseido Group
26/6/2015	AGM Decisions 26/6/2015
25/6/2015	Announcement for change in voting rights
4/6/2015	Invitation to General Assembly
28/5/2015	First Quarter 2015 Financial Results
31/3/2015	2014 Financial Results
24/3/2015	Announcement date FY 2014 Financial Results

# G. CONDENSED FINANCIAL STATEMENTS OF 2015



## FOLLI FOLLIE GROUP SA

General Commercial Registry Number: 3027701000 (previous Registration No:14216/06/B/86/06)

23rd Km Athens - Lamia 145 65 Ag.Stefanos

Financial Data and Information for the Year

January 1st, 2015 - December 31st, 2015

(Published according to Law. 2190, article 135, for companies preparing annual financial statements, consolidated or not, according to IFRS)

The following data and information that result from Financial statements aim to provide a general briefing for the financial position and the results of operations of FOLLI FOLLIE S.A, with trade mark "FF GROUP" and the Group. It is therefore recommended, to any reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit Company's web site, where the Financial Statements are posted, as well as the relevant Certified Auditors Report whenever that is required by the law.

### Company Information

Supervisory Authority: MINISTRY OF DEVELOPMENT/General Secretariat of Commerce,

Web site address: <http://www.ffgroup.com>

Financial Statements' approval date by the BoD 30 March 2016

Certified Auditor Accountant: Christos G.Tsakalogianni

Auditing Company: KPMG VNT AUDITING SA

Type of Auditor's Report: Assent

### Members of the Board Directors:

Chairman - Executive Member

Vice President - Executive Member

Managing Director - Executive member

Deputy Managing Director & General Manager, Executive Member

Executive Member

Non-Executive Member

Non-Executive Member

Non-Executive Member

Independent non-Executive Member

Independent non-Executive Member

Christos Koutaloudou

Kalli Koutaloudou

Georgios Koutaloudou

Emmanuel Zekeriou

Elena Vasil

Stavros Ogi

Eleni Koutaloudou

Zacharias Pantazis

Eleonora Zekeriou

Georgios Anas

DATA FROM STATEMENT OF FINANCIAL POSITION (consolidated and non consolidated) amounts in €				CASH FLOW STATEMENT (consolidated and non consolidated) amounts in €			
	The Group	The Company			The Group	The Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2015
<b>ASSETS</b>							
Property, Plant & Equipment	197.018.259,62	185.779.347,36	45.929.766,18	47.762.940,21			
Investment Property	75.285.901,43	76.638.010,41	75.285.901,43	76.638.010,41			
Intangible assets	137.456.792,28	136.226.801,59	41.895.396,29	42.415.927,21	225.270.681,50	192.798.761,32	-16.173.594,42
Participations	63.023,17	689.948,73	216.230.996,29	256.449.864,86	26.463.805,57	20.642.275,26	6.946.182,68
Other non-current assets	340.889.322,79	217.044.689,50	138.836.301,96	155.101.482,34	1.357.072,35	2.335.170,50	771.593,00
Inventories	490.327.988,61	366.538.622,52	37.671.138,84	35.799.523,84	82.838.468,65	19.355.381,23	0,00
Trade Receivables	385.385.488,69	523.812.598,46	72.146.594,77	67.575.884,05	1.387.494,73	-10.097.828,78	2.033.155,80
Other current assets	480.376.278,38	463.519.889,62	128.212.017,13	194.445.500,58	14.093.081,20	17.462.400,47	11.349.244,73
<b>TOTAL ASSETS</b>	<b>2.207.608.658,62</b>	<b>2.562.593.738,16</b>	<b>726.168.633,62</b>	<b>826.664.663,56</b>			
<b>EQUITY AND LIABILITIES</b>							
Share capital	20.084.462,00	20.084.462,00	20.084.462,00	20.084.462,00	-117.619.736,53	-90.087.105,64	-4.586.678,97
Other components of equity	1.335.863.748,56	1.313.971.208,73	403.723.272,02	482.250.086,19	-97.210.083,62	-95.591.081,88	-38.718.329,39
<b>Total equity attributable to owners of the Parent (a)</b>	<b>1.576.968.209,56</b>	<b>1.334.057.671,73</b>	<b>439.807.734,02</b>	<b>500.376.553,10</b>	-10.687.956,32	-61.578.887,94	-4.643.310,07
Non controlling interests (b)	29.202.774,10	29.202.774,10	0,00	0,00			
<b>Total Equity (c) = (a)+(b)</b>	<b>1.606.688.283,66</b>	<b>1.363.860.445,83</b>	<b>439.807.734,02</b>	<b>500.376.553,10</b>			
Long term borrowings	32.643.035,38	30.343.035,12	242.066.785,17	241.921.726,91	66.032.272,07	-36.107.530,90	-3.609.764,87
Provisions / Other long term liabilities	42.900.078,06	42.900.078,06	29.496.477,76	35.163.020,09	1.537.180,69	410.900,63	23.627,45
Short term borrowings	45.035.170,21	46.793.826,94	6.361.030,07	1.877.732,91	1.865.926,24	6.512.641,89	4.213.745,08
Other current liabilities	331.313.773,51	213.697.026,14	39.466.904,90	46.205.621,72	0,00	0,00	1.000.000,00
Liabilities (d)	408.949.022,16	360.749.969,30	318.949.797,06	325.278.140,60	27.095.400,83	-8.657.222,14	-6.657.222,14
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>2.207.608.658,62</b>	<b>2.562.593.738,16</b>	<b>726.168.633,62</b>	<b>826.664.663,56</b>	-14.015.996,21	-147.055,82	-50.070,02

