



16

FF
GROUP

ANNUAL REPORT **2016**



ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD 01.01.2016 TO 31.12.2016

“FOLLI - FOLLIE COMMERCIAL MANUFACTURING
AND TECHNICAL SOCIETE ANONYME”

REG. NO.: 3027701000

23rd km ATHENS – LAMIA HIGHWAY 145 65, AG. STEFANOS, ATTICA

PURSUANT TO LAW 3556/2007

The attached financial statements for the period 01.01.2016-31.12.2016 were approved by the Company's Board of Directors on April 7th of 2017 and were published by being posted in the internet, at 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.

05

CONTENTS

Chairman's Message	06
Overview	08
Statement of the Board of Directors	26
Annual Board of Directors' Management Report	27
Independent certified auditors' accountants report	48
Financial Statements	50
Information about the group	57
Information about the article 10 of law 3401/2005	91
Condensed Financial Statements Of 2015	92

06
**CHAIRMAN'S
MESSAGE*****Dear shareholders,***

We look back at an eventful year 2016 influenced by ongoing uncertainties and geopolitical tensions. Despite all this Group managed to reach another excellent performance in 2016 based on an effective diversification in terms of business activities and regional exposure.

We anticipate that 2017 will be another challenging but successful year, while addressing efficiently all global challenges at the same time, we remain focused on creating value to our stakeholders.

All activities exhibited remarkable growth, whereas we expanded our footprint in new markets and we prepared the next stage of the Group development.

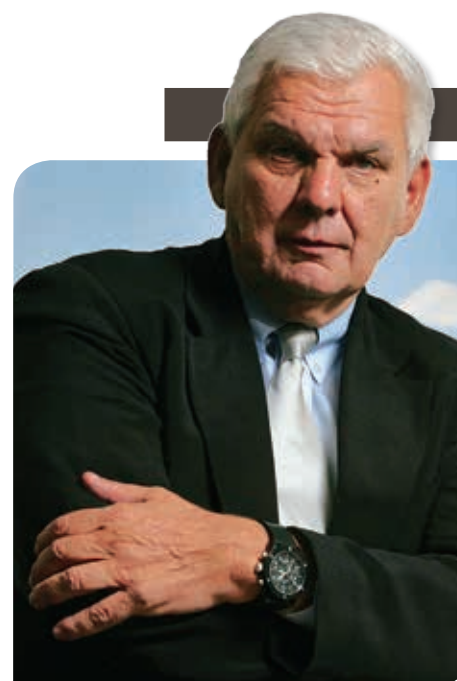
Our reported consolidated revenue rose by 12,1% while Group net income increased by almost 22%. These sound results were supported by the resilience of our local activities and an exceptional performance of the affordable luxury division.

Our own brands Folli Follie and Links of London recorded an impressive performance driven by dynamic sales and improved profitability. The continuous demand for affordable luxury confirms our strategy and positioning in an industry which continuously gains customers worldwide.

The performance of our domestic operations demonstrated impressively the resilience of our diversified brand portfolio and benefits of market share gains we experienced throughout the last couple of years.

The Jewellery, Watches and Accessories activity demonstrated its solid performance which accelerated in the last quarter of the year, proving the brands ability to capitalize on the many opportunities available in existing as well as new markets.

The Retail and Wholesale as well as the Department Store activities experienced another year of impressive recovery, translating a growing market share into rising revenues and profitability.



*we remain
focused on
creating value
to our
shareholders.*

We remain alert regarding the market dynamics and we are ready to adopt our business model in the changing conditions. For 2017 we are focused on our targets and are confident that we will continue to develop our brands irrespective of the challenges in the markets we operate.

I wish to express my special thanks and appreciation to our customers, our loyal shareholders and colleagues, who achieved with enthusiasm and great commitment these outstanding results.

Thank you for your loyalty and support.

Yours sincerely,

Dimitris Koutsolioutsos

Chairman of the Board of Directors



08

OVERVIEW

The **FF Group** operates in 30 countries defining new trends in all sectors at which it activates. With a dynamic structure and an impressive portfolio, the FF Group “accompanies” a consumer through all life phases: from early childhood to adulthood, a consumer can relate to the FF Group and its brand portfolio. In the FF Group our mission is to bring fashion and the “feel-good factor” to people’s everyday lives through our products and services that breathe luxury, creativity and passion. In the FF Group we approach every challenge with enthusiasm, working as a team, aiming at making a positive impact to the people around the globe, unveiling the bright side of their lives. Our vision is to become a truly global aspirational luxury player stretching from jewellery, watches and accessories to the edge of full-fashion.

The FF Group designs, produces and markets on a global level its two own brands:

Folli Follie and award winning British jewelery Links of London. Famed for high quality and breakthrough design, jewellery, watches and accessories Folli Follie and Links of London have won a place in the hearts of millions of consumers globally.

At the same time the Group maintains a leading presence in the department stores field, the retail and wholesale channel within Greece and Europe. “Factory Outlet”, as well as “attica” department stores, are the Group’s department stores in Greece that cover almost 70,000m². Moreover, brands such as Ermenegildo Zegna, Juicy Couture, UGG Australia, Ted Baker, Scotch & Soda, Guess, Nike, Converse, G-Star Raw, Franklin

& Marshall, Samsonite and Technogym have trusted the FF Group with the exclusive distribution of their products.

The activities of the FF Group in the Beauty & Cosmetics sector are significant and involve the exclusive distribution of the globally acclaimed brands of **COTY** (Gucci, Boss, Escada etc) and **BPI** (Dolce&Gabbana Make up, Skincare & Fragrances), as well as the exclusive representation and distribution of Shiseido products in Greece and Cyprus. In **2016**, the FF Group achieved an entrance to a wider distribution channel, through the exclusive representation and distribution of the Max Factor make up products in the Greek market.

The FF Group also undertook the distribution in the Greek market of internationally known cosmetics brands such as: Molton Brown and Annick Goutal, amongst other, in its own beauty and lifestyle boutique Heaven on Earth.

Maintaining a key role in the global travel retail sector, even after the sale of Hellenic Duty Free Shops to the Swiss Dufry AG, the FF Group became a strategic partner of Dufry by joining the main shareholders of the Swiss Group. At the same time Mr. George Koutsolioutsos is member of the Board of Directors of Dufry. Dufry is a leading global travel retailer operating almost 2,200 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas and operates in 64 countries in **Europe, Africa, Eurasia, Central America & Caribbean, North America and South America**.

The **FF Group** creates fashion globally and has established a strong presence counting more than 930 points of sale worldwide and employing almost 5,000 people worldwide.

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10 IMPORTANT MILESTONES

1982
1994
1995
1996
1997
1998
1999
2002

Folli Follie company is founded in Greece by Mr. Dimitris Koutsolioutsos and his wife Ketty. First Folli Follie store opens in downtown Athens.

Launch of the Folli Follie women's watch collection.

Folli Follie enters the Japanese market, shop openings in New York, Hawaii, Guam.

Launch of the Folli Follie women's accessories collection.

Folli Follie listed at the Athens Stock Exchange.

Entry in key Asian markets.

Folli Follie creates subsidiaries in France and UK.

Folli Follie enters key European and Chinese markets and develops the Travel Retail business.



2005
2006
2007
2008
2010
2011
2012
2013
2014
2015
2016

Opening of "attica", the biggest department store in Greece, in the center of Athens.

Raising the stake at HDFS from 24,61% to 52,28%.
HDFS acquires Links of London.
Folli Follie obtains the Chinese retail license.

Acquisition of Elmec Sport via HDFS.

Acquisition of Folli Follie's affiliate in Japan.

Merger of the companies Folli Follie S.A., HELLENIC DUTY FREE SHOPS S.A. and Elmec Sport S.A. all absorbed by HELLENIC DUTY FREE SHOPS S.A. Creation of the Folli Follie Group of Companies.
The London Organising Committee of the Olympic and Paralympics Games appoints Links of London, as the Official Jeweller of London 2012.

Fosun International acquires a stake of 9,5% in FF Group through a capital increase excluding existing shareholders and increases successively its stake to 13,4%. Folli Follie opens new shops in Puerto Rico and Canada.

The FF Group gains the exclusive distribution and representation of PROCTER & GAMBLE PRESTIGE perfumes in Greece.
Opening of the third "attica" department store in Thessaloniki.
In a joint venture between Duty Free Shops and Setur Servis Turistik A.S. a lease contract for the operation of the Tourist Port of Mytilene is signed for 40 years.
In October, FF Group announces that it has signed an agreement to sell 51% of the travel retail business in the Swiss Dufry AG.

In April the sale of the 51% stake of the travel retail business to Dufry AG. is completed. During December, the Group announced the sale of the remaining 49% of the travel retail business to Dufry AG and enters as a strategic investor to Dufry AG.

FF Group announces exclusive wholesale and retail distribution rights for the Juicy Couture brand in all Continental Europe, UK, Ireland and Cyprus.

The FF Group announces the exclusive representation and distribution of Shiseido products in Greece and Cyprus.

The FF Group achieves an entrance to a wider distribution channel, through the exclusive representation and distribution of the Max Factor make up products in the Greek market.



12

ACTIVITY SEGMENTS

"WE CREATE FASHION"

Folli Follie

Folli Follie is an international lifestyle fashion brand, which designs, manufactures and distributes jewellery, watches and accessories. Folli Follie creates and offers fashion in 30 markets with more than 630 points of sale worldwide. Today, Folli Follie's core philosophy is to unveil the brightest side of women internationally, by offering a collection of versatile, original and fashionable designs of jewellery, watches and accessories.

The launch of Folli Follie in the very demanding Greek jewellery market was followed by an unprecedented success that convinced the owners to steer the brand towards additional categories of fashion accessories and led the way towards the brand's international expansion through strategic shop locations. In Japan and China, Folli Follie has over 65 and 240 points of sale respectively, whereas overall the brand has

presence in the most fashionable streets of the world's major cosmopolitan cities: London (Oxford Street, Regent Street), Hong Kong (Central district), New York (Madison Avenue), Dubai, Athens, Beijing, Seoul, Honolulu and Macau.

Apart from the flagship stores in strategic locations, Folli Follie products are also sold through stand-alone shops and shop-in-shop in famous department stores, such as Isetan and Takashimaya in Japan, Lotte and Hyundai in Korea, El Corte Ingles in Spain. Folli Follie has a direct control of its international distribution network by vertically integrating its operations from production to retail. As a result, it has established a direct line of communication with its customers having adopted the required flexibility to respond to their changing demands.

In 2015 Folli Follie introduced the new Concept Store that incarnates the inspiring vision of the founders of the brand, and eloquently represents

an aspect of the new era, in which Folli Follie is ready to step into. The Folli Follie Concept Stores have already been introduced in hi-fashion streets all over the world with the initial "door-openings" taking place in Hong Kong, Tokyo, Beijing, Hawaii, Sidney, Valencia and Athens.

In addition, Folli Follie has a strong presence in the travel retail market with points of sale in numerous airports duty free shops around the world, such as Beijing, Hong Kong, Seoul, Athens, Vancouver, Taipei, Hawaii and Guam among others, whereas Folli Follie products are also available in-flight in major international airlines, such as Japan Airlines, EVA Airlines, Cathay Pacific, Air China, China Eastern, Qantas, ANA Airlines, AeroMexico, Korean Airlines, Qatar Airways, United Airlines, Etihad Airways etc. Folli Follie has presence in Haitang Bay, Hainan Island, China, the world's largest duty free shopping centre, which opened on September 2014.



In 2015 Folli Follie introduced the new Concept Store that incarnates the inspiring vision of the founders of the brand.

Folli Follie established itself as a true pioneer in the market when it introduced, amongst its first collections unique jewellery creations made of silver combined with murano glass and later on complete jewellery collections made of stainless steel in silver or gold colour combined with diamonds - a trend followed by many others.

In 2016, Folli Follie presented the Fashionably Silver collection with a great variety of thematic designs from timeless pieces to the most on trend designs that satisfies even the most exclusive jewelry demands. Depending on the materials used (sterling silver, stainless steel, precious and semi precious stones) and in a wide price range covering all needs, the company offers an unrivaled assortment of styles for the creation of a unique style.

The fact that nowadays, ladies watches are no longer considered as simple time pieces or expensive jewels, but everyday fashion accessories, to be mixed and matched, contributed to the development and establishment of Folli Follie watches in the field of fashion. Thanks to their trendy design, their high quality, and unmatched offer in styles the watches of the Ceramic Collection, the Leather Collection, the Jewellery Watches, the Slim Watches and specifically the Match Point, the Heart4Heart and the Santorini Flower Watches are amongst the few that have been embellishing female wrists worldwide.

The recent exciting news of the brand include the addition of Swiss Made timepieces in the Santorini Flower watch Collection. In addition to its jewellery and watches lines, Folli Follie offers comprehensive assortments in fashion accessories, such as handbags, wallets, small leather goods, belts, pashminas and sunglasses. The exclusively designed pieces add breadth to the company's identity and are now globally recognized amongst accessories brands. The Folli Follie team of designers works restlessly in taking iconic motifs

and translating them into unique designs that go through the entire Folli Follie product range, always with impeccable style. The iconic motif approach is yet another aspect that demonstrates the insightful process of the Folli Follie designing teams. Over the past few years, the Folli Follie consumer follows the exciting journey of the Heart4Heart motif, and most recently the Santorini Flower motif from a very successful necklace, translated into an exciting watches collection, into a complete jewellery line with many distinct offerings and into unique bags and purses. All Folli Follie jewellery, watches and accessories lines complement each other, offering a "full fashion concept" and providing at the same time a contemporary, alternative and fresh experience to customers over the world.

Folli Follie's jewellery, accessories and watches collections are presented throughout the year, addressing the ever-changing lifestyle of the fashion addicts. The company's experienced design team consists amongst other of Italian, Swiss, British, Chinese and Greek top designers, who work together for the presentation of complete jewellery, watches and accessories collections. The collections' highlight is the premium Kk Collection, which includes unique and limited edition jewellery and accessories pieces, inspired and supervised by Mrs. Ketty Koutsolioutsos, co-founder of Folli Follie. Furthermore, the emphasis given to the unique design does not stop at the product itself but extends into all Folli Follie visible associations and image of the company, such as: shop layout, décor, window display, product presentation, furniture, packaging, promotional material and of course integrated communication strategy. In other words, the company's artistic team in collaboration with the Branding, Marketing and Public Relations Department strive to create a "Folli Follie world" which ensures a consistent, characteristic brand image amongst all Folli Follie shops and products, immediately recognizable by the global consumer.



Links of London

Links of London is the iconic international jewellery brand that captures London's wit, spirit and heart. As one of our most coveted jewellery brands, Links of London has continued to captivate customers with striking jewellery collections, statement watches and a selection of exquisite gifts.

Since its launch in 1990, imaginative design, uncompromised craftsmanship and the use of the finest materials have remained integral to each new collection, ensuring that each piece remains a timeless contemporary classic.

Today, the in-house design team leads the brand through the next stage of growth and evolution, through the product development of successful iconic collections, including Sweetie and Friendship. The future will see further new product launches and diversification, charging the brand with a renewed freshness whilst offering beautiful contemporary pieces that draw inspiration from London's vibrant and dynamic landscape. In 2015, Links of London presented the Timeless Collection; an awarded collection that marks the passage of 25 years since the creation of the brand.

In addition, the Links of London 2016 collections reinforce the brand's reputation for being a leader in both watches

and jewellery for men and women and will no doubt fuel further significant growth for Links of London watches internationally.

The introduction of the Swiss Made Driver Dashboard timepiece into this motor-inspired collection has speedily become Links of London's most powerful design to date. The new Driver Dashboard model takes a centre stage along with a number of other distinctive Swiss made launches, including Driver, Brompton and Regent Collections, signaling the continued growth and strength of its timepiece offering.

With a view to further development in the field of men's and women's watches, Links of London announced in December 2015, the operation of its first stand-alone shop, in Regent Street, London, exclusively for watches.

Alongside this, Links of London continues to expand its distribution with particular attention on the UK. Links of London has over 130 points of sale respectively in locations such as Europe, the Far East and the Americas. Moreover, Links of London has opened a new store in Haitang Bay, Hainan Island, China, among other prestigious brands.

“WE SHARE FASHION”

The FF Group has a very dynamic fashion business unit that places it among the most important businesses in the fashion scene in Greece and South Eastern Europe. Loyal to its corporate goal of being named as one of the most important Groups in the global fashion sector, the FF Group is proud to take its business to an international level.

Placing emphasis in the fashion element, the FF Group handles each brand as a distinct entity, ensuring that each brand's DNA and philosophy is brought forward. From buying procedures, to retail and wholesale operations, from consumer care, to marketing and communications, the FF Group employs an unparalleled team of experts that work closely to secure the successful placement of each fashion brand to the markets in which it is distributed.

With a corporate history full of success stories for many brands, the FF Group is acknowledged to be an ideal partner in Greece and other European markets for many globally acclaimed fashion houses, trendy brands, sportswear companies that may address many different audiences.

With insightful strategic thinking, deep knowledge and understanding of the specificities of each market the FF Group team is bound to work restlessly to ensure the successful course of each brand in its portfolio in the market in which it is distributed. Whether for a wholesale account only, or for a more complex case that involves retail operations and a complete



marketing and communication plan, the FF Group is placed among the most hi-profile distributors in the European fashion scene.

Namely, the FF Group operations in the wholesale/retail sector expand from the sportswear section, as it distributes exclusively the brand Nike in Romania and Bulgaria, and the whole range of Converse products in the markets of Greece, Cyprus, Romania and Bulgaria, to globally acclaimed fashion brands as Juicy Couture, Ermenegildo Zegna, UGG Australia, Guess, Ted Baker, Franklin & Marshall, Calvin Klein Jeans, Converse, Scotch & Soda, G-Star Raw and many other. The Group's portfolio in terms of children's fashion is also impressive, covering brands such as Monnalisa, Hitch-

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Hiker, Converse, Levi's Kidswear and others. Moreover, from the beginning of 2010, FF Group distributes in Greece the Samsonite bags and accessories, opening in 2013 the first Samsonite mono-brand store. Two mono-brand stores operate in Thessaloniki and one in The Mall Athens. Since 2010, the FF Group has undertaken the distribution of Technogym's products, the world's leading international supplier of products, services and solutions in the Wellness and Fitness fields. The new Technogym showroom with technology-driven fitness and wellness equipment and solutions is located in Athens, 29 A. Papandreou street, in Marousi.

At the same time, the FF Group starts the strategic development of its own multi brand concept stores Collective and Kix. Collective Stores are multi brand stores, offering a wide range of the most famous fashion brands and a unique shopping experience. The Collective family has already more than 10 stores in Greece.

In May 2016 the FF Group inaugurated the new flagship “Collective” store in Bucharest. The new store opened its doors to the public in a total area of 1,200 m² on three floors and managed to impress for its splendid interior design.



"WE HOUSE FASHION"

The FF Group is active in the field of retail with department stores and outlet stores. The first discount department store in Greece called "Factory Outlet" opened in 1999 in Piraeus street at the southern part of Athens with a space of 13,000 m². The second discount department store opened in 2006 at the commercial park of Athens International Airport, with a 14,000 m² space. The FF Group participates with 46% in the company that operates three up-scale department stores in the Greek market under the brand name "attica, the department store". The flagship store of the chain is an impressive eight-storey department store of 25,000 m² is located in the heart of Athens, and two other stores in the shopping mall "Golden Hall" and "The Mall Athens".



In addition, on April 2012 another "attica" department store opened in "Mediterranean Cosmos Mall" a shopping Mall in the second largest city in Greece, Thessaloniki, with 5,000m² space. In September 2014



a fifth attica department store started its operation at the city centre of Thessaloniki.

Moreover, the FF Group has a reconstruction program in place for two groups of buildings, a privately owned building of 12,000 m² at the centre of Bucharest in Romania, which was recently renovated. The Group's total investment in the renovation of the historic building, which covers a total area of 5.000m², is 10million €. The FF Group invested in one of the most historic buildings of Athens' center, MINION department store, giving it a new and improved look with the artwork of renowned Greek artist Giannis Kottis. The artistic lifting of the multi-storey building is an aesthetic upgrade of a rough area of the center of Athens. The impressive banner, of 140x28 meter dimensions, which covers a 4.000 m² surface, adds a splash of color to the grey urban scenery, by depicting the fruits of nature.

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.

Moreover, the FF Group achieved the entrance to a wider distribution channel, through the exclusive representation and distribution of the Max Factor make up products in the Greek market. Max Factor is a cosmetic brand with great history and heritage.

The FF Group, together with the acquisition of Heaven on Earth, the beauty and lifestyle boutique, acquired the exclusive wholesale distribution of Molton Brown in Greece and Cyprus, Annick Goutal and Lip Smackers, amongst others.



"WE LOVE TO TRAVEL"

Involvement in Travel Retail

The Group had been very actively involved in the travel retail sector since 2002 when it first developed activity in the sector. Via HELLENIC DUTY FREE SHOPS S.A. (HDFS), the exclusive duty free operator in Greece, the FF Group had the exclusive right for selling duty free products at all exits of Greece. HDFS had always been characterized for rapid growth, development and the high quality services, whereas it offered a great variety of products to all travellers in competitive prices, in an impressive of 115 stores at 45 sales points throughout Greece (21 airports, 11 border stations, 13 ports).

In 2012 the FF Group announced that it signed an agreement to sell 51% of the travel retail business to the Swiss Dufry AG, a transaction which was completed during 2013 in two tranches with an additional sale of the remaining 49% stake of Hellenic Duty Free Shops and FF Group's entrance as a strategic investor to Dufry AG.

It is worth mentioning that this was completed much earlier than originally scheduled, evidencing HDFS' strong performance and prospects as well as Dufry's total commitment and strategic interest for this activity. Apart from the financial aspects of the transaction and the direct involvement in Dufry's global Duty Free Business, this agreement reinforced the strategic partnership between the FF Group and Dufry, as it

enables the FF Group to further exploit new markets, where Dufry has already presence while simultaneously Dufry benefits from the presence and the knowhow that the FF Group has in markets where Dufry's presence is limited.

Through this strategic partnership the FF Group will join the Group of Dufry's AG main shareholders led by Travel Retail Investments SCA. In addition, since 2014 Mr George Koutsolioutsos is a member of the Board of Directors of Dufry.

Dufry's, history goes back to 1865, today Dufry AG is a leading global travel retailer operating 2,200 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas the Group operates in 64 countries in Europe, Africa, Eurasia, Central America & Caribbean, North America and South America. Dufry employs more than 30.000 people. The Company is headquartered in Basel, Switzerland.

"WE SHARE BEAUTY"

FF Group continued its strategic development, with the extension of its activities via another dynamic distribution channel of famous brands and created a new business function, Beauty & Cosmetics. More specifically, the FF Group undertook the exclusive distribution and representation of the globally acclaimed brands of **COTY** (Gucci, Boss, Escada etc) and **BPI** (Dolce&Gabbana Make up, Skincare & Fragrances), as well as the exclusive representation and distribution of Shiseido products in Greece and Cyprus. The cooperation with Shiseido marks an important addition to our existent portfolio for

“WE CARE”**Corporate Responsibility**

The FF Group's Corporate Responsibility scheme is based upon a wider strategic approach and is defined by the philosophy of each and every distinct company. Every corporate responsibility act is defined by the management's commitments towards the employees, the shareholders, the clients, the suppliers, and the society at large. In a wider sense, these stakeholders constitute the family, in which the FF Group grows, operating with responsibility and respect. The Group's Corporate Responsibility scheme applies globally, in all markets that the company enters, confirming its respect to all the relevant communities and corresponding to each region's needs.

Taking always into account the diversity and particularity of each one of the 30 countries of its operation, the Group develops and implements a holistic and focused Corporate Social Responsibility Programme, according to the basic axes that the Headquarters in Athens define. With the basic axes evolving around Culture and Sports, Society and

Environment, the FF Group's Corporate Responsibility Programme spreads through both a national and international level.

Culture/Sports Axis

Being a Group that operates in many different countries, the FF Group embraces culture and arts as global means of communication that unite civilizations. Thus, culture has been a major feature of the social contribution of the FF Group: the cooperation with organizations which promote culture and arts is considered as of really high importance in order to preserve each region's cultural heritage and also to support the artists' efforts. The FF Group is a member and support actively Benaki Museum in Athens.

In the past, the FF Group has sponsored several cultural events in Greece and abroad, events such as the first Kabuki Theater in Megaron-the Athens

Concert Hall, Stefanos Korkolis' concert in Herodeion and Dionysis Savopoulos' concert in Benaki Museum in Athens. Our philosophy regarding arts and culture is transferred globally: in October 2005, Folli Follie was honoured to support the Hong Kong closing concert of the Greek performer Nana Moushouri, who is a UNESCO Good Will Ambassador. Moreover, in May 2007, during Mrs Dora Bakoyannis', Minister of External Affairs visit in China, Folli Follie sponsored the renowned Greek singer, Alkistis Protopsalti's concert, in the Forbidden City of Beijing.

Folli Follie also sponsored the “Sensitivity Questioned” exhibition that was hosted at Ileana Tounta Gallery, in Athens in 2010. The exhibition was dedicated to femininity through the eyes of a male, with the participation of famous Greek and international artists.

In March 2013, the FF Group sponsored the 7th Panorama of Contemporary Greek Cinema,

organized in Paris by the Greek Cultural Centre.

In 2014 and 2015, the Group sponsored the performances of Theatroparea '08, which is a non-profit organization and part of the proceeds were donated to charities.

Along the Sports axis, Folli Follie honoured the Vouliagmeni female polo team – European Champion 2010 – by dedicating and naming a sports watch collection “Water Champ”. Folli Follie, as a company which always promotes its Hellenic heritage and roots wanted to express its gratitude to the “golden girls” of the female polo team. The “Water Champ” collection is one of the company's most symbolic watch collections and enjoys a great success.

In August 2012, Folli Follie sponsored the sailing race “Aegean Regatta 2012”. The race took place in Greece for the 11th consecutive year, starting from the island of Mytilene in the North Aegean sea and

Taking always into account the diversity and particularity of each one of the 30 countries of its operation, the Group develops and implements a holistic and focused Corporate Social Responsibility Programme.



reaching its final destination, the island of Syros in the Cyclades. Folli Follie shares with the "Aegean Regatta" Tournament the same respect and admiration towards Greece and also the strong will to promote the country's beauty abroad. For this reason, Folli Follie offered to the participants a 2 days free docking in the Tourist Port ("Marina") of Mytilene, the port from where the yachting boats started their race and awarded the winners with the Folli Follie "Regatta" collection watches.

In 2012, the FF Group through Converse and in collaboration with the municipality of Piraeus, took over the repair of an abandoned basketball court, in a neglected neighborhood, rejuvenated it by painting it with vivid colors and offered it back to the local community. This activation provided the neighborhood's young inhabitants with a new and pleasant place of entertainment and sports.

In 2012 and 2013, Folli Follie honouring its Greek Heritage and aiming to stand by any initiative that promotes the modern face of Greece, sponsored the "Spetses Classic Yacht Race", which featured some of the most renowned classic yachts in Greece using as a backdrop the beautiful island of Spetses in Greece.

Additionally, Folli Follie in 2013 was a proud supporter of Spetses Mini Marathon in Spetses, Greece, showcasing how sportsmanship and athletic lifestyle can be ideally combined with striking style.

Another Corporate Responsibility initiative of the FF Group, and one that the company takes great pride in, is the Folli Follie sponsoring the Greek Delegation of the X Special Olympics World Winter Games in Pyeong Chang, Korea in 2013. Links of London, the Creators of the Official Jewellery Collection of London 2012 Olympic Games, proudly supported the first ladies running competition which took place in Greece, the "Ladies Run" for three consecutive years (2012-2014). Hundreds of women, who are passionate for running, were gathered in Laimos, Vouliagmeni, participated in the race and each one of them was awarded with the exclusively designed and limited edition Ladies Run bracelet.

Society Axis

The activities of the FF Group extend to long-lasting charity initiatives throughout Greece and globally, covering the needs of schools, non-profit institutions and NGOs that involve children, the tenderest part of society as well as women. In addition, the FF Group continues to demonstrate its sensitivity to social solidarity issues that are not direct business actions but topics, which the company feels a great responsibility to bring to the public's attention.

As for the rest of the world, the FF Group sponsors various charitable causes dedicated to public welfare, such as the Cancer Fund in Hong Kong, where it has been the major sponsor of the "Pink Revolution" campaign for a series of years.

In autumn 2009, Folli Follie designed and distributed internationally two limited edition bracelets in collaboration with the leading non-profit organisation "Save the Children", and part of their proceeds was donated to support its remarkable activities.

During 2011 Folli Follie also supported the non-profit organization "The Art of Elysium" through the opening of the new Folli Follie boutiques in New York (Soho & Lord & Taylor). This organization was established in 1997 and its objective is to encourage working actors, artists and musicians to voluntarily dedicate their time and talent to children who are battling serious medical conditions. For this purpose, FF Group's employees in New York were prompted to participate in the workshop that took place in the Hospital for Joint Diseases, by sharing their personal talents with these children. The works that were created in this workshop were presented during the opening of Folli Follie's shop in shop at Lord & Taylor.

In Spain, Folli Follie actively supports the purposes for the last five years (2010-2014) of the "SOS Foundation" through the launch of a specially designed collection, and part of this collection proceeds were offered to the International "SOS Foundation". In order to honour Mrs Ketty Koutsolioutsos, co-founder of Folli Follie, a department of a nursery that was built in Cangut Village in Senegal, was named as "Ketty's Nursery".

In 2013 and 2014, Folli Follie Greece joined forces

with the non-profit association I LIVE FOR ME and designed a limited edition bracelet inspired by the association's logo, the butterfly. Folli Follie and I LIVE FOR ME found in the face of Tonia Sotiropoulou, a famous Greek model/ actress, the ideal ambassador for this initiative.

Links of London is also an active participant of the FF Group's social responsibility programs focused on Greek society and especially children. During 2008, the brand offered part of its "Friendship Bracelet" proceeds to the "Mazi gia to Paidi" non-profit organisation.

In 2010, Links of London also organized an ambassadors' initiative, named "Sweetie... It's all about you!", to support the causes Links of London of "Make-A-Wish" foundation in Greece. Antigoni Drakoulakis, Calliope Karvounis, Sia Kossiones, Helena Kountouras, Katerina Lechou, Nina Lotsaris, Nantia Mpoule, Maria Naupliotou, Ioanna Pappas, Rea Toutountzi and Zeta Fountas accepted Links of London proposal and participated as the Goodwill Ambassadors in the successful Social Responsibility Campaign that was created for this cause. The support



towards the "Make-A-Wish" foundation continued for a second year through the collaboration with the renowned Greek singer Antonis Remos, who designed a friendship bracelet, profits of which were donated to the organization.

For three consecutive years (2010-2012) Links of London supported Make-A-Wish® foundation and created a limited edition handmade bracelet signed by Vicky Kaya, who is the Ambassador of Make-A-Wish® Greece. An important part of the bracelets' sales proceedings were offered to Make-A-Wish®, with the aim to fulfill all the wishes of children from 3-18 years old, who suffer from serious illness and encourage them to continue fighting for their lives. The "Make-A-Wish" foundation sponsorship was completed with a major charity event, maximizing the impact of this great initiative.

In addition, Links of London created for the Fall/Winter 2011 collection 7 cord bracelets, each one of them representing activation against hunger throughout the world. Part of the bracelets proceeds were offered to FEED Foundation, a non-profit organization, which was formed by Lauren Bush and Ellen Gustafson and is dedicated to supporting programs and organizations that are effectively working to fight hunger and eliminate malnutrition throughout the world. This activation was held with great success in the United Kingdom and the United States and set a good example to other countries where Links of London is present.

The close relationship that the FF Group has developed with Japan during the past 25 years led to actively demonstrating its support towards those affected by the devastating earthquake and subsequent tsunami that struck Japan on March 2011. Folli Follie brand donated 10% of global sales of the entire Heart4Heart Collection and Links of London 10% of the global sales of the classic Friendship Bracelet to support the Japanese Red Cross.

In December 2012, the FF Group supported the reconstruction of the building of Merimna, which is a nonprofit organization with the main goal of caring for children and families who are facing a serious illness, loss or death.

The FF Group takes great pride in the initiative of its employees based in Greece. During December 2013, an FF Group employee task force organized a three-day charity bazaar in which FF Group products were sold and the FF Group employees offered their services voluntarily. The FF Group Christmas Charity Bazaar led to raising 80,000 €, all of which were offered to the organization "Mazi

gia to Paidi", reaching out to thousands of children in need in Greece.

During October 2015 the FF Group's employees with the Management's support organized the gathering of food, clothes, shoes, blankets and hygiene items in order to offer relief to refugees and people that are in a difficult socio-economic condition, supporting the Ark of the World and the Municipality of Athens. Additionally, the Group supported this initiative with the offering of 2,500 pair of shoes and 90 boxes with clothes.

During 2015, Factory Outlet helped the project of the Ark of the World and a visit to the center building of the organization in Athens, sealed a strong support relationship. Moreover, the Factory Outlet has undertaken entirely the completion of the Apiary in the border Ark of Pogoniani. The apiary has recently started operating and offering creative activities and opportunities for learning to the children that are hosted in the small village of Ioannina.

In June 2016 FF Group actively supported the social facilities of Lesvos Island with a donation of major importance.

Since the mid of November 2016 Folli Follie supports the Foundation Coeurs Pour Tous Hellas and its charity work for poor children with congenital or acquired heart diseases. Folli Follie in association with the Foundation Coeurs Pour Tous Hellas (CPTH) found in the face of Smaragda Karydi, Vasso Laskaraki, Katerina Papoutsaki and Katerina Geronikolou, the ideal Ambassadors. These well-known and beloved actors embraced gracefully with enthusiasm this initiative which aims to give hope to needy children and their families.

Part of the proceeds from all the purchases of Heart4Heart jewelry, watches and accessories will be offered to support the Foundation. The emblematic Folli Follie motif - consisting of 4 hearts - becomes a symbol of hope and the inspiration behind this initiative of unconditional love.

Environment Axis

The FF Group is strongly activated towards the environmental protection and examines all countries' needs individually, focusing on programmes that offer concrete results and cover specific needs.

In June 2008, the FF Group also delivered a number of works to Artemida village, Municipality of Zacharo, Prefecture of Ilia, Greece, as a contribution of social solidarity after the destructive wildfires that affected the wider area of western Peloponnese in August 2007.

With the environment and the sustainable development always in mind, the FF Group Headquarters, as well as the Factory Outlet retail stores, are housed in eco-friendly buildings, promoting programmes of recycling and battery recycling, energy saving by which the employees, the third-party partners and the visitors abide.



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 2016 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 2016 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, April 7th, 2017

The members of the Board of Directors:

CHAIRMAN
EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS
DIMITRIOS KOUTSOLIOUTSOS

C.E.O.
EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS
GEORGE KOUTSOLIOUTSOS

DEPUTY C.E.O. - GENERAL MANAGER
EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS
EMMANOUIL ZACHARIOU

b BOARD OF DIRECTORS ANNUAL REPORT

(for the fiscal period 01.01-31.12.2016)

To the Regular General Meeting of Shareholders of the year 2016

Dear Shareholders,

The present Board of Directors Financial Report for the period 01.01.2016-31.12.2016 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 2016, other information and statements required by law and is divided into the following sections:

A. Review for the Full Year 2016

Consolidated results (Continuing operations)

P&L Statement in € mil.	2016	2015	CNG%
Sales Revenue	1.337,28	1.193,04	12,09%
Gross Profits	612,230	581,23	5,35%
Operating Profits (EBIT)	262,27	238,54	9,95%
Profit before taxes, financing & investing results, depreciation and amortization	291,86	265,01	10,13%

Specifically, **revenues (continued operations)** amounted to €1.337,28 million in 2016, from €1.193 million in 2015, increased by 12,09%. **EBITDA** reached €291,9 mio, increased by 10,13%. Profit before taxes amounted to € 253,48 mio in 2016, compared to € 225,27 mio in 2015, increased by 12,52%. **Net profits after tax & minority rights** are reported at €222,47 mio, with the respective amount for 2015 was 182,64 mio, an increase of 21,8%.

FF GROUP operates in four core business segments:

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

The Group, except for the Greek market, which represents the 22,3% 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 and FF Holdings S.A.

The Group's retail distribution network covers more than 30.000 m² 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.

SALES PER SEGMENT (after eliminations) Continuing Operations				
Ποσά σε € εκατ.	2016	2015	% Δ	% in total
Jewellery-Watches-Accessories	977,8	857,0	14,1%	73,1%
Department Stores	181,4	171,4	5,9%	13,6%
Retail / Wholesale	178,1	164,7	8,1%	13,3%
Total	1.337,3	1.193,0	12,1%	100,0%

Sales per segment (post elimination)

- Revenues of the segment **"Jewellery-Watches-Accessories"** rose during the year 2016 by 14,1% to €977,8 million compared to €857 million in the corresponding year of 2015.
- Revenues in **"Department Stores"** increased during 2016 by 5,9% with revenues reaching €181,4 million from €171,4 million in the corresponding year 2015.
- Subsequently, the sector **"Retail and Wholesale"** reported for the year 2016 revenues of €178,1 million from €164,7 million in 2015, increased by 8,1%.

Financial Position of the Group and ratios

FF GROUP			
Liquidity		31.12.2016	31.12.2015
General	Current Assets / Current liabilities	6,22	6,88
Direct	(Current Assets-Inventories) / Current liabilities	4,19	4,71
Cash	(Cash + Securities) / Current liabilities	119,04%	117,49%
Working Capital	(Receivables + Inventories) - (Suppliers + Other Current Liabilities)	1.024.379.207,53	894.871.684,79
Activity			
Velocity of money	Net sales / Current Assets	0,74	0,77
Recovery	(Average Receivables / Net sales) * 365	169,31	171,28
Inventory turnover	Cost of goods / Average stock	1,35	1,43
Days Inventory	(Average stock/ (Cost of goods) * 365	270,95	255,60
Financial			
Indebtedness	International Equity / Total Equity	26,93%	27,27%
Loans to Equity	International Equity / Total equity	0,37	0,37
Profitability			
Gross profit	Gross profit / Sales	45,79%	48,72%
Return on Assets	Net Profit / TOTAL ASSETS	8,80%	8,45%
Return on Equity	Net Profit / Total equity	12,04%	11,62%

B. Significant events during 2016**External Environment**

The growth of the world economy has consolidated at low rates in 2016. Overall, the global economy is entering a new cycle where the economic and political developments will closely interact under conditions of deleveraging and pressure on incomes. China's transition to a more consumption- and service-based economy continues to influence other emerging market economies, notably commodity producers and countries exposed to China's manufacturing sector.

Financial market sentiment towards emerging market economies has improved with expectations of lower interest rates in advanced economies, reduced concern about China's near-term prospects following policy support to growth, and some firming of commodity prices.

Beyond 2017, global growth is projected to gradually increase. This recovery in global activity is expected to be driven entirely by emerging markets and developing economies with China maintaining its transition towards consumption- and services-based growth, and continued resilience in other countries. It also reflects the increasing weight in the world economy of large emerging market economies, such as China and India that are growing well above the world average.

The Greek economy is expected to show a modest recovery in the short-run in the current year. Several functions of the economy are gradually recovering from the shock of the summer of 2015, returning closer to normality. In addition, reforms in the labour and product markets have a positive, albeit delayed, contribution. The improvement of economic sentiment indicator, resurging manufacturing production and good prospects in tourism industry all reflect stronger activity. Therefore, growth recovery is expected to surface in 2017, as Greece reaps the benefits of the adjustment programme, boosted by the restoration of confidence of the prospects of Greek economy and therefore investment pick-up, on the back of the speeding up of the state property privatizations.

Private consumption is expected to remain subdued as indicated by the slumping consumer confidence indicator. Households are heavily affected by the new fiscal austerity measures such as VAT increases; reforms in personal income taxation and the pension system. Furthermore, the more intensive and extensive use of electronic means of payment stimulates GDP and tax revenues, reducing correspondingly the unrecorded activity.

The very fast income growth recorded since the entry of Greece in the Euro area and until 2008, supported mainly by external debt, gave way to a fall of about the same intensity until 2016. Nevertheless, even heavily wounded, the Greek economy has not fallen below the level recorded before the entry in the Euro, while it does not lack pulse and positive prospects. A new growth cycle is feasible, yet it cannot start automatically, particularly as the access to foreign capital will necessarily remain limited.