### Additional notes and information:

1. In the Note 3 of the financial statements mentioned, A. The name and country of the registered office of each of the companies included in the consolidated financial statements for the period 01.01.2015 - 31.12.2015, and the percentage with which the company participated, directly or indirectly, in their equity and B. The consolidation method applied for each company included in the consolidated financial statements for the period 01.01.2015 - 31.12.2015. The consolidated financial statements of the parent company and its subsidiaries are based on Note 8 of the financial statements. B. The number of employees by the Group as of 31.12.2015 amounted to 5.588 and the respective by the Company was 1.504. On 31.12.2015 amounted to 4.949 employees for the Group and 1.543 for the Company. A. In the financial statements are included the following provisions in total: a) For the Group provisions for consolidated tax years amounting to € 2.079, - provision for self-employment of € 3.049, - and other provisions amounting to € 1.408, - for the Company provisions for consolidated tax years amounting to € 2.109, - provision for self-employment of € 3.109, - and other provisions of € 2.089, -. On December 31, 2015 the Company held 503.348 own shares.

2. The amounts mentioned in "Other comprehensive income / expenses after tax" are as follows: For the Company or amount of € 16.534, refers to valuation loss on available for sale financial assets, an amount of € 1.480, refers to financial instruments valuation profit, an amount of € 4.480, refers to financial instruments valuation profit, an amount of € 1.504, refers to foreign exchange differences (profits) on translating foreign holdings, an amount of € 4.603, refers to expense from deferred income tax relating to components of other comprehensive income and finally amount of 209 in relation to the profit on revaluation of employee benefits obligations. 3. In the present financial statements include the newly acquired company, 1 August 2015, FF Cometa SA (former Stelios Nefas SA) without significant effect on the amounts of the consolidated annual statements.

4. All transactions (inflows and outflows) from the beginning of the year, as well as the balances of receivables and payables at the end of the period of the Group and the Company, which have resulted from transactions with related parties as defined to IAS 24 are as follows:

DATA FROM STATEMENT OF CHANGES IN EQUITY (consolidated and non consolidated) amounts in €			
	The Group	The Company	
	31.12.2015	31.12.2014	31.12.2015
Equity Opening Balance ( 01.01.2015 and 01.01.2014 respectively)	1.366.856.728,84	1.183.431.505,53	500.376.553,10
Total comprehensive income net of tax	269.375.130,49	235.161.529,57	75.504.779,71
Minority interest resulted from Subsidiaries' ratio change	0,00	163.391,79	0,00
Dividends payable	-67.293.805,07	-903.883,25	-67.293.805,07
Share Movements	12.894.968,97	-50.762.800,39	-13.416.128,67
Purchase / Sale of own shares	-4.018.066,64	7.234.415,20	-4.018.066,64
Equity Closing Balance ( 31.12.2015 and 31.12.2014 respectively)	<b>1.606.688.283,66</b>	<b>1.363.860.728,84</b>	<b>439.807.734,02</b>

amounts in thousands,000	The Group	The Company
A) Income	51,38	37.826,44
B) Expenses	2.999,25	8.350,63
C) Receivables	351,06	85.307,25
D) Payables	640,56	225.299,29
E) Director and member of the Board of the Directors transactions and fees	3.594,65	1.312,08
F) Receivables from the Director and the member of the BoD	0,00	0,00
G) Payables to the Director and the member of the BoD	0,00	0,00

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (consolidated and non consolidated) amounts in €			
	The Group	The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	
Turnover	1.973.943.273,00	998.961.616,89	
Gross Profit	581.238.108,04	561.752.997,14	
Profit before tax, financial and investing results (EBIT)	238.361.126,16	203.361.126,16	
<b>Profit/Loss (before the tax)</b>	<b>238.361.126,16</b>	<b>203.361.126,16</b>	
<b>Profit / Loss after tax (A)</b>	<b>186.633.435,35</b>	<b>145.440.852,26</b>	
Attributable to:			
Shareholders of the parent company	182.039.194,95	141.202.422,37	
Non controlling interests	3.994.240,40	4.238.429,89	
<b>Total</b>	<b>186.633.435,35</b>	<b>145.440.852,26</b>	
<b>Other comprehensive income / expenses net of tax (B)</b>	<b>82.741.695,14</b>	<b>90.721.678,13</b>	
<b>Total comprehensive income net of tax (A) + (B)</b>	<b>269.375.130,49</b>	<b>235.161.804,39</b>	
Attributable to:			
Shareholders of the parent company	265.326.483,53	232.019.734,21	
Non controlling interests	3.994.240,40	4.238.429,89	
<b>Total</b>	<b>269.375.130,49</b>	<b>235.161.804,39</b>	
Basic Earnings/Losses (after tax) per share(expressed in €)	2,9444	2,1129	
<b>Profit before taxes, financing and investing results, depreciation and amortisation (EBITDA)</b>	<b>265.006.626,25</b>	<b>223.002.400,42</b>	