The conditions for improvement in the immediate future are certainly present, as revealed by various indicators, such as industrial production, exports of goods and some types of investment. The economy has passed through exceptionally difficult paths, yet it still has a pulse. Regarding economic prospects in 2017, growth is expected to pick up and register a positive figure on the back of structural reforms and privatization. Private consumption is not expected to gain momentum in the near future; therefore, recovery is anticipated to be investment driven.

The Greek crisis is taking its course in an unstable and unclear European and international environment. The process of separation of the UK from the EU creates the need for Europe to make significant decisions.

Business Developments of the Group 2016**Links of London: First stand-alone watch store on Regent Street, London (Jan 22, 2016)**

Designed in house by Links of London's store designers, the Regent Street store encapsulates the brand's British heritage drawing inspiration from a quintessential Georgian Townhouse. The watch store will house the entire Links of London watch range, encompassing 15 different collections including Swiss made, Swiss movement and automatic timepieces

New exclusive distribution agreement with P&G Prestige for MAX FACTOR (February 18, 2016)

Within FF Group's strategy of growth and development, the Group announces the expansion of its Beauty & Cosmetics division activities with the exclusive representation and distribution of the Max Factor products in the Greek market.

The new partnership with Max Factor marks an important addition to the FF Group Beauty & Cosmetics portfolio,

increasing this way its share in the cosmetics market. Through the distribution of the globally famous makeup products brand, the Group achieves an entrance to a wider distribution channel.

FF Group invests in the renovation of a historic building in Bucharest (May 26, 2016)

The renovated historic building houses the new flagship "Collective" store of Romania, luxury offices and a fine rooftop restaurant. The flagship "Collective" store opened its doors to the public in a total area of 1,200 m² on three floors and managed to impress for its splendid interior design. Combining classical and minimal elements, "Collective" store offers a wide range of fashion brands.

The amazing roof top of the building will become the place to be after the upcoming launch of the well-known restaurant «Biutiful» with a stunning view of downtown Bucharest.

Links of London: is expanding its network by opening its first store in Cyprus (November 23, 2016)

A new sophisticated and modern space in the center of Nicosia, located in Stasikratous Street 30, houses all the latest collections of jewelry, watches and accessories of Links of London.

Specially designed to provide a luxurious experience, following the global standards, the new store is inspired by the architecture of London townhouses, harmoniously combining classic and modern elements within its elegant environment.

Links of London: is opening its first concession in Galeries Lafayette Montparnasse (Nov 30, 2016)

Links of London, opens its first concession in the ultimate shopping destination, in Galeries Lafayette Montparnasse, in Paris.

Folli Follie: expands its network in South Africa (Dec 12, 2016)

The new Folli Follie Concept Store in South Africa is situated at Nelson Mandela Square, Johannesburg. The entrance of FF Group in the market of South Africa is of strategic importance, as it expands the Group's presence globally.

This action consists the start of our strategic plans for further expansion of the Folli Follie network in Johannesburg, as well as in Pretoria and Cape Town.

Folli Follie: expands with a new Concept Store in Westfield World Trade Center in New York (Dec 22, 2016)

Located in downtown Manhattan, the new Folli Follie Concept Store is placed in the heart of the renewed Shopping Center of New York with 365,000 square footage of retail space in the architectural beauty of the Oculus. Representing Westfield's slogan, the "New New York Place To Be", the choice of the location for the new Folli Follie Concept Store in North America is of strategic importance, as the area represents something more than a fabulous shopping destination and a place of remembrance, a place of rebirth

General meeting of shareholders resolutions**Shareholders General Meeting dated June 24th, 2016**

«FOLLI-FOLLIE COMMERCIAL MANUFACTURING SOCIETE ANONYME», under the trade name «FF GROUP» (hereinafter, the "Company") announces that, today this Friday the **24th June 2016**, Friday, at 12:00 pm, at the offices of the Company in Agios Stefanos, Attica, 23rd klm. 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 72,23% (quorum) of the Company's share capital, namely 48.359.449 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 2015 - 31st December 2015, after having heard the reports of the Board of Directors on the realization of the above fiscal year and the Chartered Auditor-Accountant.
2. Resolution on the non-distribution of dividend to the shareholders.
3. Release of the members of the Board of Directors and the Chartered Auditor-Accountant from any liability to compensate for the fiscal year 2015.

4. Election of Mr. George Varthalitis, son of John, (SOEL nr. 10251) as an ordinary Chartered Auditor – Accountant and Mr. Ioannis Toliopoulos, son of Vassileios, (SOEL nr. 12381) as a deputy Chartered Auditor – Accountant for the fiscal year 2016, both members of the auditing company under the trade name “ECOVIS VNT Auditing s.a.” (ELTE No 045 and SOEL No. 174) and definition of their remuneration due for that year.

5. Approval of all kinds of fees and compensations paid to the members of the Board of Directors in fiscal year 2015 and prior approval of all kinds of fees and compensations to be paid during fiscal year 2016.

6. Approval of provision of guarantees, facilities (including share capital increases) in favor 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.

7. Election of the new members of the Board of Directors and definition of the members of the Auditing Committee according to article 37 of Law 3693/2008, for five (5) year term, as follows:

1. Dimitrios Koutsolioutsos
2. Aikaterini Koutsolioutsou
3. Georgios Koutsolioutsos
4. Emmanouil Zachariou
5. Jiannong Qian
6. Irini Nioti
7. Zacharias Mantzavinos
8. Evangelos Koumanakos
9. Periklis Stamatiadis
10. Ilias Kouloukountis
11. Ilias Koukoutsas

From the above members of the Board of Directors, Mr Periklis Stamatiadis, Evangelos Koumanakos and Zacharias Mantzavinos are elected as members of the Auditing Committee.

8. Validation of the decision of the Board of Directors of the Company dated 06-04-2016 as per the election of Mr. Koumanakos Evangelos as member of the Board of Directors and the Auditing Committee to have replaced the resigned member Mr. Georgios Aronis.

In the aforementioned annual general meeting, shareholders represented the 72.23% of the total shares were present. This amounts to 48.359.449 out of the total of 66.948.210 shares.

Subject 1°

48.315.329 shares voted in favor, i.e. 99.9% of the total shares there represented. 915 shares voted against, i.e. a percentage of 0.02% of the total shares there represented. 43.205 shares abstained, i.e. a percentage of 0.08% of the total shares there represented.

Subject 2°

48.284.227 shares voted in favor, i.e. 99.84% of the total shares there represented. 13.801 shares voted against, i.e. a percentage of 0.03% of the total shares there represented. 61.421 shares abstained, i.e. a percentage of 0.13% of the total shares there represented.

Subject 3°

48.216.939 shares voted in favor, i.e. 99,71% of the total shares there represented. 99.106 shares voted against, i.e. a percentage of 0,20% of the total shares there represented. 43.404 shares abstained, i.e. a percentage of 0,09% of the total shares there represented.

Subject 4°

41.113.719 shares voted in favor, i.e. 85.02% of the total shares there represented. 5.698.726 shares voted against, i.e. a percentage of 11.78% of the total shares there represented. 1.547.004 shares abstained, i.e. a percentage of 3.2% of the total shares there represented.

Subject 5°

37.693.436 shares voted in favor, i.e. 77.94% of the total shares there represented. 5.299.063 shares voted against, i.e. a percentage of 10.96% of the total shares there represented. 5.366.950 shares abstained, i.e. a percentage of 11.1% of the total shares there represented.

Subject 6°

47.561.582 shares voted in favor, i.e. 98.35% of the total shares there represented. 200.826 shares voted against, i.e. a percentage of 0.42% of the total shares there represented. 597.041 shares abstained, i.e. a percentage of 1.23% of the total shares there represented.

Subject 7°

36.127.951 shares voted in favor, i.e. 74.71% of the total shares there represented. 6.734.750 shares voted against, i.e. a percentage of 13.93% of the total shares there represented. 5.496.748 shares abstained, i.e. a percentage of 11.36% of the total shares there represented.

Subject 8°

35.997.012 shares voted in favor, i.e. 74.44% of the total shares there represented. 11.258.030 shares voted against, i.e. a percentage of 23,28% of the total shares there represented. 1.104.407 shares abstained, i.e. a percentage of 2.28% of the total shares there represented.

Treasury shares

As of 31.12.2016 the Company holds 584.083 treasury shares.

C. 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.

D. Main risks and uncertainties for 2016

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

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 derives 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, to be consolidated in the Group's financial statements.

iii) Price risk – Inflation:

According to 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.

E. Labour and environmental issues

On December 31, 2016 the Group employed 4.996 employees, over 5.162 employees on December 31, 2015. The corresponding figures for the Company are 1.099 versus 1.104. 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.

F. 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 2016, according to IAS 24, are the following:

For the Group

	1/1- 31/12/2016		1/1- 31/12/2015	
	Executives	Other Related Parties	Executives	Other Related Parties
Purchases of goods				
Folli Follie SA		0,00		0,00
Attica Department Stores SA		3.275.292,00		2.976.667,00
TOTAL	0,00	3.275.292,00	0,00	2.976.667,00
Sales of services - Other income				
Folli Follie SA		0,00		0,00
Attica Department Stores SA		36.996,00		32.455,00
TOTAL	0,00	36.996,00	0,00	32.455,00
Get services - Other expenses				
Folli Follie SA		0,00		0,00
Attica Department Stores SA		73.161,00		22.584,00
TOTAL	0,00	73.161,00	0,00	22.584,00
Sales of Goods				
Folli Follie SA		43.897,82		18.929,36
Attica Department Stores SA		2.887,00		0,00
TOTAL	0,00	46.784,82	0,00	18.929,36
Transactions & remuneration of board members & managers				
Folli Follie SA	3.292.826,81	0,00	3.312.982,32	0,00
Attica Department Stores SA	358.985,33	0,00	283.672,25	0,00
TOTAL	3.651.812,14	0,00	3.596.654,57	0,00
	31/12/2016		31/12/2015	
	Executives	Other Related Parties	Executives	Other Related Parties
Receivables				
Folli Follie SA	0,00	85.215,76	0,00	47.374,22
Attica Department Stores SA	0,00	305.419,00	0,00	305.683,00
Planaco SA	0,00	0,00	0,00	0,00
TOTAL	0,00	390.634,76	0,00	353.057,22
Payables				
Folli Follie SA	0,00	0,00	0,00	0,00
Attica Department Stores SA	0,00	169.825,00	0,00	642.562,00
Planaco SA	78.105,08	0,00	12,94	0,00
TOTAL	78.105,08	169.825,00	12,94	642.562,00

For the Company

	1/1- 31/12/2016	1/1- 31/12/2015		1/1- 31/12/2016	1/1- 31/12/2015
Sales of Goods			Sales of Services - Other Income		
FOLLI-FOLLIE H.K. - Group	1.019.865,96	1.096.820,33	FOLLI-FOLLIE H.K. - Group	1.306,71	4.521.788,97
FOLLI-FOLLIE JAPAN LTD	170.783,07	130.350,52	FOLLI-FOLLIE JAPAN LTD	0,00	12.700,00
FOLLI FOLLIE UK LTD	0,00	0,00	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	12.552,08	17.756,33	FOLLI FOLLIE FRANCE SA	3.904,97	4.057,46
FOLLI FOLLIE SPAIN SA	114.540,09	61.882,36	FOLLI FOLLIE SPAIN SA	6.014,64	5.377,46
FF CYPRUS LTD	469.212,93	283.260,40	FF CYPRUS LTD	89.187,33	14.680,24
PLANACO SA	1.900,46	13.884,75	PLANACO SA	6.965,77	7.072,00
LINKS OF LONDON LTD	9.388.459,44	7.666.631,54	LINKS OF LONDON LTD	361.730,01	278.483,77
FF GROUP ROMANIA SRL	2.516.005,87	4.974.146,53	FF GROUP ROMANIA SRL	34.515,17	21.537,17
FF GROUP BULGARIA EOOD	674.240,45	3.432.671,99	FF GROUP BULGARIA EOOD	11.061,58	10.916,65
MOUSTAKIS SA	468.837,15	1.153.359,94	MOUSTAKIS SA	64.686,72	164.361,40
ATTICA DEPARTMENT STORES SA	8.526.492,14	11.996.384,24	ATTICA DEPARTMENT STORES SA	0,00	0,00
COLLECTIVE PATRAS SA	159.125,47	357.538,55	COLLECTIVE PATRAS SA	28.683,13	89.972,48
FF HOLDINGS SA	1.568.113,30	1.103.830,20	FF HOLDINGS SA	407.799,59	388.048,91
STENABY FINANCE LTD	0,00	0,00	STENABY FINANCE LTD	0,00	0,00
FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00	FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00
FF COSMETICS SA	784,40	0,00	FF COSMETICS SA	92.594,93	0,00
TOTAL	25.090.912,81	32.288.517,68	TOTAL	1.108.450,55	5.518.996,51

	1/1- 31/12/2016	1/1- 31/12/2015		1/1- 31/12/2016	1/1- 31/12/2015
Purchase of Goods			Get Services - Other Expenses		
FOLLI-FOLLIE H.K. - Group	4.907.706,95	6.195.424,11	FOLLI-FOLLIE H.K. - Group	1.336.465,18	36.472,33
FOLLI-FOLLIE JAPAN LTD	0,00	0,00	FOLLI-FOLLIE JAPAN LTD	264,00	0,00
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	0,00	3.291,38
FF CYPRUS LTD	0,00	0,00	FF CYPRUS LTD	64.347,36	0,00
PLANACO SA	0,00	0,00	PLANACO SA	5.622,51	1.020,00
LINKS OF LONDON LTD	1.103.633,43	835.534,03	LINKS OF LONDON LTD	155.299,91	117.797,92
FF GROUP ROMANIA SRL	1.522.802,84	305.721,30	FF GROUP ROMANIA SRL	15.564,28	0,00
FF GROUP BULGARIA EOOD	225.625,87	192.599,82	FF GROUP BULGARIA EOOD	0,00	0,00
MOUSTAKIS SA	0,00	271,75	MOUSTAKIS SA	0,00	0,00
ATTICA DEPARTMENT STORES SA	157.960,12	171.488,11	ATTICA DEPARTMENT STORES SA	135.130,62	161.537,96
COLLECTIVE PATRAS SA	93.109,05	323.245,18	COLLECTIVE PATRAS SA	0,00	0,00
FF HOLDINGS SA	358.224,22	6.053,87	FF HOLDINGS SA	0,00	175,60
STENABY FINANCE LTD	0,00	0,00	STENABY FINANCE LTD	0,00	0,00
FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00	FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00
FF COSMETICS SA	40.691,93	0,00	FF COSMETICS SA	1.959,04	0,00
TOTAL	8.409.754,41	8.030.338,17	TOTAL	1.714.652,90	320.295,19

	31/12/2016	31/12/2015		31/12/2016	31/12/2015
Receivables			Payables		
FOLLI-FOLLIE H.K. - Group	37.225.134,22	30.070.317,33	FOLLI-FOLLIE H.K. - Group	580,63	-2.768.252,73
FOLLI-FOLLIE JAPAN LTD	368.438,53	192.516,01	FOLLI-FOLLIE JAPAN LTD	521,28	259,40
FOLLI FOLLIE UK LTD	4.465,37	5.209,14	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	347.321,60	2.440.068,55	FOLLI FOLLIE FRANCE SA	0,00	0,00
FOLLI FOLLIE SPAIN SA	4.461.979,22	0,00	FOLLI FOLLIE SPAIN SA	786,50	786,50
FF CYPRUS LTD	1.836.974,80	1.414.787,26	FF CYPRUS LTD	64.347,36	0,00
PLANACO SA	6.957.210,22	6.118.702,68	PLANACO SA	0,00	0,00
LINKS OF LONDON LTD	55.110.936,23	32.300.621,40	LINKS OF LONDON LTD	4.275.464,06	2.913.601,53
FF GROUP ROMANIA SRL	1.449.249,44	5.003.379,34	FF GROUP ROMANIA SRL	24.989,86	0,00
FF GROUP BULGARIA EOOD	60.515,41	166.738,78	FF GROUP BULGARIA EOOD	0,00	0,00
MOUSTAKIS SA	0,00	247.107,58	MOUSTAKIS SA	0,00	0,00
ATTICA DEPARTMENT STORES SA	13.145.805,68	1.342.113,94	ATTICA DEPARTMENT STORES SA	69.851,13	95.390,74
COLLECTIVE PATRAS SA	0,00	0,00	COLLECTIVE PATRAS SA	0,00	238.786,24
FF HOLDINGS SA	7.312.863,22	5.828.482,34	FF HOLDINGS SA	931.686,35	345.356,83
STENABY FINANCE LTD	15.940,29	12.851,48	STENABY FINANCE LTD	0,00	0,00
FF Group Finance Luxembourg SA	5.000,00	0,00	FF Group Finance Luxembourg SA	229.854.932,64	224.473.359,50
FF Cosmetics	64.152,17	116.975,24	FF Cosmetics	46.890,09	0,00
TOTAL	128.365.986,40	85.259.871,07	TOTAL	235.270.049,90	225.299.288,01

Corporate Social Responsibility

"We Care"

The FF Group's Corporate Responsibility scheme is based upon a wider strategic approach and is defined by the philosophy of each and every distinct company. Every corporate responsibility act is defined by the management's commitments towards the employees, the shareholders, the clients, the suppliers, and the society at large. In a wider sense, these stakeholders constitute the family, in which the FF Group grows, operating with responsibility and respect. The Group's Corporate Responsibility scheme applies globally, in all markets that the company enters, confirming its respect to all the relevant communities and corresponding to each region's needs.

Taking always into account the diversity and particularity of each one of the 30 countries of its operation, the Group develops and implements a holistic and focused Corporate Social Responsibility Programme, according to the basic axes that the Headquarters in Athens define. With the basic axes evolving around Culture and Sports, Society and Environment, the FF Group's Corporate Responsibility Programme spreads through both a national and international level.

Culture/Sports Axis

Being a Group that operates in many different countries, the FF Group embraces culture and arts as global means

of communication that unite civilizations. Thus, culture has been a major feature of the social contribution of the FF Group: the cooperation with organizations which promote culture and arts is considered as of really high importance in order to preserve each region's cultural heritage and also to support the artists' efforts. The FF Group is a member and support actively Benaki Museum in Athens.

In the past, the FF Group has sponsored several cultural events in Greece and abroad, events such as the first Kabuki Theater in Megaron-the Athens Concert Hall, Stefanos Korkolis' concert in Herodeion and Dionysis Savopoulos' concert in Benaki Museum in Athens. Our philosophy regarding arts and culture is transferred globally: in October 2005, Folli Follie was honoured to support the Hong Kong closing concert of the Greek performer Nana Moushouri, who is a UNESCO Good Will Ambassador. Moreover, in May 2007, during Mrs Dora Bakoyannis', Minister of External Affairs visit in China, Folli Follie sponsored the renowned Greek singer, Alkistis Protopsalti's concert, in the Forbidden City of Beijing. Folli Follie also sponsored the "Sensitivity Questioned" exhibition that was hosted at Ileana Tounta Gallery, in Athens in 2010. The exhibition was dedicated to femininity through the eyes of a male, with the participation of famous Greek and international artists.

In March 2013, the FF Group sponsored the 7th Panorama of Contemporary Greek Cinema, organized in Paris by the Greek Cultural Centre.

In 2014 and 2015, the Group sponsored the performances of Theatropeia '08, which is a non-profit organization and part of the proceeds were donated to charities.

Along the Sports axis, Folli Follie honoured the Vouliagmeni female polo team – European Champion 2010 – by dedicating and naming a sports watch collection “Water Champ”. Folli Follie, as a company which always promotes its Hellenic heritage and roots wanted to express its gratitude to the “golden girls” of the female polo team. The “Water Champ” collection is one of the company’s most symbolic watch collections and enjoys a great success.

In August 2012, Folli Follie sponsored the sailing race “Aegean Regatta 2012”. The race took place in Greece for the 11th consecutive year, starting from the island of Mytilene in the North Aegean sea and reaching its final destination, the island of Syros in the Cyclades. Folli Follie shares with the “Aegean Regatta” Tournament the same respect and admiration towards Greece and also the strong will to promote the country’s beauty abroad. For this reason, Folli Follie offered to the participants a 2 days free docking in the Tourist Port (“Marina”) of Mytilene, the port from where the yachting boats started their race and awarded the winners with the Folli Follie “Regatta” collection watches.

In 2012, the FF Group through Converse and in collaboration with the municipality of Piraeus, took over the repair of an abandoned basketball court, in a neglected neighborhood, rejuvenated it by painting it with vivid colors and offered it back to the local community. This activation provided the neighborhood’s young inhabitants with a new and pleasant place of entertainment and sports.

In 2012 and 2013, Folli Follie honouring its Greek Heritage and aiming to stand by any initiative that promotes the modern face of Greece, sponsored the “Spetses Classic Yacht Race”, which featured some of the most renowned classic yachts in Greece using as a backdrop the beautiful island of Spetses in Greece.

Additionally, Folli Follie in 2013 was a proud supporter of Spetses Mini Marathon in Spetses, Greece, showcasing how sportsmanship and athletic lifestyle can be ideally combined with striking style.

Another Corporate Responsibility initiative of the FF Group, and one that the company takes great pride in, is the Folli Follie sponsoring the Greek Delegation of the

X Special Olympics World Winter Games in Pyeong Chang, Korea in 2013.

Links of London, the Creators of the Official Jewellery Collection of London 2012 Olympic Games, proudly supported the first ladies running competition which took place in Greece, the “Ladies Run” for three consecutive years (2012-2014). Hundreds of women, who are passionate for running, were gathered in Laimos, Vouliagmeni, participated in the race and each one of them was awarded with the exclusively designed and limited edition Ladies Run bracelet.

Society Axis

The activities of the FF Group extend to long-lasting charity initiatives throughout Greece and globally, covering the needs of schools, non-profit institutions and NGOs that involve children, the tenderest part of society as well as women. In addition, the FF Group continues to demonstrate its sensitivity to social solidarity issues that are not direct business actions but topics, which the company feels a great responsibility to bring to the public’s attention.

As for the rest of the world, the FF Group sponsors various charitable causes dedicated to public welfare, such as the Cancer Fund in Hong Kong, where it has been the major sponsor of the “Pink Revolution” campaign for a series of years.

In autumn 2009, Folli Follie designed and distributed internationally two limited edition bracelets in collaboration with the leading non-profit organisation “Save the Children”, and part of their proceeds was donated to support its remarkable activities.

During 2011 Folli Follie also supported the non-profit organization “The Art of Elysium” through the opening of the new Folli Follie boutiques in New York (Soho & Lord & Taylor). This organization was established in 1997 and its objective is to encourage working actors, artists and musicians to voluntarily dedicate their time and talent to children who are battling serious medical conditions. For this purpose, FF Group’s employees in New York were prompted to participate in the workshop that took place in the Hospital for Joint Diseases, by sharing their personal talents with these children. The works that were created in this workshop were presented during the opening of Folli Follie’s shop in shop at Lord & Taylor.

In Spain, Folli Follie actively supports the purposes for the last five years (2010-2014) of the “SOS Foundation” through the launch of a specially designed collection, and part of this collection proceeds were offered to the International “SOS Foundation”. In order to honour Mrs

Ketty Koutsolioutsos, co-founder of Folli Follie, a department of a nursery that was built in Cangut Village in Senegal, was named as “Ketty’s Nursery”.

In 2013 and 2014, Folli Follie Greece joined forces with the non-profit association I LIVE FOR ME and designed a limited edition bracelet inspired by the association’s logo, the butterfly. Folli Follie and I LIVE FOR ME found in the face of Tonia Sotiropoulou, a famous Greek model/actress, the ideal ambassador for this initiative.

Links of London is also an active participant of the FF Group’s social responsibility programs focused on Greek society and especially children. During 2008, the brand offered part of its “Friendship Bracelet” proceeds to the “Mazi gia to Paidi” non-profit organisation.

In 2010, Links of London also organized an ambassadors’ initiative, named “Sweetie... It’s all about you!”, to support the causes Links of London of “Make-A-Wish” foundation in Greece. Antigoni Drakoulakis, Calliope Karvounis, Sia Kossiones, Helena Kountouras, Katerina Lechou, Nina Lotsaris, Nantia Mpoule, Maria Naupliotou, Ioanna Pappas, Rea Toutountzi and Zeta Fountas accepted Links of London proposal and participated as the Goodwill Ambassadors in the successful Social Responsibility Campaign that was created for this cause. The support towards the “Make-A-Wish” foundation continued for a second year through the collaboration with the renowned Greek singer Antonis Remos, who designed a friendship bracelet, profits of which were donated to the organization.

For three consecutive years (2010-2012) Links of London supported Make-A-Wish® foundation and created a limited edition handmade bracelet signed by Vicky Kaya, who is the Ambassador of Make-A-Wish® Greece. An important part of the bracelets’ sales proceedings were offered to Make-A-Wish®, with the aim to fulfill all the wishes of children from 3-18 years old, who suffer from serious illness and encourage them to continue fighting for their lives. The “Make-A-Wish” foundation sponsorship was completed with a major charity event, maximizing the impact of this great initiative.

In addition, Links of London created for the Fall/Winter 2011 collection 7 cord bracelets, each one of them representing activation against hunger throughout the world. Part of the bracelets proceeds were offered to FEED Foundation, a non-profit organization, which was formed by Lauren Bush and Ellen Gustafson and is dedicated to supporting programs and organizations that are effectively working to fight hunger and eliminate malnutrition throughout the world. This activation was held with great success in the United Kingdom and the United

States and set a good example to other countries where Links of London is present.

The close relationship that the FF Group has developed with Japan during the past 25 years led to actively demonstrating its support towards those affected by the devastating earthquake and subsequent tsunami that struck Japan on March 2011. Folli Follie brand donated 10% of global sales of the entire Heart4Heart Collection and Links of London 10% of the global sales of the classic Friendship Bracelet to support the Japanese Red Cross. In December 2012, the FF Group supported the reconstruction of the building of Merimna, which is a nonprofit organization with the main goal of caring for children and families who are facing a serious illness, loss or death.

The FF Group takes great pride in the initiative of its employees based in Greece. During December 2013, an FF Group employee task force organized a three-day charity bazaar in which FF Group products were sold and the FF Group employees offered their services voluntarily. The FF Group Christmas Charity Bazaar led to raising 80,000 €, all of which were offered to the organization “Mazi gia to Paidi”, reaching out to thousands of children in need in Greece.

During October 2015 the FF Group’s employees with the Management’s support organized the gathering of food, clothes, shoes, blankets and hygiene items in order to offer relief to refugees and people that are in a difficult socio-economic condition, supporting the Ark of the World and the Municipality of Athens. Additionally, the Group supported this initiative with the offering of 2,500 pair of shoes and 90 boxes with clothes.

During 2015, Factory Outlet helped the project of the Ark of the World and a visit to the center building of the organization in Athens, sealed a strong support relationship. Moreover, the Factory Outlet has undertaken entirely the completion of the Apiary in the border Ark of Pogoniani. The apiary has recently started operating and offering creative activities and opportunities for learning to the children that are hosted in the small village of Ioannina.

In June 2016 FF Group actively supported the social facilities of Lesbos Island with a donation of major importance.

Since the mid of November 2016 Folli Follie supports the Foundation Coeurs Pour Tous Hellas and its charity work for poor children with congenital or acquired heart diseases. Folli Follie in association with the Foundation Coeurs Pour Tous Hellas (CPH) found in the face of

Smaragda Karydi, Vasso Laskaraki, Katerina Papoutsaki and Katerina Geronikolou, the ideal Ambassadors. These well-known and beloved actors embraced gracefully with enthusiasm this initiative which aims to give hope to needy children and their families.

Part of the proceeds from all the purchases of Heart4Heart jewelry, watches and accessories will be offered to support the Foundation. The emblematic Folli Follie motif - consisting of 4 hearts - becomes a symbol of hope and the inspiration behind this initiative of unconditional love.

Environment Axis

The FF Group is strongly activated towards the environmental protection and examines all countries' needs individually, focusing on programmes that offer concrete results and cover specific needs.

In June 2008, the FF Group also delivered a number of works to Artemida village, Municipality of Zacharo, Prefecture of Ilia, Greece, as a contribution of social solidarity after the destructive wildfires that affected the wider area of western Peloponnese in August 2007.

With the environment and the sustainable development always in mind, the FF Group Headquarters, as well as the Factory Outlet retail stores, are housed in eco-friendly buildings, promoting programmes of recycling and battery recycling, energy saving by which the employees, the third-party partners and the visitors abide.

Trends, Prospects and expected development of the Group

Greater China and Asia overall continue to be 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. Simultaneously, online penetration in the channel mix is accelerating in all the segments of our operations. Investing in new technologies in order to achieve omni-channel while continue to leverage on our diversified geographic exposure and product portfolio will support our overall growth profile.

Our domestic activities were extremely resilient during the last two years; we achieved significant market share gains and continued to invest into expanding our store network with new store concepts where experience to attract customers plays a key role. 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.

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 (ESEDA). ESEDA 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
Periklis Stamatiadis Independent non-executive member
Evangelos Koumanakos 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, 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.

G. 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 nine (9) to thirteen (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.

Members of the Board of Directors:

NAME	SEAT	START DUTY	END DUTY
1. Koutsolioutsos Dimitrios	Chairman, Executive member	24/6/2016	24/6/2021
2. Koutsolioutsos Ekaterini	Vice Chairman, Executive member	24/6/2016	24/6/2021
3. Koutsolioutsos Georgios	Managing Director, Executive member	24/6/2016	24/6/2021
4. Zachariou Emmanuel	Executive member	24/6/2016	24/6/2021
5. Nioti Eirini	Executive member	24/6/2016	24/6/2021
6. Jiannong Qian	Non-executive member	24/6/2016	24/6/2021
7. Koukoutsas Ilias	Non-executive member	24/6/2016	24/6/2021
8. Mantzavinos Zacharias	Non-executive member	24/6/2016	24/6/2021
9. Kouloukountis Ilias	Non-executive member	24/6/2016	24/6/2021
10. Stamatiadis Periklis	Independent non-executive member	24/6/2016	24/6/2021
11. Koumanakos Evangelos	Independent non-executive member	24/6/2016	24/6/2021

BRIEF CVS OF THE BOD MEMBERS:

Mr. Dimitrios Koutsolioutsos is the founder and Chairman of FOLLI FOLLIE SA. Since the formation of the FF Group, he holds the position as Chairman and executive member of the Board of Directors of FF Group. He has a degree in Economics from the University of L. Bocconi, Milan.

Ms. Aikaterini Koutsolioutsou is Vice Chairman of FF Group. She holds a degree in Sociology and Anthropology from a British University and finished her postgraduate studies in Italy. In 1982, she founded together with her husband Dimitrios Koutsolioutsos the company Folli Follie in Greece.

Mr. Georgios Koutsolioutsos has been appointed since January 2011 as Chief Executive Officer of FF Group. Born and raised in Milan, he graduated from the Italian Faculty of Athens, and then studied Economics at the University of Hartford in Paris. He holds a postgraduate degree in Business Administration and Marketing from the Hartford University of Connecticut in United States. His professional career started in New York, where he worked for two years in the field of jewellery retail. In 1992 he joined the family established company Folli Follie, having under his responsibility the international expansion, as well as the development of the investor relations of the company following the company's listing in the Athens Stock Exchange.

Mr. Emmanouil Zachariou is Deputy Managing Director and executive member of the Board of Directors of FF Group since January, 2011. Coming from a background with a long working experience in wholesale and retail. For 18 years he was the Commercial Manager, Vice President and minority shareholder of the Athens Stock Exchange listed company "Sportsman S.A." and in the last 10 years he was the General Manager, Vice President and minority shareholder of the company ALOUETTE S.A.

Ms. Eirini Nioti is executive member of the Board of Directors of FF Group. She studied finance at St. George Commercial College. She has been working for FOLLI FOLLIE SA since 1986 and is head of the treasury management of FF Group.

Mr. Jiannong Qian was appointed non-executive member of the Board of Directors of FF Group since May 26th, 2011. He is a graduate of Economics from Shandong University and holds a postgraduate degree in Economics from a German university. Mr. Qian is Vice President of Fosun Group and President of Fosun Tourism & Commercial Group. Mr. Qian studied in Germany and held senior management positions in two German companies. He then joined China Nepstar as CEO and successfully IPOed the company in US, which made it the first Chinese retail company listed in US. In 2009, Mr. Qian started to manage tourism & commercial investments for Fosun. In the tourism sector, he has led the initial investment and the later privatization of Club Med; he has also led the development of the world's third Atlantis resort in Sanya, the investments in CITS and Thomas Cook.

Mr. Ilias Koukoutsas is non-executive member of the FF Group Board of Directors. He is a graduate of Accounting from the Technological Educational Institute of Athens and holds a degree in Business Administration from the Athens University of Economics and Business. He worked at Lampropoulos Brothers Department Stores from 1981 until 2001 and when he withdrew he held the position of Commercial Manager. He was a member of the Board of Directors of Retail Sales Association of Greece. He started working with Elmec Sport in 2002.

Dr. Zacharias Mantzavinos is a non-executive member of FF Group's Board of Directors. He is Professor emeritus of the Dental School of the University of Athens with postgraduate studies in the Dental School of the University of Pennsylvania United States. He has published more than 100 scientific papers in Greek and international magazines, and has been Dean of the Dental School and Chairman for two periods. He has also been Member of the first Managing Committee of the Aegean University, the Highest Scientific Council of the State, the American Academy of Periodontology, the Pierre Fouchard Academy, the International College of Dentists and other Greek and foreign companies.

Mr. Ilias Kouloukountis is an independent non-executive member of the Board of Directors of FF Group. He studied at the Athens College, at Millfield School in Somerset and at King's College of the University of Durham in the United Kingdom. He started working in 1966 at A.G.PAPPADAKIS & CO LTD. In 1971 in combination with the family business he founded the companies OFF SHORE CONSULTANCE INC. in Piraeus and OFF SHORE UK LTD. in London. From 1997 to 2000 he was Manager and General Administrator of the company KASSIAN MARITIME NAVIGATION AGENCY LTD. Since 2000 he has been Chairman and General Director of EQUITY SHIPPING CO LTD.

Mr Periklis Stamatiadis is an independent non-executive member off the FF Group Board of Directors. He brings 32 years of International top management experience in the FMCG sector. A top Executive with a 28 years career at Johnson& Johnson, where he held the position of Company Group Chairman and was a member of the Group Operating Committee of the Consumer Group. Mr. Stamatiadis has a proven track record in managing, building and turning around large complex businesses which he led across all continents. He has also been responsible for the management of global brands in a variety of businesses and has a wide expertise in the M&A area.

Dr. Evangelos Koumanakos is a non-executive independent member of the FF Group Board of Directors since April 2016. Dr. Koumanakos is teaching Financial Accounting at the University of Ioannina, previous to this he was teaching Public Management in the course "Financial and Management Accounting of Public Enterprises and Organizations" University of Peloponnese. He worked as external assessor for a various organizations and programs among others European Transfer program of Innovation-Leonardo Da Vinci, the European Association for University Lifelong Learning. He worked further as scientific director and coordinator in various European programs. He has published scientific articles in the many economic journals on Accounting, Auditing and Financial Analysis and contributed with chapters in three financial book publications.

Relations with shareholders

Communication with shareholders

-no deviation was found

H. 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 31.12.2016, the following shareholders held more than 5% of total voting rights

Dimitrios G. Koutsolioutsos: 36,14%

FF Investment Luxemburg 1 and 2 S.A.R.L: 13.89% (both companies belong to Fosun Group)

Fidelity Investments: 8,77%

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 2016.

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, April 7th, 2017

CHAIRMAN OF THE BOARD
DIMITRIOS KOUTSOLIOUTSOS

MANAGING DIRECTOR
GEORGIOS KOUTSOLIOUTSOS

EXECUTIVE MEMBER
EMMANOUIL ZACHARIOU



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 Stand –alone and consolidated financial statements of «FOLLI FOLLIE GROUP SA», which comprise the Stand-alone and consolidated balance sheet as at 31st December 2016, and the Stand –alone and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement 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 the 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 on Auditing, which have been transposed into Greek Law (GG / B' / 2848 / 23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 Stand –alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company «FOLLI FOLLIE GROUP SA» and its subsidiaries as at 31st December 2016, and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as issued by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsible for the preparation of the Board of Directors' report and Corporate Governance Statement that is included to this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

- a) In the Board of Directors' Report is included the Corporate Governance Statement that contains the information that is required by article 43bb of Codified Law 2190/1920.
- b) In our opinion the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with Stand-alone and consolidated financial statements for the year ended December 31, 2016.
- c) Based on the knowledge we obtained from our audit for the company «FOLLI FOLLIE GROUP SA» and its environment, we have not identified any material misstatements to the Board of Directors report.



Certified Public Accountants

Business Consultants S.A.

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

Athens, 11 April 2017

The Certified Public Accountant

George I. Varthalitis

SOEL Reg. No: 10251

FINANCIAL STATEMENTS

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

1.1. Statement of Financial Position of the Group

THE GROUP		31.12.2016	31.12.2015
Assets			
Non-current assets	Notes		
Tangible fixed assets	4	274.258.534,70	197.018.259,62
Investment Property	4	75.202.118,34	75.285.901,43
Intangible assets	5	36.624.817,44	42.747.496,06
Goodwill	5	95.397.528,78	94.707.301,22
Investments in subsidiaries		0,00	0,00
Investments in Associates	7	676.004,16	631.023,17
Investments available for sale	7	204.611.230,09	195.153.199,19
Deferred tax claims		0,00	0,00
Other long term assets	8	94.537.948,19	45.136.123,53
Total non-current		781.308.181,70	650.679.304,22
Current assets			
Inventories	9	585.996.587,97	490.327.968,61
Trade receivables	10	654.740.733,02	585.865.489,69
Other current assets	10	213.076.078,99	214.794.679,99
Derivatives		1.168.353,50	1.750.137,59
Other financial assets at fair value through profit		15.704.931,02	18.740.760,00
Cash & cash equivalent	11	328.184.700,98	245.450.700,72
Total current assets		1.798.871.385,48	1.556.929.736,60
Total assets		2.580.179.567,18	2.207.609.040,82
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	12	20.084.463,00	20.084.463,00
Share Premium	12	81.855.417,03	81.730.417,03
Other reserves	12	272.990.062,87	264.828.624,99
Other equity	12	113.968.233,92	69.117.157,55
Retained earnings	12	1.362.538.329,58	1.140.207.546,99
		1.851.436.506,40	1.575.968.209,56
Minority interests		32.926.311,46	29.720.774,10
Total equity		1.884.362.817,86	1.605.688.983,66
Liabilities			
Long-term liabilities			
Long-term borrowings	13	361.742.555,40	332.643.035,38
Deferred tax liabilities	19	21.086.022,34	21.420.614,55
Employee benefit liabilities	14	4.442.997,91	5.040.581,06
Total long-term provisions	15	1.847.874,13	4.788.593,01
Other long-term liabilities	16	16.651.444,03	11.670.289,44
Total long-term liabilities		405.770.893,81	375.563.113,44
Short-term liabilities			
Short-term borrowings	14	72.519.388,55	45.035.170,21
Derivatives		0,00	0,00
Trade and other payables	17	140.949.078,16	133.552.626,45
Current Income tax	18	66.009.515,46	39.757.406,66
Current tax liabilities	18	10.419.911,66	8.011.740,40
Dividends payable		147.961,68	0,00
Total short term liabilities		290.045.855,51	226.356.943,72
Total liabilities		695.816.749,32	601.920.057,16
Total equity & liabilities		2.580.179.567,18	2.207.609.040,82