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (consolidated and non consolidated) amounts in €			
	The Group	The Company	
	01.01. - 31.12.2015	01.01. - 31.12.2014	
Turnover	157.738.393,04	157.115.879,19	
Gross Profit	66.015.350,89	71.757.545,87	
Profit before tax, financial and investing results (EBIT)	698.363,53	807.620,14	
<b>Profit/Loss (before the tax)</b>	<b>-16.173.584,42</b>	<b>177.310,33</b>	
<b>Profit / Loss after tax (A)</b>	<b>-19.926.025,62</b>	<b>-7.080.558,20</b>	
Attributable to:			
Shareholders of the parent company	-19.926.025,62	-7.080.558,20	
Non controlling interests	0,00	0,00	
<b>Total</b>	<b>-19.926.025,62</b>	<b>-7.080.558,20</b>	
<b>Other comprehensive income / expenses net of tax (B)</b>	<b>-15.578.754,09</b>	<b>4.244.347,33</b>	
<b>Total comprehensive income net of tax (A) + (B)</b>	<b>-35.504.779,71</b>	<b>-2.836.210,87</b>	
Attributable to:			
Shareholders of the parent company	-35.504.779,71	-2.836.210,87	
Non controlling interests	0,00	0,00	
<b>Total</b>	<b>-35.504.779,71</b>	<b>-2.836.210,87</b>	
Basic Earnings/Losses (after tax) per share(expressed in €)	-0,2994	-0,0995	
<b>Profit before taxes, financing and investing results, depreciation and amortisation (EBITDA)</b>	<b>5.141.614,75</b>	<b>6.676.743,27</b>	

Agios Stefanos, March 30th, 2016

THE CHAIRMAN OF THE BOARD

THE MANAGING DIRECTOR

DEPUTY CEO & GENERAL MANAGER

THE CHIEF FINANCIAL OFFICER

THE CHIEF ACCOUNTANT

Dimitrios Koutaloudou  
ID Card No. AK-011317

Georgios Koutaloudou

Emmanuel Zekeriou  
ID Card No. 1005560

Georgios Alexiou  
ID Card No. AK-518809

Georgios Alexiou  
ID Card No. AK-518809

## **H. Report of Rights Issue Proceeds from Share Capital Increase in Cash**

### **To the Board of Directors**

#### **FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME**

According to the mandate received from the Board of Directors' "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" (the Company), performed the following agreed upon procedures in those under the regulatory framework of Stock Athens and the legal framework of the capital, on the Report on the Company raised funds, on the share capital increase through cash payment which was conducted in 2011. Management is responsible for preparing the aforementioned report. We undertook this task in accordance with International Standard on Related Services 4400, which applies to "Assignment Execution of agreed upon procedures related to financial reporting." Our responsibilities are to perform the following agreed upon procedures and report our findings.

#### Procedures:


1. We compared the amounts reported as disbursements in the accompanying "Report on funds raised from the capital increase in cash", with the amounts recognized in the books and records of the Company during the period they relate.
2. We examined the completeness of the report and therefore its content to those given in the Prospectus issued by the Company for this purpose, and with the relevant resolutions and statements of the Company's competent bodies.

Findings: i. The amounts shown as disbursements in the accompanying "Report on funds raised by the increase in share capital in cash," the books and records of the Company, the period they relate.

ii. The contents of the report include the minimum information provided for this purpose by the regulatory framework of the Athens Stock Exchange and the legal framework of the capital and is consistent with those mentioned in the relevant Prospectus and the relevant resolutions and statements of relevant bodies Company.

Given that the procedures do not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance other than those mentioned above. Had we performed additional procedures or had we performed an audit or review may have come to our attention and other issues, other than those mentioned in the previous paragraph.

This report is addressed solely to the Board of Directors, in compliance with the requirements of the normative framework of the Athens Stock Exchange and the legal framework of the capital. Hence this Report may not be used for other purposes is limited only to the items specified above and does not extend to the financial statements prepared by the Company for the period from 01/01/2015 until 31/12/2015 for which we issued separate audit report.

 **ECOVIS®**  
VNT Auditing  
Certified Public Accountants SA  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 174

Athens, 30 March 2016  
The Certified Public Accountant

Chrisa G. Tsakalogianni  
SOEL Reg.: 23811



Ag. Stefanos, 30<sup>th</sup> March 2016

THE CHAIRMAN OF THE BOARD

Dimitrios Koutsolioutsos  
ID Card No. AK-031337

THE CHIEF EXECUTIVE OFFICER

Georgios Koutsolioutsos  
ID Card No. AB-593469

DEPUTY CEO & GENERAL  
MANAGER  
Emmanouil Zachariou  
ID Card No. T005560

CHIEF FINANCIAL OFFICER  
Fragiskos Gratsonis  
AB-017181