1.2. Statement of Financial Position of the Company

THE COMPANY		31.12.2016	31.12.2015
Assets			
Non-current assets	Notes		
Tangible fixed assets	4	47.596.164,90	45.929.766,18
Investment Property	4	75.150.146,14	75.285.901,43
Intangible assets	5	2.234.505,57	2.521.534,61
Goodwill	5	39.373.861,68	39.373.861,68
Investments in subsidiaries	6	209.892.157,35	214.770.996,29
Investments in Associates	6	1.725.000,00	1.450.000,00
Investments available for sale	7	146.394.049,59	137.429.044,66
Deferred tax claims		0,00	0,00
Other long term assets	8	1.313.641,86	1.407.257,33
Total non-current		523.679.527,09	518.168.362,18
Current assets			
Inventories	9	40.019.303,51	37.671.158,84
Trade receivables	10	82.670.411,55	72.146.994,77
Other current assets	10	93.286.075,58	66.150.559,81
Derivatives		192.029,50	778.104,61
Other financial assets at fair value through profit		0,00	0,00
Cash & cash equivalent	11	29.494.616,60	61.283.352,71
Total current assets		245.662.436,74	238.030.170,74
Total assets		769.341.963,83	756.198.532,92
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	12	20.084.463,00	20.084.463,00
Share Premium	12	81.730.417,03	81.730.417,03
Other reserves	12	291.005.667,18	283.297.729,14
Other equity	12	-85.554.366,48	-85.554.366,48
Retained earnings	12	115.284.875,06	140.249.492,33
		422.551.055,79	439.807.735,02
Minority interests		0,00	0,00
Total equity		422.551.055,79	439.807.735,02
Liabilities			
Long-term liabilities			
Long-term borrowings	13	251.297.897,98	242.066.785,17
Deferred tax liabilities	19	21.375.203,35	21.750.235,77
Employee benefit liabilities	14	2.290.083,00	2.179.175,80
Total long-term provisions	15	1.623.241,09	1.624.382,84
Other long-term liabilities	16	3.011.000,01	3.942.283,35
Total long-term liabilities		279.597.425,43	271.562.862,93
Short-term liabilities			
Short-term borrowings	14	22.268.773,63	6.361.030,07
Derivatives		0,00	0,00
Trade and other payables	17	42.175.078,71	36.133.054,52
Current Income tax		0,00	0,00
Current tax liabilities	18	2.749.630,27	2.333.850,38
Dividends payable		0,00	0,00
Total short term liabilities		67.193.482,61	44.827.934,97
Total liabilities		346.790.908,04	316.390.797,90
Total equity & liabilities		769.341.963,83	756.198.532,92

2. Statement of Comprehensive Income for the Group and Company**2.1. The Group**

		The Group	
		01.01. - 31.12.2016	01.01. - 31.12.2015
	Notes	Continuing operations	Continuing operations
Turnover	20	1.337.275.219,48	1.193.043.273,00
Cost of goods		-724.972.158,60	-611.815.104,96
Gross Profit		612.303.060,88	581.228.168,04
Other operating income	19	16.359.491,13	12.184.818,67
Administration expenses	22	-67.139.846,33	-72.059.864,32
Selling expenses	22	-282.081.565,65	-268.665.837,12
Other operating expenses	23	-17.173.291,51	-14.144.524,59
Operating income		262.267.848,52	238.542.760,68
Financial income	24	12.588.131,66	9.457.609,53
Financial expenses	24	-21.148.685,18	-22.447.497,47
Investments in Associates		-228.973,12	-282.190,84
Profit/Loss (before the tax)		253.478.321,88	225.270.681,90
Income tax	25	-26.883.647,17	-37.499.504,90
Deferred Tax		315.377,46	-1.137.741,65
Profit/Loss (after the tax)		226.910.052,17	186.633.435,35
Depreciation & amortization		29.588.757,39	26.463.865,57
Profit before taxes depreciation & amortisation		291.856.605,91	265.006.626,25

Other comprehensive income / (expenses): Recognised in Equity

<u>Amounts not reclassified to income statement</u>		
Revaluation of liabilities for employee benefits	-283.623,28	0,00
<u>Amounts may be reclassified to income statement in subsequent periods</u>		
Financial assets available for sale	9.207.546,90	-22.786.470,04
Valuation of Assets	-230.976,37	1.469.616,00
Valuation of financial instruments	55.517,00	-459.421,53
Deferred taxes non-participants in Profit	0,00	0,00
Other income / expenses not participating in profit for the period	0,00	294.910,71
Foreign translation exchange differences	45.539.685,20	104.223.060,00
Other comprehensive income, net of taxes	54.288.149,45	82.741.695,14
Total comprehensive income after taxes	281.198.201,62	269.375.130,49

Profit is attributable to:

Shareholders of the parent company	222.466.621,12	182.639.194,65
Non controlling interests	4.443.431,05	3.994.240,40
Total	226.910.052,17	186.633.435,05

Total comprehensive income attributable to:

Shareholders of the parent company	276.823.085,00	265.326.483,23
Non controlling interests	4.375.116,62	4.048.646,96
Total	281.198.201,62	269.375.130,19

Earnings / Losses per share Basic and diluted (in euros):	3,35150	2,74441
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2.2. The Company

		The Company	
		01.01. - 31.12.2016	01.01. - 31.12.2015
	Notes	Continuing operations	Continuing operations
Turnover	20	146.088.508,88	152.730.393,64
Cost of goods		-85.695.327,78	-86.715.042,76
Gross Profit		60.393.181,10	66.015.350,88
Other operating income	21	5.426.504,12	9.333.428,25
Administration expenses	22	-15.201.944,64	-14.405.657,36
Selling expenses	22	-58.269.569,03	-60.494.272,53
Other operating expenses	23	-2.912.760,40	-1.347.413,17
Operating income		-10.564.588,85	-898.563,93
Financial income	24	9.225.258,68	7.127.438,04
Financial expenses	24	-23.952.637,29	-22.402.458,53
Investments in Associates		0,00	0,00
Profit/Loss (before the tax)		-25.291.967,46	-16.173.584,42
Income tax	25	0,00	-3.300.443,71
Deferred Tax		423.269,19	-451.997,49
Profit/Loss (after the tax)		-24.868.698,27	-19.926.025,62
Depreciation & amortization		6.195.692,19	6.040.182,68
Profit before taxes depreciation & amortisation		-4.368.896,66	5.141.618,75

Other comprehensive income / (expenses): Recognised in Equity

<u>Amounts not reclassified to income statement</u>		
Revaluation of liabilities for employee benefits	-95.919,00	0,00
<u>Amounts may be reclassified to income statement in subsequent periods</u>		
Financial assets available for sale	8.965.004,93	-16.924.218,37
Valuation of Assets	0,00	1.694.032,81
Valuation of financial instruments	0,00	-440.448,53
Deferred taxes non-participants in Profit	0,00	91.880,00
Other income / expenses not participating in profit for the period	0,00	0,00
Foreign translation exchange differences	0,00	0,00
Other comprehensive income, net of taxes	8.869.085,93	-15.578.754,09
Total comprehensive income after taxes	-15.999.612,34	-35.504.779,71

Profit is attributable to:

Shareholders of the parent company	-24.868.698,27	-19.926.025,62
Non controlling interests	0,00	0,00
Total	-24.868.698,27	-19.926.025,62

Total comprehensive income attributable to:

Shareholders of the parent company	-15.999.612,34	-35.504.779,71
Non controlling interests	0,00	0,00
Total	-15.999.612,34	-35.504.779,71

Earnings / Losses per share Basic and diluted (in euros):	-0,37465	-0,29942
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3.1. The Group

The Group											
	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
Balance at 1.1.2015	20,084,463.00	95,000,573.97	-85,563,675.68	0.00	-7,234,115.20	298,929,257.44	965,291,618.19	47,549,850.01	1,334,037,471.73	26,799,057.11	1,360,856,728.84
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		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		-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		-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
Total comprehensive income for the period, net of tax	0.00	0.00	0.00	0.00	0.00	-21,525,958.41	182,639,194.95	104,213,246.99	265,326,483.53	4,048,646.96	269,375,130.49
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	-49,180,666.64	0.00	0.00	0.00	-49,180,666.64	0.00	-49,180,666.64
Balance at 31st December 2015	20,084,463.00	81,730,417.03	-85,564,935.68	0.00	-12,152,481.84	276,981,106.83	1,140,207,546.99	154,682,093.23	1,575,968,209.56	29,720,774.10	1,605,688,983.66
Earnings / After taxes	0.00	0.00	0.00	0.00	0.00	0.00	222,466,621.12	0.00	222,466,621.12	4,443,431.05	226,910,052.17
Valuation of financial assets	0.00	0.00	0.00	0.00	0.00	-94,584.55	0.00	0.00	-94,584.55		-94,584.55
Valuation of investments available for sale	0.00	0.00	0.00	0.00	0.00	9,207,546.90	0.00	0.00	9,207,546.90		9,207,546.90
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,471,370.77	45,471,370.77	68,314.43	45,539,685.20
Actuarial loss / (gain)	0.00	0.00	0.00	0.00	0.00	-283,623.28	0.00	0.00	-283,623.28		-283,623.28
Other income not calculated in profit for the period	0.00	0.00	0.00	0.00	0.00	-136,391.82	0.00	0.00	-136,391.82		-136,391.82
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	55,517.00	0.00	0.00	55,517.00		55,517.00
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
Total comprehensive income for the period, net of tax	0.00	0.00	0.00	0.00	0.00	8,748,464.25	222,466,621.12	45,471,370.77	276,686,456.14	4,511,745.48	281,198,201.62
Capital increase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Return	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,071,504.60	-1,071,504.60
Various Expenses/Income in Equity	0.00	0.00	0.00	0.00	0.00	0.00	-3,299.35	0.00	-3,299.35	0.00	-3,299.35
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
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	-240,000.00	-240,000.00
Dividends payable	0.00	0.00	0.00	0.00	0.00	0.00	-96,912.88	0.00	-96,912.88	0.00	-96,912.88
Acquisition of minority shareholding	0.00	0.00	0.00	0.00	0.00	144,416.30	0.00	0.00	144,416.30	0.00	144,416.30
Changes from Purchases of subsidiaries	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	125,000.00	1,260.00	0.00	0.00	525,624.22	-35,626.30	-621,554.40	-5,296.48	5,296.48	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	-1,257,066.89	0.00	0.00	0.00	-1,257,066.89	0.00	-1,257,066.89
Balance at 31st December 2016	20,084,463.00	81,855,417.03	-85,563,675.68	0.00	-13,409,548.73	286,397,611.60	1,362,538,329.58	199,531,909.60	1,851,436,506.40	32,924,311.46	1,884,362,817.86

3.2 The Company

[illegible]

4. Cash Flow Statement

	The Group		The Company	
	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Cash Flows related to Operating Activities				
Net Profit before taxes (Continuing operations)	253.478.321,88	225.270.681,90	-25.291.967,46	-16.173.584,42
Adjustments				
Depreciation and Amortisation	29.588.757,39	26.463.865,57	6.195.692,19	6.040.182,68
Provisions	14.592.098,95	1.357.037,35	10.356.385,44	771.501,00
Exchange differences	53.826.824,02	82.638.468,65	0,00	0,00
Results (income, expenses, gains and losses) from investing activities	-9.252.550,63	1.387.454,73	-7.111.897,57	3.030.151,80
Interest and related expenses	16.923.705,82	14.093.081,20	12.540.566,44	11.690.852,55
Adjustments related to working capital or other operating activities			0,00	
Decrease/(increase) of Inventories	-107.116.582,02	-117.619.726,53	-3.006.326,26	-1.871.235,00
Decrease/(increase) of Receivables	-112.232.844,80	-97.210.083,62	-37.471.832,38	-30.710.329,39
Increase/(decrease) of payable accounts (except Banks)	62.313.918,15	-30.687.906,32	3.980.348,90	-9.468.319,07
Minus			0,00	
Interest paid and similar expenses	-9.621.749,00	-7.668.166,60	-3.544.406,14	-5.265.937,95
Income Tax paid	-52.393.541,27	-40.163.843,09	0,00	-3.762.116,94
Net cash inflows/(outflows) from Operating Activities (a)	140.106.358,49	57.860.863,24	-43.353.436,84	-45.718.834,74
Investing Activities				
Purchases of subsidiaries, associates and other investments	-4.771.975,10	-48.363.629,00	-4.100.010,50	-9.070.150,89
Acquisition of minorities	-240.000,00		-240.000,00	0,00
Proceeds from the sale of Travel Retail activity				0,00
Adjustments related to the sale of Travel Retail activity				0,00
Purchases of tangible and intangible assets	-98.355.823,78	-66.032.272,07	-2.205.149,76	-3.438.861,04
Proceeds from sale of tangible and intangible assets	1.547.218,26	1.537.180,69	1.449.568,98	22.627,45
Interest received	336.550,92	1.865.952,54	180.334,06	423.743,98
Dividends received		0,00	723.706,14	1.000.000,00
Proceeds from sale of financial assets	4.413.144,27	27.695.440,83	0,00	-1.794.629,17
Decrease/(increase) of other long-term receivables	-1.205.962,38	-14.015.996,21	-1.137.824,22	-50.035,02
Net cash inflows/(outflows) from Investing Activities (b)	-98.276.847,81	-97.313.323,22	-5.329.375,30	-12.907.304,69
Financing Activities				
Capital increase				
Proceeds from Loans	50.132.836,41	40.840.592,76	20.000.000,00	0,00
Proceeds from leases	588.600,32	3.623.278,05		0,00
Payment of Loans	-2.199.149,08	-25.380.703,57		0,00
Payments for leases	-5.192.273,30	-4.157.693,90	-1.848.857,08	-1.796.581,21
Own Stock	-1.257.066,89	-4.918.066,64	-1.257.066,89	-4.918.066,64
Expenses related to capital increase		-174.490,50		-145.971,73
Dividends paid / Return capital	-1.168.457,88	-21.962.578,77		-19.981.978,77
Net cash inflows/(outflows) from Financing Activities (c)	40.904.489,58	-12.129.662,57	16.894.076,03	-26.842.598,35
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	82.734.000,26	-51.582.122,55	-31.788.736,11	-85.468.737,78
Cash and cash equivalents at beginning of the Year	245.450.700,72	297.032.823,27	61.283.352,71	146.752.090,49
Cash and cash equivalents at end of the Year	328.184.700,98	245.450.700,72	29.494.616,60	61.283.352,71

**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 April 7th, 2017.

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 % Participation	Indirect % Participation	Total	Consolidation Method
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
FF BUSINESS DEVELOP. & TECH. CONSULTING LTD	HONG KONG		99,99%	99,99%	Full
FF ORIGINS LTD	HONG KONG		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
FOLLI FOLLIE JAPAN LTD	JAPAN		99,99%	99,99%	Full
FF GROUP FINANCE LUXEMBOURG SA	LUXEMBURG	100,00%		100,00%	Full
FF GROUP FINANCE LUXEMBOURG II 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
SALES MANAGER HELLAS (CLOUDBIZ)	GREECE	48,99%		48,99%	Full
ATTICA DEPARTMENTS STORES SA	GREECE	32,51%	13,39%	45,90%	Full
LINKS (LONDON) LIMITED	UK		100,00%	100,00%	Full
LINKS OF LONDON (INTERNATIONAL) LTD	UK		100,00%	100,00%	Full
LINKS OF LONDON COM LTD (UK)	UK		100,00%	100,00%	Full
LINKS OF LONDON INC (USA)	USA		100,00%	100,00%	Full
JUICY COUTURE EUROPE LTD	UK		100,00%	100,00%	Full
JUICY COUTURE IRELAND LTD	IRELAND		100,00%	100,00%	Full
LINKS OF LONDON (ASIA) LTD	CHINA		100,00%	100,00%	Full
LINKS OF LONDON JAPAN CO. LTD	JAPAN		100,00%	100,00%	Full
FF GROUP ROMANIA SRL	ROMANIA	100,00%	0,00%	100,00%	Full
APPAREL ROMANIA SRL	ROMANIA		49,00%	49,00%	Full
FF GROUP BULGARIA EOOD	BULGARIA	100,00%	0,00%	100,00%	Full
MOUSTAKIS SA	GREECE	100,00%	0,00%	100,00%	Full
FF CYPRUS	CYPRUS	100,00%	0,00%	100,00%	Full
WARLABY TRADING LIMITED	CYPRUS		100,00%	100,00%	Full
NARIACO INVESTMENTS LIMITED	CYPRUS		100,00%	100,00%	Full
PLANACO SA	GREECE	100,00%		100,00%	Full
COLLECTIVE SA	GREECE	100,00%		100,00%	Full
FF COSMETICS	GREECE	100,00%		100,00%	Full
MARINA MITILINIS SA	GREECE	50,00%		50,00%	Equity Method
COSMAOBANDS 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.

The subsidiary company Sales Manager Hellas was acquired during the second semester of 2016. In addition, the companies FF Business Development and Tech. Consulting Ltd, FF Origins Ltd and FF Group Finance Luxembourg II s.a were established in the second semester of 2016 and are structured entities consolidated via the Full Consolidation Method.

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

- **"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.
- **"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.

New Standards and Interpretations Effective for Annual Periods Beginning after 01.01.2017

- **"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.
- **"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.
- **"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".** (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 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.
- **"Classification and measurement of share based payments transactions – Amendments to IFRS 2".** It was approved in July of 2016 and is effective for annual periods beginning on or after 01.01.2018. It is not expected to have any effect on the financial statements.
- **"Annual improvements of 2014-2016 to IFRS 1, IFRS 10 and IAS 28".** They were approved in December of 2016 and are effective for annual periods beginning after 01.01.2018 for IFRS 1 and IAS 28 and after 01.01.2017 for IFRS 10. They are not expected to have any effect on the financial statements.
- **"Transfers of investment property",** amendment to IAS 40 that was approved in December of 2016 and is effective for annual periods beginnin.
- **"IFRIC 22 Foreign Exchange Transactions And Prepayment Of Consideration".** It was approved in December 2016 and is effective for annual periods beginning on or after 01.01.2018. It is not expected to have any effect on the financial statements.
- **"Application of IFRS 9 Financial Instruments to IFRS 4 Insurance Contracts".** It was approved in September 2016 and provides exemption to insurance entities from the application of IFRS 9 up to 31.12.2020. It is not relevant to the activities of the company.
- **"Clarifications on the Application of IFRS 15 Revenue From Contracts With Customers".** It was approved in December 2016 and is effective for annual periods beginning on or after 01.01.2018. It is not expected to have any effect on the financial statements.

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 Associates

Associates are companies in which the group has the ability to exercise significant influence and are not subsidiaries or joint ventures. Significant influence is the power to participate in decisions on financial and business policies of the company, but not the control over those policies. Significant influence normally exists when the Group holds between 20% and 50% of the voting rights through ownership of shares or through another type of agreement.

Investments in associates are initially recognized at cost and for consolidation purposes, the equity method is used. The goodwill included in the carrying amount (cost) of the investment and is reviewed for impairment as part of the investment. When a group entity transacts with an associate of the Group, any intercompany profits and losses are eliminated to the extent of participation of the Group at the relevant associate. All subsequent changes in the rate of participation in the equity of the associate are recognized in the carrying amount of the group's investment.

Changes stemming from profits or losses of associates are recognized in the consolidated income statement and changes that have been directly recognized in equity of associates are recognized in the consolidated equity of the group. Any changes recognized directly in equity and are not associated with the result, such as

the distribution of dividends or other transactions with shareholders of the associate recognized against the carrying value of the participation. No effect on the net result or equity is recognized in these transactions.

When the share of losses group in an associate equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Group does not recognize further losses, unless the Group has incurred obligations or made payments on behalf the associate. The accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the Group.

In the financial statements of the parent company, investments in associated companies are valued in accordance with IAS 28, at acquisition cost less any accumulated losses from impairment

2.3.3 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 2016.

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 jewellery, 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 31.12.16 AND 31.12.15

GROUP						
amounts in € mil.	Jewellery - Watch - Accessories	Clothing - Foot-wear	Department stores	Total	Eliminations	Consolidated data
REFERENCE PERIOD						
Sales to external customers	1.008.173	187.515	181.404	1.377.091	-39.816	1.337.275
Sales intersectoral	843	9.835	299	10.977	-10.977	0
Cost of sales	-533.713	-124.092	-107.683	-765.488	40.516	-724.972
Cost of sales sectors	-1.082	-352	-9.234	-10.668	10.668	0
Gross Margin	474.221	72.905	64.787	611.913	390	612.303
Other operating income	10.180	4.577	4.514	19.271	-2.911	16.359
Selling Cost	-172.195	-60.203	-52.312	-284.710	2.628	-282.082
Selling expenses crosscutting	-300	-9	0	-309	309	0
Administration cost	-49.937	-12.366	-4.906	-67.210	70	-67.140
Administration cost crosscutting	0	0	0	0	0	0
Other operating cost	-15.214	-1.867	-593	-17.673	500	-17.173
Segment operating earnings (EBIT)	246.755	3.036	11.490	261.281	986	262.268
PREVIOUS REPORTING PERIOD						
Sales to external customers	891.037	177.114	171.518	1.239.669	-46.625	1.193.044
Sales intersectoral	1.465	11.017	205	12.687	-12.687	0
Cost of sales	-442.442	-116.473	-99.016	-657.931	46.115	-611.816
Cost of sales sectors	0	-476	-11.996	-12.472	12.473	1
Gross Margin	450.061	71.183	60.712	581.954	-723	581.230
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
Administration cost crosscutting	0	0	0	0	0	0
Other operating cost	-12.052	-1.712	-202	-13.966	-178	-14.144
Segment operating earnings (EBIT)	222.115	4.282	12.222	238.616	-68	238.546

BALANCE SHEET OF THE GROUP AS OF 31.12.16

GROUP						
Amounts in € thousand	Jewellery-Watch-Accessories	Clothing-Foot-ware	Department Stores	Total	Eliminations	Consolidated Data
31.12.2016						
Tangible & Intangible Assets	210.792	111.099	106.188	428.078	53.405	481.483
Inventories	481.345	43.785	65.828	590.959	-4.962	585.997
Trade & other receivables				783.206	-128.465	654.741
Cash & cash equivalent				328.024	0	328.024
				2.130.267	-80.022	2.050.245
Other assets non-allocated				1.107.259	-578.493	528.766
Total				3.237.526	-658.515	2.579.011
31.12.2015						
Trade & other payables	151.593	56.647	89.492	297.732	-156.783	140.949
Other liabilities non allocated				829.025	-275.326	553.699
Equity				2.110.769	-226.407	1.884.363
Total				3.237.526	-658.515	2.579.011

Geographical Segments

	Greece	Rest of Europe	Asia	Total
Sales	299.381.934,21	146.083.286,81	891.809.998,43	1.337.275.219,45
Non current Assets	452.566.144,76	111.734.825,68	217.007.211,26	781.308.181,70

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								Investment Property
	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	
Cost								
Balance at 1.1.2015	39,855,803,38	107,966,964,34	11,237,659,59	3,699,590,54	85,541,002,98	45,896,215,76	294,197,236,59	83,284,534,28
Additions	0,00	8,808,053,01	775,743,28	6,210,973,37	7,800,611,13	5,296,837,71	28,892,218,50	357,473,78
Disposals	0,00	-1,936,343,94	-44,347,43	-80,167,50	-3,776,590,90	-345,397,95	-6,182,847,72	0,00
New subsidiaries	0,00	0,00	0,00	0,00	2,532,370,90	0,00	2,532,370,90	0,00
Transfers	0,00	440,141,45	-186,310,55	-0,10	698,290,60	-1,150,013,52	-197,892,12	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	8,786,329,06	0,00
Balance at 31.12.2015	41,579,418,63	119,759,856,94	12,177,057,56	9,806,058,11	95,158,578,91	49,546,445,06	328,027,415,21	83,894,900,18
Balance at 1.1.2016	41,579,418,63	119,759,856,94	12,177,057,56	9,806,058,11	95,158,578,91	49,546,445,06	328,027,415,21	83,894,900,18
Additions	0,00	55,373,103,65	812,803,21	85,989,63	36,058,688,62	1,688,289,13	94,018,874,24	272,143,57
Disposals	0,00	-4,186,825,96	-184,560,38	-4,763,168,92	-4,877,944,58	0,00	-14,012,499,84	-17,730,00
New subsidiaries	0,00	0,00	0,00	0,00	410,853,74	0,00	410,853,74	0,00
Evaluation	3,790,897,44	4,014,111,94	0,00	0,00	0,00	0,00	7,805,009,38	268,033,08
Transfers	0,00	8,042,571,88	246,493,01	0,00	230,361,94	-9,238,135,93	-718,709,10	720,671,09
Exchange Differences	637,755,48	1,506,845,05	-1,113,975,24	9,910,62	-2,206,878,00	400,738,37	-765,603,72	0,00
Balance at 31.12.2016	46,008,071,55	184,509,663,50	11,937,818,16	5,138,789,44	124,773,660,63	42,397,336,63	414,765,339,91	85,138,017,92
Accumulated amortisation								
Balance at 1.1.2015	0,39	35,653,317,87	9,354,358,28	2,030,345,84	60,399,643,44	980,223,41	108,417,889,23	7,246,523,87
Amortisation charge	0,00	9,650,785,91	967,520,22	348,858,02	8,306,764,43	0,00	19,273,928,58	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,362,032,32
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	1,283,543,76	0,00	1,283,543,76	0,00
Decrease of amortisation	0,00	-1,010,235,91	-40,024,31	-54,873,44	-2,555,843,66	0,00	-3,660,977,32	0,00
Transfers	0,00	0,00	-104,440,61	0,00	105,621,27	0,00	1,180,66	442,56
Exchange Differences	0,00	3,783,041,95	317,633,57	-27,357,29	1,619,994,92	277,53	5,693,590,68	0,00
Balance at 31.12.2015	0,39	48,076,909,82	10,495,047,15	2,296,973,13	69,159,724,16	980,500,94	131,009,155,59	8,608,998,75
Balance at 1.1.2016	0,39	48,076,909,82	10,495,047,15	2,296,973,13	69,159,724,16	980,500,94	131,009,155,59	8,608,998,75
Amortisation charge	0,00	9,643,163,19	969,273,95	849,779,03	8,734,257,81	0,00	20,196,473,98	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,334,923,18
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	394,480,59	0,00	394,480,59	0,00
Decrease of amortisation	0,00	-3,309,220,87	-145,318,70	-1,015,311,56	-3,386,122,66	0,00	-7,855,973,79	-8,022,35
Transfers	0,00	0,00	0,00	0,00	1,296,00	0,00	1,296,00	0,00
Exchange Differences	0,00	-51,042,93	-965,831,95	8,746,03	-2,573,541,82	343,043,51	-3,238,627,16	0,00
Balance at 31.12.2016	0,39	54,359,809,21	10,353,170,45	2,140,186,63	72,330,094,08	1,323,544,45	140,506,805,21	9,935,899,58
Net Book amount 31.12.2015	41,579,418,24	71,682,947,12	1,682,010,41	7,509,084,98	25,998,854,75	48,565,944,12	197,018,259,62	75,285,901,43
Net Book Amount 31.12.2016	46,008,071,16	130,149,854,29	1,584,647,71	2,998,602,81	52,443,566,55	41,073,792,18	274,258,534,70	75,202,118,34

The Company

	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	Investment Property
Cost								
Balance at 1.1.2015	12,243,777,69	46,727,679,48	1,444,428,99	2,421,904,41	22,513,734,43	2,250,00	85,353,775,00	85,592,406,76
Additions	0,00	915,439,92	21,775,00	0,00	1,118,758,38	776,627,06	2,832,600,36	357,473,78
Disposals	0,00	-415,988,18	-42,349,98	-18,297,16	-931,313,64	0,00	-1,407,948,96	0,00
New subsidiaries	0,00	0,00	0,00	0,00	393,696,02	-774,627,06	-307,892,12	252,892,12
Transfers	0,00	73,038,92	0,00	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2015	12,243,777,69	47,300,170,14	1,423,854,01	2,403,607,25	23,094,875,19	4,250,00	86,470,534,28	86,202,772,66
Balance at 1.1.2016	12,243,777,69	47,300,170,14	1,423,854,01	2,403,607,25	23,094,875,19	4,250,00	86,470,534,28	86,202,772,66
Additions	0,00	439,079,28	13,313,99	5,280,49	912,128,25	159,937,42	1,529,739,43	220,171,37
Disposals	0,00	-70,450,22	-25,508,46	-1,867,503,71	-503,605,20	0,00	-2,467,067,59	-17,730,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Evaluation	1,960,884,76	4,014,111,94	0,00	0,00	0,00	0,00	5,974,996,70	268,033,08
Transfers	0,00	-583,053,67	0,00	0,00	22,320,00	-164,187,42	-724,921,09	720,671,09
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2016	14,204,662,45	51,099,857,47	1,411,659,54	541,384,03	23,525,718,24	0,00	90,783,281,73	87,393,918,20
Accumulated amortisation								
Balance at 1.1.2015	0,00	18,798,938,42	1,086,477,63	998,907,01	16,686,511,73	0,00	37,570,834,79	9,554,396,35
Amortisation charge	0,00	1,856,532,32	86,342,29	216,539,64	1,910,731,19	0,00	4,070,145,44	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,362,032,32
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease of amortisation	0,00	-262,092,76	-38,368,52	-7,559,43	-791,215,52	0,00	-1,099,236,23	0,00
Transfers	0,00	-971,17	-9,74	0,00	5,01	0,00	-975,90	442,56
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2015	0,00	20,392,406,81	1,134,441,66	1,207,887,22	17,806,032,41	0,00	40,540,768,10	10,916,871,23
Balance at 1.1.2016	0,00	20,392,406,81	1,134,441,66	1,207,887,22	17,806,032,41	0,00	40,540,768,10	10,916,871,23
Amortisation charge	0,00	2,003,445,76	70,573,34	76,916,81	1,967,565,40	0,00	4,118,501,31	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,334,923,18
Depreciation of new subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease of amortisation	0,00	-70,450,22	-25,508,46	-874,997,94	-501,195,96	0,00	-1,472,152,58	-8,022,35
Transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2016	0,00	22,325,402,35	1,179,506,54	409,806,09	19,272,401,85	0,00	43,187,116,83	12,243,772,06
Net Book amount 31.12.2015	12,243,777,69	26,907,763,33	289,412,35	1,195,720,03	5,288,842,78	4,250,00	45,929,766,18	75,285,901,43
Net Book Amount 31.12.2016	14,204,662,45	28,774,455,12	232,153,00	131,577,94	4,253,316,39	0,00	47,596,164,90	75,150,146,14

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

The Group					
	Software Progr.	Rental rights	Concessions, Licenses & Similar Rights	Total	Goodwil
Cost					
Balance at 1.1.2015	18.612.139,00	6.729.672,86	4.336.375,57	29.678.187,43	94.826.726,50
Additions	33.174.058,83	175.000,00	3.433.520,96	36.782.579,79	0,00
Disposals	-80.313,48	-432.000,00	0,00	-512.313,48	0,00
New subsidiaries	74.201,31	0,00	0,00	74.201,31	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	-1.502.136,84	45.957,20	568.701,63	-887.478,01	171.036,72
Balance at 31.12.2015	50.277.948,82	6.518.630,06	8.338.598,16	65.135.177,04	94.997.763,22
Balance at 1.1.2016	50.277.948,82	6.518.630,06	8.338.598,16	65.135.177,04	94.997.763,22
Additions	2.783.900,95	51.669,00	175.000,00	3.010.569,95	1.054.236,02
Disposals	-1.677.460,13	-798.908,10	-320.178,35	-2.796.546,58	0,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	-6.212,00	0,00	0,00	-6.212,00	0,00
Exchange Differences	1.334.680,53	-113.784,96	159.551,41	1.380.446,98	-364.008,46
Balance at 31.12.16	52.712.858,17	5.657.606,00	8.352.971,22	66.723.435,39	95.687.990,78
Accumulated amortisation					
Balance at 1.1.2015	15.831.538,43	2.757.170,76	-601.058,85	17.987.650,34	290.462,00
Amortisation charge	3.853.614,76	542.084,59	1.432.205,32	5.827.904,67	0,00
Decrease of amortisation	-590,19	-270.657,10	0,00	-271.247,29	0,00
Amortisation of new subsidiaries	53.718,24	0,00	0,00	53.718,24	0,00
Transfers	2.408,61	-0,29	-2.409,42	-1,10	0,00
Exchange Differences	-1.560.339,06	34.094,04	315.900,84	-1.210.344,18	0,00
Balance at 31.12.2015	18.180.350,79	3.062.692,00	1.144.637,89	22.387.680,68	290.462,00
Balance at 1.1.2016	18.180.350,79	3.062.692,00	1.144.637,89	22.387.680,68	290.462,00
Amortisation charge	6.325.608,25	668.677,73	1.063.074,25	8.057.360,23	0,00
Decrease of amortisation	-404.663,38	-123.488,45	0,00	-528.151,83	0,00
Amortisation of new subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	-1.296,00	0,00	0,00	-1.296,00	0,00
Exchange Differences	213.068,46	-87.868,43	57.824,84	183.024,87	0,00
Balance at 31.12.16	24.313.068,12	3.520.012,85	2.265.536,98	30.098.617,95	290.462,00
Net Book amount 31.12.2015	32.097.598,03	3.455.938,06	7.193.960,27	42.747.496,36	94.707.301,22
Net Book Amount 31.12.2016	28.399.790,05	2.137.593,15	6.087.434,24	36.624.817,44	95.397.528,78

The analysis of goodwill as of 31.12.2016 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 € 1.054 thousands concerns the goodwill arising from the market in 2016 using the company Sales Manager Hellas EPE (CLOUDBIZ LTD)
- An amount of € 52.366 thousands concerns goodwill arising from the purchase of the company LINKS (LONDON) LIMITED by a subsidiary of the Group.
- An amount of € 2.635 thousands concerns goodwill arising from the purchase of the companies JUICY COUTURE EUROPE LTD and JUICY COUTURE IRELAND LTD by a subsidiary of the Group

Concerning recognized goodwill, note that the goodwill acquired in a business merge is initially recognized at cost, which is the excess of the cost of the merging over the proportion of the group, in the fair value of net assets acquired. After the initial recognition, goodwill is measured at cost, less any accumulated impairment losses. The Group examines goodwill for impairment at least annually. An impairment loss recognized for goodwill is not reversed in subsequent periods.

The Company					
	Software Progr.	Rental rights	Concessions, Licenses & Similar Rights	Total	Goodwil
Cost					
Balance at 1.1.2015	2.125.780,81	7.469.968,24	112.301,58	9.708.050,63	39.373.861,68
Additions	16.786,90	175.000,00	57.000,00	248.786,90	0,00
Disposals	-590,19	-432.000,00	0,00	-432.590,19	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2015	2.141.977,52	7.212.968,24	169.301,58	9.524.247,34	39.373.861,68
Balance at 1.1.2016	2.141.977,52	7.212.968,24	169.301,58	9.524.247,34	39.373.861,68
Additions	228.569,96	51.669,00	175.000,00	455.238,96	0,00
Disposals	-114,01	0,00	0,00	-114,01	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.16	2.370.433,47	7.264.637,24	344.301,58	9.979.372,29	39.373.861,68
Accumulated amortisation					
Balance at 1.1.2015	1.968.422,84	4.642.695,81	54.836,45	6.665.955,10	0,00
Amortisation charge	108.717,12	486.492,00	12.795,80	608.004,92	0,00
Decrease of amortisation	-590,19	-270.657,10	0,00	-271.247,29	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2015	2.076.549,77	4.858.530,71	67.632,25	7.002.712,73	0,00
Balance at 1.1.2016	2.076.549,77	4.858.530,71	67.632,25	7.002.712,73	0,00
Amortisation charge	89.292,59	632.703,87	20.271,24	742.267,70	0,00
Decrease of amortisation	-114,01	0,00	0,00	-114,01	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.16	2.165.728,35	5.491.234,58	87.903,49	7.744.866,42	0,00
Net Book amount 31.12.2015	65.427,75	2.354.437,53	101.669,33	2.521.534,61	39.373.861,68
Net Book Amount 31.12.2016	204.705,12	1.773.402,66	256.398,09	2.234.505,87	39.373.861,68

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.

The Company		
Investments in subsidiaries	31.12.2016	31.12.2015
FOLLI-FOLLIE HONG KONG LTD	22.627.986,94	22.627.986,94
FOLLI-FOLLIE UK LTD	3.110.450,19	3.110.450,19
FOLLI-FOLLIE FRANCE SA	7.155.791,41	7.155.791,41
FOLLI-FOLLIE SPAIN SA	12.293.581,68	12.293.581,68
FF CYPRUS LTD	7.135.983,56	6.835.983,56
PLANACO SA	7.776.221,01	7.776.221,01
FOLLI FOLLIE HOLDING S.A	109.417.124,51	109.417.114,01
FF GROUP FINANCE LUXEMBOURG SA	2.600.000,00	2.600.000,00
FF GROUP FINANCE LUXEMBOURG II SA	100.000,00	0,00
SALES MANAGER HELLAS (CLOUDBIZ)	1.125.000,00	0,00
STRENABY FINANCE LTD	13.030.922,10	13.030.922,10
FF ROMANIA SRL	8.545.971,25	5.545.971,25
FF BULGARIA EOOD	1.544.023,14	1.544.023,14
MOUSTAKIS S.A	943.650,44	943.650,44
FF COSMETICS SA - (SHISEIDO)	1.000.000,00	1.000.000,00
COLLECTIVE PATRAS SA	1.200.000,00	960.000,00
LINKS OF LONDON LTD	20.261.000,00	20.261.000,00
ATTICA DEPARTMENT STORES SA	5.024.451,12	5.668.300,56
AMORTIZATION PROVISION	-15.000.000,00	-6.000.000,00
Total	209.892.157,35	214.770.996,29

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 2016, there were indications for impairment of the subsidiaries. Consequently, provisions which amounted to € 6 million were formed. These impairments amounted to € 9 million, resulting in a reduction on the financial - investment results.

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
Balance 01.01.2015	205.881.006,27	625.690,03	652.691,24	207.159.387,54
Additions	0,00	700.000,00	434.152,78	1.134.152,78
Valued at 01.01.15-31.12.15	-12.323.195,43	-657.532,67	-159.613,03	-13.140.341,13
Balance 31.12.2015	193.557.810,84	668.157,36	927.230,99	195.153.199,19
Movements	0,00	0,00	27.808,39	27.808,39
Valued at 01.01.16-31.12.16	9.244.532,85	-253.771,31	439.460,97	9.430.222,51
Balance 31.12.2016	202.802.343,69	414.386,05	1.394.500,35	204.611.230,09

The Company				
	Dufry	A.B.G.	Other	Total
Balance 01.01.2015	152.572.951,60	625.690,03	545.621,40	153.744.263,03
Additions	0,00	700.000,00	0,00	700.000,00
Valued at 01.01.15-31.12.15	-16.211.198,02	-657.532,67	-146.487,68	-17.015.218,37
Balance 31.12.2015	136.361.753,58	668.157,36	399.133,72	137.429.044,66
Valued at 01.01.16-31.12.16	9.244.532,85	-253.771,31	-25.756,61	8.965.004,93
Balance 31.12.2016	145.606.286,43	414.386,05	373.377,11	146.394.049,59

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 2016 (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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Bills and checks receivable	175.798,99	18.130,66	175.798,99	0,00
Rental deposits	16.343.876,46	14.599.914,20	1.137.842,87	1.407.257,33
Other non current assets	78.018.272,74	30.518.078,67	0,00	0,00
Total	94.537.948,19	45.136.123,53	1.313.641,86	1.407.257,33

Account "other non-current assets" includes an amount of €69.253 thousands, which concerns receivables from interest-bearing loan issued by a subsidiary of the Group, amounting to \$73.000 thousands and will be paid off in 2018.

9. Inventories

Inventories	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Merchandise	591.463.991,75	495.699.765,73	43.288.807,16	40.501.347,43
Products - Raw Materials & Consumables	117.356,25	147.038,55	0,00	0,00
Packing materials	149.298,55	148.575,38	0,00	0,00
Less: Provisions for obsolescence	-5.734.058,58	-5.667.411,05	-3.269.503,65	-2.830.188,59
Total	585.996.587,97	490.327.968,61	40.019.303,51	37.671.158,84

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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Trade receivables (customers via open balances)	626.849.384,54	561.036.851,00	57.060.908,68	48.934.294,41
Cheques/promissory notes receivables	27.891.348,48	24.828.638,69	25.609.502,87	23.212.700,36
Total	654.740.733,02	585.865.489,69	82.670.411,55	72.146.994,77

Parent company as well as the Group, have formed accumulated provisions for bad debts summing up to €5.716.763,44 and €70.123.000,61 respectively for the fiscal year of 2016. With respect to the period of 2015, the corresponding provisions amounted to €5.586.993,31 and €66.829.464,43 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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Receivables that are not past due	179.992.790,33	145.659.558,19	45.185.870,08	37.944.098,76
Receivables not impaired				
to 90 days	392.480.106,02	378.807.270,34	10.061.770,81	6.329.327,85
91-180 days	15.938.650,42	9.800.968,27	3.096.360,98	6.024.633,57
181-270 days	22.877.472,20	14.904.981,43	7.811.225,01	6.922.790,11
271-360 days	21.328.593,81	18.342.923,18	10.551.162,40	9.769.465,35
above 360 days	22.123.120,24	18.349.788,28	5.964.022,27	5.156.679,13
Total	474.747.942,69	440.205.931,50	37.484.541,47	34.202.896,01
Total Receivables	654.740.733,02	585.865.489,69	82.670.411,55	72.146.994,77

Other current assets	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Trade receivables (customers via credit cards)	18.164.308,64	17.475.753,31	1.973.472,19	1.909.908,16
Short-term Loan Claims	3.601.993,22	150.495,90	70.793.756,02	48.009.350,00
Receivables from public sector	8.034.735,31	7.617.058,46	2.882.172,48	2.873.704,01
Advances to suppliers	130.725.574,15	89.692.829,89	8.557.306,82	792.501,79
Personel advances	92.507,31	103.091,29	83.768,98	96.233,56
Purchases under settlement	2.309.718,22	2.149.479,51	209.681,36	244.774,11
Other receivables	40.317.191,19	87.048.653,58	7.268.873,26	10.441.619,10
Prepaid expenses	9.623.675,64	10.492.980,05	1.414.276,13	1.782.469,08
Accrued income	206.375,31	64.338,00	102.768,34	0,00
Total	213.076.078,99	214.794.679,99	93.286.075,58	66.150.559,81

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.

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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Cash on hand	11.268.490,60	10.617.857,14	386.714,61	424.097,80
Cash at bank	316.478.925,02	234.832.843,58	29.107.901,99	60.859.254,91
Total	328.184.700,98	245.450.700,72	29.494.616,60	61.283.352,71

12. Equity Shareholders and parent company

Equity of shareholders of the parent company	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Share Premium	81.855.417,03	81.730.417,03	81.730.417,03	81.730.417,03
Own shares	-13.409.548,73	-12.152.481,84	-13.409.548,73	-12.152.481,84
Other reserves	286.399.611,60	276.981.106,83	304.415.215,91	295.450.210,98
Currency translated differences	199.531.909,60	154.682.093,23	0,00	0,00
Differences due Consolidation	-85.563.675,68	-85.564.935,68	-85.554.366,48	-85.554.366,48
Retained earnings	1.362.538.329,58	1.140.207.546,99	115.284.875,06	140.249.492,33
Total	1.851.436.506,40	1.575.968.209,56	422.551.055,79	439.807.735,02

13. Borrowings

	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Borrowings				
Borrowed funds				
Bond Loans	283.996.229,93	305.389.533,87	231.669.369,21	224.923.228,15
Bank Loans	123.126.820,36	42.440.231,53	20.241.578,22	0,00
Leases	27.138.893,66	29.848.440,19	21.655.724,18	23.504.587,09
Total	434.261.943,95	377.678.205,59	273.566.671,61	248.427.815,24
Long-term borrowings	361.742.555,40	332.643.035,38	251.297.897,98	242.066.785,17
Short-term borrowings	72.519.388,55	45.035.170,21	22.268.773,63	6.361.030,07
Total	434.261.943,95	377.678.205,59	273.566.671,61	248.427.815,24
Bond Loans				
More than 5 years	0,00	5.883.067,00	0,00	0,00
From 1 to 5 years	279.329.892,79	294.219.092,96	231.669.369,21	220.423.228,15
Up to 1 year	4.666.337,14	5.287.373,91	0,00	4.500.000,00
Total	283.996.229,93	305.389.533,87	231.669.369,21	224.923.228,15
Bank Loans				
More than 5 years	0,00	171.527,27	0,00	0,00
From 1 to 5 years	59.013.132,25	8.014.742,26	0,00	0,00
Up to 1 year	64.113.688,11	34.253.962,00	20.241.578,22	0,00
Total	123.126.820,36	42.440.231,53	20.241.578,22	0,00
Leases				
More than 5 years	11.711.542,46	15.315.692,81	11.711.542,46	13.814.651,51
From 1 to 5 years	11.687.987,90	9.038.913,08	7.916.986,31	7.828.905,51
Up to 1 year	3.739.363,30	5.493.834,30	2.027.195,41	1.861.030,07
Total	27.138.893,66	29.848.440,19	21.655.724,18	23.504.587,09

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

	The Group		The Company	
	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Amounts recognized in income statement				
Current service cost	322.816	592.942	171.415	195.919
Interest on obligation	78.724	133.809	54.003	45.237
Normal output in the income statement	401.540	726.751	225.418	241.156
Cost cuts / settlement / termination of service	643.872	767.069	493.394	530.344
Total expense in the income statement	1.045.412	1.493.820	718.812	771.500
Change in present value of obligation				
Present value of obligation at beginning of period	5.040.581	3.667.334	2.179.175	2.209.439
Current service cost	322.816	592.942	171.415	195.919
Interest on obligation	78.724	133.809	54.003	45.237
Benefits paid by the employer	(970.834)	(961.805)	(703.823)	(709.884)
Cost cuts / settlement / termination of service	643.872	767.069	493.394	530.344
Adjustments/New Subsidiaries	(955.783)	1.136.143	0	0
Cost of service during the period	-	-	-	-
Actuarial loss / (gain) recognized in Equity	283.623	(294.911)	95.919	(91.880)
Present value of obligation at end of period	4.442.999	5.040.581	2.290.083	2.179.175
Actuarial assumptions				
Discount rate			1,77%	2,58%
Future salary increases			0,00%	0,00%
Inflation rate			1,75%	1,75%
Duration of Liabilities			17,80	16,80

15. Long term liabilities

	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Total long-term provisions				
Provisions for additional taxes	289.015,64	237.052,17	211.000,00	211.000,00
Provisions for exposure & expenses	1.558.858,49	4.551.540,84	1.412.241,09	1.413.382,84
Total	1.847.874,13	4.788.593,01	1.623.241,09	1.624.382,84

Unaudited fiscal years:

Company Name	Unaudited Tax Years
FOLLI FOLLIE SA	2009-2010
FOLLI FOLLIE UK LTD	2010-2016
FOLLI FOLLIE FRANCE SA	2010-2016
FOLLI FOLLIE SPAIN SA	2010-2016
FF CYPRUS	2010-2016
PLANACO ABEE	2010
FOLLI FOLLIE JAPAN LTD	2010-2016
FOLLI FOLLIE GROUP SOURCING LTD	2010-2016
FOLLI FOLLIE ASIA LTD	2010-2016
FOLLI FOLLIE TAIWAN LTD	2010-2016
FOLLI FOLLIE KOREA LTD	2010-2016
FOLLI FOLLIE SINGAPORE LTD	2010-2016
FOLLI FOLLIE MACAU LTD	2010-2016
FOLLI FOLLIE GUAM LTD	2010-2016
FOLLI FOLLIE HAWAII LTD	2010-2016
FOLLI FOLLIE HONG KONG INTERNATIONAL LTD	2010-2016
FOLLI FOLLIE MALAYSIA LTD	2010-2016
FOLLI FOLLIE THAILAND LTD	2010-2016
FOLLI FOLLIE SHANGAI (PILION LTD)	2010-2016
FOLLI FOLLIE SHENZHEN LTD	2010-2016
FF HOLDINGS SA	2010
LINKS (LONDON) LIMITED	2010-2016
LINKS OF LONDON (INTERNATIONAL) LTD	2010-2016
LINKS OF LONDON COM LTD (UK)	2010-2016
LINKS OF LONDON INC (USA)	2010-2016
LINKS OF LONDON (ASIA) LTD	2010-2016
LINKS OF LONDON JAPAN CO LTD	2010-2016
FF GROUP ROMANIA SRL	2010-2016
FF GROUP BULGARIA EOOD	2010-2016
MOUSTAKIS SA	2010
ATTICA DEPT. STORES SA	-
JUICY COUTURE EUROPE LTD	2015-2016
JUICY COUTURE IRELAND LTD	2015-2016
COLLECTIVE ΠΑΤΡΩΝ ΑΕ	-
FF GROUP FINANCE LUXEMBOURG SA	2015-2016
FF GROUP FINANCE LUXEMBOURG II SA	-
STRENABY FINANCE LTD	2015-2016
APPAREL ROMANIA SRL	2015-2016
WARLABY TRADING LTD	2016
SALES MANAGER HELLAS (CLOUDBIZ)	2010-2016
NARIACO INVESTMENTS LTD	2016
FF COSMETICS ΑΕ	2010-2011

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 & 2015, 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 2016 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 € 1.105 thousands 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 € 83,4 thousands 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.

16. Other Long Term Liabilities

	The Group		The Company	
Other long-term liabilities	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Other liabilities	16.651.444,03	11.670.289,44	3.011.000,01	3.942.283,35
Total	16.651.444,03	11.670.289,44	3.011.000,01	3.942.283,35

17. Trade and other Liabilities

	The Group		The Company	
Trade and other payables	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Suppliers	50.987.721,57	76.228.640,79	18.450.766,27	12.984.875,93
Cheques / promissory notes payables	5.230.019,64	3.705.367,21	4.785.858,11	2.939.437,58
Advances from customers	15.136.268,56	17.080.518,65	14.542.692,13	15.391.129,09
Personnel payroll payable	331.858,87	248.852,87	55.207,49	73.528,94
Other creditors payable	7.146.008,68	1.311.588,82	1.121.380,61	1.092.138,12
Social security contribution	3.276.829,60	3.040.734,59	1.438.545,89	1.452.080,48
Other liabilities	45.331.549,63	16.932.398,24	66.576,58	0,00
Accrued expenses	13.251.959,03	14.758.908,93	1.457.189,05	1.956.123,03
Deferred revenue	256.862,58	245.616,35	256.862,58	243.741,35
Total	140.949.078,16	133.552.626,45	42.175.078,71	36.133.054,52

18. Current income tax and current tax liabilities

	The Group		The Company	
Current Income tax	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Income tax	66.009.515,46	39.757.406,66	0,00	0,00
Total	66.009.515,46	39.757.406,66	0,00	0,00

	The Group		The Company	
Current tax liabilities	31.12.2016	31.12.2015	31.12.2016	31.12.2015
V.A.T.	8.113.815,09	6.243.540,71	1.746.677,97	1.404.101,59
Other taxes	2.306.096,57	1.768.199,69	1.002.952,30	929.748,79
Total	10.419.911,66	8.011.740,40	2.749.630,27	2.333.850,38

19. Deferred Income Tax

	The Group			
	31.12.2016		31.12.2015	
Deferred tax Claims-liabilities	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation
Current assets				
Tangible fixed assets	0,00	16.792.812,85		15.763.347,73
Intangible assets	0,00	189.361,11		139.062,40
Long Term Liabil.- Provisions	0,00	4.357.149,95		6.231.158,99
Def.Tax recognised in Equity	0,00	0,00	455.421,53	
Losses	456.961,57	0,00	865.406,50	
Short.Term Liabil. - Accruals	0,00	203.660,00		607.873,46
Total	456.961,57	21.542.983,91	1.320.828,03	22.741.442,58
Matching	-456.961,57	-456.961,57	-1.320.828,03	-1.320.828,03
Total	0,00	21.086.022,34	0,00	21.420.614,55

	The Company			
	31.12.2016		31.12.2015	
Deferred tax Claims-liabilities	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation
Current assets				
Tangible fixed assets		16.359.873,39		15.173.726,79
Intangible assets	105.996,89		113.947,94	
Long Term Liabil.- Provisions		4.906.091,85		6.708.031,99
Def.Tax recognised in Equity	0,00		440.448,53	
Losses				
Short.Term Liabil. - Accruals		215.235,00		422.873,46
Total	105.996,89	21.481.200,24	554.396,47	22.304.632,24
Matching	-105.996,89	-105.996,89	-554.396,47	-554.396,47
Total	0,00	21.375.203,35	0,00	21.750.235,77

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.

	The Group		The Company	
Turnover	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Sales of Merchandise	1.321.038.489,37	1.178.876.612,83	131.405.573,51	140.632.277,49
Sales of Products	6.082.677,22	4.931.849,57	6.082.677,22	4.152.205,57
Sales of other goods	244.353,70	409.379,50	324.391,53	380.533,47
Sales of services	9.909.699,19	8.825.431,10	8.275.866,62	7.565.377,11
Total	1.337.275.219,48	1.193.043.273,00	146.088.508,88	152.730.393,64

21. Other Income

	The Group		The Company	
Other operating income	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Income from Marketing	494.221,20	342.565,56	795.041,60	698.087,09
Income from Promoters & Merch.	0,00	45.755,90	0,00	45.755,90
Other income	5.668.684,21	6.565.693,33	2.821.338,14	2.637.388,93
Received grants	42.071,98	84.592,10	39.666,98	81.321,85
Rental income	1.075.110,87	325.046,55	1.001.336,60	176.176,60
Foreign exchange gains	6.629.111,78	1.461.090,79	608.088,77	954.289,89
Other operating & extraordinary income	2.115.332,47	496.727,74	3.351,44	4.546.871,79
Prior year income	334.958,62	2.863.346,70	157.680,59	193.536,20
Total	16.359.491,13	12.184.818,67	5.426.504,12	9.333.428,25

22. Administrative and Selling Expenses

	The Group		The Company	
Administration expenses	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Total Fees & staff	30.551.000,22	31.616.366,69	7.050.544,67	6.157.046,22
Legal-professional-other fees	6.627.728,35	7.370.706,18	3.224.227,23	3.058.225,68
Credit card commissions	0,00	13.628,43	87,82	0,00
Postage & telecommunication	763.949,72	651.505,12	124.218,62	69.383,40
Rent expenses	557.099,12	4.764.055,69	355.742,32	331.569,19
Car rentals & car leases	227.815,45	170.277,86	163.932,88	142.495,45
Insurance	597.795,21	615.352,97	131.031,04	157.361,95
Repairs & Maintenance	1.088.893,80	1.284.759,47	297.827,41	327.377,60
Utilities & cleaning	772.337,74	803.328,63	466.561,89	581.177,95
Other taxes (not income tax)	2.026.931,15	1.881.429,67	913.135,21	826.558,34
Transportation expenses - Logistics	2.841.450,96	3.350.819,16	407.540,42	495.214,30
Advertising & promotional expenses	6.334.816,06	7.685.683,15	236.293,58	212.490,35
Fairs & exhibition expenses	363.782,20	127.849,99	70.322,57	0,00
Stationery & consumables	1.093.602,29	509.009,13	21.736,00	16.961,67
Other expenses	2.880.797,24	3.020.615,51	331.019,29	395.845,95
Depreciation & amortization	9.520.932,50	7.331.854,48	867.784,20	1.103.612,31
Provision for retirement	878.807,55	862.622,49	539.939,49	530.337,00
Other Provisions	12.106,77	0,00	0,00	0,00
Total	67.139.846,33	72.059.864,62	15.201.944,64	14.405.657,36

	The Group		The Company	
Selling expenses	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Total Fees & staff	91.378.255,47	90.467.682,30	22.111.621,36	23.361.503,35
Legal-professional-other fees	20.434.777,08	22.143.846,64	3.343.685,30	5.429.508,63
Credit card commissions	5.466.710,21	3.694.026,60	2.033.101,54	1.728.935,37
Postage & telecommunication	1.606.497,40	1.440.807,10	665.002,10	498.931,87
Rent expenses	78.132.551,92	71.332.523,21	7.805.145,84	8.753.595,09
Car rentals & car leases	269.698,99	241.266,94	197.048,16	185.729,86
Insurance	1.629.852,40	1.577.122,81	1.002.613,61	975.103,72
Repairs & Maintenance	3.190.383,24	3.619.304,90	747.244,52	741.331,56
Utilities & cleaning	6.217.144,11	7.375.424,35	1.949.287,55	2.261.113,14
Other taxes (not income tax)	1.111.026,61	1.109.929,74	445.082,83	502.603,12
Transportation expenses - Logistics	8.105.132,95	7.671.779,94	3.784.719,84	3.046.803,04
Advertising & promotional expenses	31.606.190,01	21.218.254,71	6.448.083,62	5.000.803,25
Fairs & exhibition expenses	518.186,31	989.261,47	517.088,04	856.133,71
Stationery & consumables	2.833.798,34	2.664.223,52	47.093,01	46.950,78
Other expenses	8.194.979,42	13.547.289,96	1.707.140,50	1.964.258,90
Depreciation & amortization	19.971.272,13	19.001.895,23	5.307.346,85	4.899.803,14
Provision for retirement	608.510,33	571.197,70	158.264,36	241.164,00
Other Provisions	806.598,73	0,00	0,00	0,00
Total	282.081.565,65	268.665.837,12	58.269.569,03	60.494.272,53

23. Other Expenses

	The Group		The Company	
Other operating expenses	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Penalties & fines	64.059,77	273.577,23	56.233,58	201.515,76
Duties and taxes on deficits	16.859,99	15.624,09	0,00	0,00
Impairment of assets	413.566,75	22.114,82	0,00	0,00
Stock loss & damage	13.104.781,07	226.145,41	2.315.000,00	0,00
Loss from claims not susceptible of collection	230.996,06	73.532,87	218.866,53	0,00
Provisions for exposure & expenses	0,00	6.132.627,44	0,00	0,00
Foreign exchange losses	1.298.597,07	5.560.969,80	198.053,53	916.435,44
Prior years' expenses	148.956,79	643.732,15	111.211,40	225.824,44
Other expenses	1.895.474,01	1.196.200,78	13.395,36	3.637,53
Total	17.173.291,51	14.144.524,59	2.912.760,40	1.347.413,17

24. Financial Income - Expenses

	The Group		The Company	
Financial income	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Gain on sale of investments	0,00	18.291,60	0,00	18.291,60
Gains from forex instruments	311.613,13	599.538,15	288.870,94	591.825,82
Gains from invest. At fair value revaluation	112.594,80	189.590,53	0,00	0,00
Gains from derivatives	1.179.218,40	4.359.723,68	750.000,00	3.376.708,70
Dividends from subsidiaries	0,00	0,00	0,00	0,00
Dividends from investments fair value	8,08	0,00	0,00	0,00
Dividends from other investments	0,00	0,00	79.856,70	1.000.000,00
Interest on reserves	229.378,39	2.062.085,75	141.702,32	400.106,34
Other interests	455.575,54	103.866,79	38.631,74	23.637,64
Profits from sale/valuation of assets	9.288.827,98	202.582,51	7.443.059,69	7.087,36
Other financial income	1.010.915,34	1.921.930,52	483.137,29	1.709.780,58
Total	12.588.131,66	9.457.609,53	9.225.258,68	7.127.438,04

	The Group		The Company	
Financial expenses	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Losses from sale of investments	0,00	14.301,00	0,00	0,00
Losses from foreign exchange products	187.326,58	6.610,97	187.326,58	0,00
Loss on valuation of investment at fair value	0,00	36.553,00	0,00	0,00
Losses on valuation of other assets	0,00	188.624,98	0,00	176.798,98
Losses on derivatives	0,00	1.794.629,17	0,00	1.794.629,17
Losses from the disposal/valuation of assets	2.479.421,34	1.183.817,35	755.087,05	429.526,56
Assets Valuation	0,00	-12.984,24	0,00	-12.984,24
Other financial expenses	1.514.872,32	625.895,59	407.838,85	338.155,42
Impairment of investments	0,00	496.695,33	9.000.000,00	6.496.695,33
Interest expenses (Loans)	13.739.311,24	12.981.984,71	11.863.624,93	11.301.301,72
Interest expenses (Leases)	887.562,94	867.057,67	676.941,51	765.881,63
Other interests	316.323,04	595.675,03	0,00	0,00
Bank commission & taxes	2.023.867,72	3.668.636,91	1.061.818,37	1.112.453,96
Total	21.148.685,18	22.447.497,47	23.952.637,29	22.402.458,53

25. Income Tax

	The Group		The Company	
	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Profit/Loss (before the tax)	253.478.321,88	225.270.681,60	-25.291.967,46	-16.173.584,42
Current tax rate	29,00%	29,00%	29,00%	29,00%
Tax related	73.508.713,35	65.328.497,66	-7.334.670,56	-4.690.339,48
Irreversible deviations from tax basis	3.309.036,77	2.840.657,11	3.003.519,51	2.784.095,02
Tax effect of funds not subject to tax				
Deleted deferred taxes	9.116.702,40		3.907.881,86	55.363,67
Effect of different deferred tax rate		2.435.780,70		2.406.668,05
Effect of different subsidiaries' tax rate	-59.366.182,81	-35.164.342,86		
Other Taxes				
Additional to prior years' taxes		3.196.653,94		3.196.653,94
Provisions for additional taxes				
Total	26.568.269,71	38.637.246,55	-423.269,19	3.752.441,20

26. Earnings per share

	The Group		The Company	
Earnings per Share	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net profit for the period	226.910.052,17	186.633.435,05	-24.868.698,27	-19.926.025,62
Attributable to :				
Shareholders of the parent company	222.466.621,12	182.639.194,65	-24.868.698,27	-19.926.025,62
Non controlling interests	4.443.431,05	3.994.240,40	0,00	0,00
Weighted average number of shares	66.378.312,19	66.549.607,79	66.378.312,19	66.549.607,79
Basic earnings per share	3,3515	2,7444	-0,3747	-0,2994

27. Related party transactions (according IAS 24)

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

Transactions between parent and subsidiary		
	01.01. - 31.12.2016	01.01. - 31.12.2015
Sales of goods	25.090.912,81	32.288.517,68
Sales Services-other income	1.108.450,55	5.518.996,51
Purchases	8.409.754,41	8.030.338,17
Reception - other expenses	1.714.652,90	320.295,19

Parent co transactions with other related parties		
	01.01. - 31.12.2016	01.01. - 31.12.2015
Sales of goods	43.897,82	18.929,36
Sales Services - Other Income	0,00	0,00
Purchases	0,00	0,00
Reception - other expenses	0,00	0,00

Transactions and Fees with managers		
	01.01. - 31.12.2016	01.01. - 31.12.2015
The Company	3.292.826,81	3.312.982,32
The Group	3.651.812,14	3.596.654,57

Group's transactions with other related parties		
	01.01. - 31.12.2016	01.01. - 31.12.2015
Sales of goods	46.784,82	18.929,36
Sales Services - Other Income	36.996,00	32.455,00
Purchases	3.275.292,00	2.976.667,00
Reception - other expenses	73.161,00	22.584,00

Balance as at the end of the period		
	31.12.2016	31.12.2015
The Company		
From subsidiaries		
Requirements	128.365.986,40	85.259.871,07
Obligations	235.270.049,90	225.299.288,01
From other related parties		
Requirements	85.215,76	47.374,22
Obligations	0,00	0,00
By executives		
Requirements	0,00	0,00
Obligations	0,00	0,00
The Group		
From other related parties		
Requirements	390.634,76	353.057,22
Obligations	169.825,00	642.562,00
By executives		
Requirements	0,00	0,00
Obligations	78.105,08	12,94

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, amounting to € 270 millions, approximately. 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 31.12.2016 the Group employed 4996 employees versus 5.162 employees on 31.12.2015. The according figures for the Company are 1.099 versus 1.104 employees

Total Fees & staff	The Group		The Company	
	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Wages and salaries	104.531.208,75	103.628.396,79	24.087.483,31	24.375.683,08
Employer contributions	15.392.252,20	16.767.507,62	5.697.940,57	5.737.539,15
Released for reimbursement	407.312,02	519.193,93	9.775,39	0,00
Other benefits	2.687.978,80	2.303.026,76	456.462,84	539.403,45
Total	123.018.751,77	123.218.125,10	30.251.662,11	30.652.625,68

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 / GBP	EUR / RON	EUR / BGN	EUR / CHF	EUR / BGN
31.12.2016	1,0541	0,8562	4,5390	1,9558	1,07390	1,95580
31.12.2015	1,0887	0,7434	4,4524	1,9558	1,08350	1,95580
AVERAGE 01.01.-31.12.16	1,1069	0,8195	4,4907	1,9558	1,09010	1,95580
M.O 01.01.-31.12.15	1,1095	0,7258	4,4454	1,9558	1,06790	1,95580

On 31 December 2016 the net income and shareholders' equity would have been € 22.399 thousands higher (for the company € 666 thousand), if the EUR was weaker against USD by 10% and they would have been € 37.234 thousand (for the Company € 1.854 thousand) lower, 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.

The Group					
31.12.2016	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Liquidity Analysis					
Floating rate loans	2,01%	69.747.760,21	357.044.935,75	0,00	426.792.695,95
Liabilities & Financial leases	2,47%	3.785.544,44	12.409.721,15	13.157.917,95	29.353.183,54
Suppliers etc. free liabilities		56.217.741,21	0,00	0,00	56.217.741,21
		129.751.045,85	369.454.656,90	13.157.917,95	512.363.620,71
31.12.2015	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
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
		125.645.374,30	329.206.033,16	24.961.330,58	479.812.738,03

The Company					
31.12.2016	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Liquidity Analysis					
Floating rate loans	1,96%	20.519.292,67	244.156.348,21	0,00	264.675.640,88
Liabilities & Financial leases	2,89%	2.056.488,38	8.488.988,57	13.403.860,35	23.949.337,30
Suppliers etc. free liabilities		23.236.624,38	0,00	0,00	23.236.624,38
		45.812.405,44	252.645.336,78	13.403.860,35	311.861.602,56
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
		22.385.126,43	240.069.279,27	17.012.743,33	279.467.149,03

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:

	The Group		The Company	
Levera Ratio	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Borrowed funds	434.261.943,95	377.678.205,59	273.566.671,61	248.427.815,24
Less: Cash	328.184.700,98	245.450.700,72	29.494.616,60	61.283.352,71
Net debt	106.077.242,97	132.227.504,87	244.072.055,01	187.144.462,53
Equity	1.884.362.817,86	1.605.688.983,66	422.551.055,79	439.807.735,02
	5,3%	7,6%	36,6%	29,8%

31. Post Balance Sheets Events

On 31.12.2016, there were no events significantly affecting the financial figures which occurred after 31.12.2016 which could have material impact on the financial position and results of the Group.

Agios Stefanos, April 7th 2017

THE CHAIRMAN OF THE BOARD

DIMITRIOS KOUTSOLIOUTSOS

ID CARD NO. AK-031337

THE MANAGING DIRECTOR

GEORGIOS KOUTSOLIOUTSOS

ID CARD NO. AB-593469

THE EXECUTIVE MEMBER

EMMANOUIL ZACHARIOU

ID CARD NO. T005560

THE CHIEF ACCOUNTANT

GEORGIOS ALAVANOS

ID CARD NO. AI-518859

LIC. NO. OEE 0008211 A' CLASS

THE CHIEF FINANCIAL OFFICER

FRAGISKOS GRATSONIS

ID CARD NO. AB-017181



INFORMATION OF ARTICLE 10 OF LAW 3401/2005

Date	Subject
18/02/2016	New exclusive distribution agreement with Procter&Gamble Prestige for MAX FACTOR
01/03/2016	Announcement for change in voting rights
31/03/2016	2015 Financial Results
06/04/2016	NOTIFICATION OF CHANGE OF BOARD COMPOSITION
26/05/2016	First Quarter 2016 Financial Results
03/06/2016	Invitation to the General Meeting 24-06-2016
24/06/2016	AGM Decisions 24/6/2016
30/11/2016	FF Group announces the financial results for the 9-months 2016

CONDENSED FINANCIAL STATEMENTS OF 2016

FF
GROUP

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 Period

January 1st, 2016 - December 31th, 2016

(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 Review Report whenever that is required by the law.

Company Information		Members of the Board Directors:	
Supervisory Authority:	MINISTRY OF DEVELOPMENT/General Secretariat of Commerce,	Chairman - Executive Member	Dimitris koutsolioutsos
Website address:	http://www.ffgroup.com	Vice President - Executive Member	Katli koutsolioutsos
Financial Statements' approval date by the BoD	April 7th 2017	Managing Director - Executive member	George koutsolioutsos
Certified Auditor Accountant:	George I. Vartholitis	Executive Member	Emmanouil Zachariou
Auditing Company :	ECOVIS VNT Auditing SA	Executive Member	Eirini Nioti
Type of Auditors' Review Report:	Assent	Executive Member	Jiannong Qian
		Non-Executive Member	Elias Koukoutsas
		Non-Executive Member	Elias Kouloukountis
		Non-Executive Member	Zacharias Mantzavinos
		Independent non-Executive Member	Evaggelos Koumanakos
		Independent non-Executive Member	Perikles Stamatiadis

DATA FROM STATEMENT OF FINANCIAL POSITION (consolidated and non consolidated) amounts in €				
	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
ASSETS				
Property, Plant & Equipment	274.258.534,70	197.018.259,62	47.596.164,90	45.929.766,18
Investment Property	75.202.118,34	75.285.901,43	75.150.146,14	75.285.901,43
Intangible assets	132.022.346,22	137.454.797,28	41.608.367,25	41.895.396,29
Participations	676.004,16	631.023,17	211.617.157,35	216.220.996,29
Other non-current assets	299.149.178,28	240.289.322,72	147.707.691,45	138.836.301,99
Inventories	585.996.587,97	490.327.968,61	40.019.303,51	37.671.158,84
Trade Receivables	654.740.733,02	585.865.489,69	82.670.411,55	72.146.994,77
Other current assets	558.134.064,49	480.736.278,30	122.972.721,68	128.212.017,13
TOTAL ASSETS	2.580.179.567,18	2.207.609.040,82	769.341.963,83	756.198.532,92
EQUITY AND LIABILITIES				
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Other components of equity	1.831.352.043,40	1.555.883.746,56	402.466.592,79	419.723.272,02
Total equity attributable to owners of the Parent (a)	1.851.436.506,40	1.575.968.209,56	422.551.055,79	439.807.735,02
Non controlling interests (b)	32.926.311,46	29.720.774,10	0,00	0,00
Total Equity (c) = (a)+(b)	1.884.362.817,86	1.605.688.983,66	422.551.055,79	439.807.735,02
Long-term borrowings	361.742.555,40	332.643.035,38	251.297.897,98	242.066.785,17
Provisions / Other long terms liabilities	44.028.338,41	42.920.078,06	28.299.527,45	29.496.077,76
Short-term borrowings	72.519.388,55	45.035.170,21	22.268.773,63	6.361.030,07
Other current liabilities	217.526.466,96	181.321.773,51	44.924.708,98	38.466.904,90
Total liabilities (d)	695.816.749,32	601.920.057,16	346.790.908,04	316.390.797,90
TOTAL EQUITY AND LIABILITIES (c) + (d)	2.580.179.567,18	2.207.609.040,82	769.341.963,83	756.198.532,92

Additional notes and information:

1. In the Note 1.1 of the financial statements are mentioned a. The name and country of the registered office of each of the companies included in the consolidated financial statements for the Period 01.01.2016 - 31.12.2016, 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 statements for the Period 01.01.2016 - 31.12.2016 2. The unaudited fiscal years of the parent company and its subsidiaries are listed in Note B.15 of the financial statements. 3. The number of employees by the Group as of 31.12.2016 amounted to 4.996 and the respective number for the Company was 1.099. On 31.12.2015 amounted to 5.162 employees for the Group and 1.104 for the Company. 4. In the financial statements are included the following provisions in total: a) For the Group provisions for unaudited tax years amounting to € 289th, provision for staff compensation € 4.443th, litigations € 1.105th. And other provisions amounting to € 454th. b) The Company provisions for unaudited tax years amounting to € 211th, provision for staff compensation € 2.290th, litigations € 1.105th. and other provisions € 307th. 5. On December 31, 2016 the Company held 584.083 own shares. 6. The amounts mentioned in "Other comprehensive income / expenses after taxes" are as following: For the Company an amount of € 8.965th. refers to valuation profit on available for sale financial assets, and an amount of € 96th. represents actuarial loss. For the Group, an amount of € 9.208th. refers to valuation profit on available for sale financial assets, an amount of € 231th. refers to financial instruments valuation loss, an amount of € 45.540th. refers to foreign exchange differences (profit) on translating foreign holdings, an amount of € 55th. refers to income from deferred income tax relating to components of other comprehensive income and finally amount of 284th. represents actuarial loss. 7. In the present financial statements a startup company "FF GROUP FINANCE LUXEMBOURG II SA" and the newly acquired company "SALES MANAGER HELLAS LTD" were consolidated for the first time, without significant effect on the amounts of the consolidated annual statements. 8. 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 following:

CASH FLOW STATEMENT (consolidated and non consolidated) amounts in €				
	The Group		The Company	
2nd Alternate: Indirect method	01.01. - 31.12.2016	01.01. - 31.12.2015	01.01. - 31.12.2016	01.01. - 31.12.2015
Net Profit before taxes (Continuing operations)				
Adjustments	253.478.321,88	225.270.681,90	-25.291.967,46	-16.173.584,42
Depreciation and Amortisation	0,00	0,00	0,00	0,00
Provisions	29.588.757,39	26.463.865,57	6.195.692,19	6.040.182,68
Exchange differences	14.592.098,95	1.357.037,35	10.356.385,44	771.501,00
Results (income, expenses, gains and losses) from investing activities	53.826.824,02	82.638.468,65	0,00	0,00
Interest and related expenses	-9.252.550,63	1.387.454,73	-7.111.897,57	3.030.151,80
Adjustments related to working capital or other operating activities	16.923.705,82	14.093.081,20	12.540.566,44	11.690.852,55
Decrease/(increase) of Inventories	0,00	0,00	0,00	0,00
Decrease/(increase) of Receivables	-107.116.582,02	-117.619.726,53	-3.006.326,26	-1.871.235,00
Increase/(decrease) of payable accounts (except Banks)	-112.232.844,80	-97.210.083,62	-37.471.832,38	-30.710.329,39
Minus	62.313.918,15	-30.687.906,32	3.980.348,90	-9.468.319,07
Interest paid and similar expenses	0,00	0,00	0,00	0,00
Income Tax paid	-9.621.749,00	-7.668.166,60	-3.544.406,14	-5.265.937,95
Net cash inflows/(outflows) from Operating Activities (a)	-52.393.541,27	-40.163.843,09	0,00	-3.762.116,94
Net cash inflows/(outflows) from Operating Activities (a)	140.106.358,49	57.860.863,24	-43.353.436,84	-45.718.834,74
Investing Activities				
Purchases of subsidiaries, associates and other investments	-4.771.975,10	-48.363.629,00	-4.100.010,50	-9.070.150,89
Acquisition of minorities	-240.000,00	0,00	-240.000,00	0,00
Purchases of tangible and intangible assets	-98.355.823,78	-66.032.272,07	-2.205.149,76	-3.438.861,04
Proceeds from sale of tangible and intangible assets	1.547.218,26	1.537.180,69	1.449.568,98	22.627,45
Interest received	336.550,92	1.865.952,54	180.334,98	423.743,98
Dividends received	0,00	0,00	723.706,14	1.000.000,00
Proceeds from sale of financial assets	4.413.144,27	27.695.440,83	0,00	-1.794.629,17
Decrease/(increase) of other long-term receivables	-1.205.962,38	-14.015.996,21	-1.137.824,22	-50.035,02
Net cash inflows/(outflows) from Investing Activities (b)	-98.276.847,81	-97.313.323,22	-5.329.375,30	-12.907.304,69
Financing Activities				
Capital increase	0,00	0,00	0,00	0,00
Proceeds from Loans	50.132.836,41	40.840.592,76	20.000.000,00	0,00
Proceeds from leases	588.600,32	3.623.278,05	0,00	0,00
Payment of Loans	-2.199.149,08	-25.380.703,57	0,00	0,00
Payments for leases	-5.192.273,30	-4.157.693,90	-1.848.857,08	-1.796.581,21
Own Stock	-1.257.066,89	-4.918.066,64	-1.257.066,89	-4.918.066,64
Expenses related to capital increase	0,00	-174.490,50	0,00	-145.971,73
Dividends paid / Return capital	-1.168.457,88	-21.962.578,77	0,00	-19.981.978,77
Net cash inflows/(outflows) from Financing Activities (c)	40.904.489,58	-12.129.662,57	16.894.076,03	-26.842.598,35
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	82.734.000,26	-51.582.122,55	-31.788.736,11	-85.468.737,78
Cash and cash equivalents at beginning of the Year	245.450.700,72	297.032.823,27	61.283.352,71	146.752.090,49
Cash and cash equivalents at end of the Year	328.184.700,98	245.450.700,72	29.494.616,60	61.283.352,71

DATA STATEMENT OF CHANGES IN EQUITY (consolidated and non consolidated) amounts in €				
	The Group		The Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Equity Opening Balance (01.01.2016 and 01.01.2015 respectively)	1.605.688.983,66	1.360.856.728,84	439.807.735,02	500.376.553,10
Total comprehensive income net of tax	281.198.201,62	269.375.130,49	-15.999.612,34	-35.504.779,71
Minority interest resulted from Subsidiaries' rates change	-240.000,00	0,00	0,00	0,00
Dividends payable	-96.912,88	-6.729.843,06	0,00	-6.729.843,06
Other Movements	-930.387,65	-12.894.965,97	0,00	-13.416.128,67
Purchase / Sale of own shares	-1.257.066,89	-4.918.066,64	-1.257.066,89	-4.918.066,64
Equity Closing Balance (31.12.2016 and 31.12.2015 respectively)	1.884.362.817,86	1.605.688.983,65	422.551.055,79	439.807.735,02

amounts in thousands.000	The Group	The Company
A) Income	83,78	26.243,26
B) Expenses	3.348,45	10.124,41
C) Receivables	390,63	128.451,20
D) Payables	169,83	235.270,05
E) Directors' and members' of the Board of the Directors transactions and fees	3.651,81	3.292,83
F) Receivables from the Directors' and the members' of the BoD	0,00	0,00
G) Payables to the Directors' and the members' of the BoD	78,11	0,00

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (consolidated and non consolidated) amounts in €		
The Group		
	01.01. - 31.12.2016	01.01. - 31.12.2015
Turnover	1.337.275.219,48	1.193.043.273,00
Gross Profit	612.303.060,88	581.228.168,04
Profit before tax, financial and investing results (EBIT)	262.267.848,52	238.542.760,68
Profit/Loss (before the tax)	253.478.321,88	225.270.681,90
Profit / Loss after tax (A)	226.910.052,17	186.633.435,35
Attributable to :		
Shareholders of the parent company	222.466.621,12	182.639.194,65
Non controlling interests	4.443.431,05	3.994.240,40
Total	226.910.052,17	186.633.435,05
Other comprehensive income / expenses net of tax (B)	54.288.149,45	82.741.695,14
Total comprehensive income net of tax (A) + (B)	281.198.201,62	269.375.130,49
Attributable to :		
Shareholders of the parent company	276.823.085,00	265.326.483,23
Non controlling interests	4.375.116,62	4.048.646,96
Total	281.198.201,62	269.375.130,19
Basic Earnings/losses (after tax) per share(expressed in €)	3,3515	2,7444
Profit before taxes, financing and investing results , depreciation and amortisation (EBITDA)	291.856.605,91	265.006.626,25

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (consolidated and non consolidated) amounts in €		
The Company		
	01.01. - 31.12.2016	01.01. - 31.12.2015
Turnover	146.088.508,88	152.730.393,64
Gross Profit	60.393.181,10	66.015.350,88
Profit before tax, financial and investing results (EBIT)	-10.564.588,85	-898.563,93
Profit/Loss (before the tax)	-25.291.967,46	-16.173.584,42
Profit / Loss after tax (A)	-24.868.698,27	-19.926.025,62
Attributable to :		
Shareholders of the parent company	-24.868.698,27	-19.926.025,62
Non controlling interests	0,00	0,00
Total	-24.868.698,27	-19.926.025,62
Other comprehensive income / expenses net of tax (B)	8.869.085,93	-15.578.754,09
Total comprehensive income net of tax (A) + (B)	-15.999.612,34	-35.504.779,71
Attributable to :		
Shareholders of the parent company	-15.999.612,34	-35.504.779,71
Non controlling interests	0,00	0,00
Total	-15.999.612,34	-35.504.779,71
Basic Earnings/losses (after tax) per share(expressed in €)	-0,3747	-0,2994
Profit before taxes, financing and investing results , depreciation and amortisation (EBITDA)	-4.368.896,66	5.141.618,75

Agios Stefanos, April 7th 2017

THE CHAIRMAN OF THE BOARD

DIMITRIOS KOUTSOLIOUTSOS

ID CARD NO. AK-031337

THE MANAGING DIRECTOR

GEORGIOS KOUTSOLIOUTSOS

ID CARD NO. AB-593469

THE EXECUTIVE MEMBER

EMMANOUIL ZACHARIOU

ID CARD NO. T005560

THE CHIEF ACCOUNTANT

GEORGIOS ALAVANOS

ID CARD NO. AI-518859

LIC. NO. OEE 0008211 A' CLASS

THE CHIEF FINANCIAL OFFICER

FRAGISKOS GRATSONIS

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