



# ANNUAL REPORT







“ FOLLI-FOLLIE COMMERCIAL MANUFACTURING  
AND TECHNICAL SOCIETE ANONYME ”

REG. NO.: 3027701000

23RD KM ATHENS – LAMIA HIGHWAY 145 65, AG. STEFANOS, ATTICA

## ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD 01.01.2013 TO 31.12.2013

PURSUANT TO LAW 3556/2007

The attached financial statements for the period 01.01.2013-31.12.2013 were approved by the Company's Board of Directors on March 28th of 2014 and were published by being posted in the internet, at [www.follifolliegroup.com](http://www.follifolliegroup.com). They have been translated from the original statutory financial statements which have been prepared in Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will still prevail over this document.



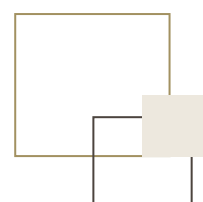
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## chairman's **message**

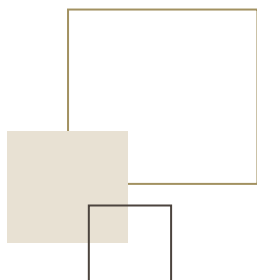


*Dear shareholders,*

We are looking back at another eventful year, which brought important changes to our Group. Our new Group structure is primarily focused on fashion and lifestyle products, at the same time we remain strategically involved in the travel retail business through our participation at the share capital of Dufry AG, which we regard as a strategic partnership.

Our own brands continued their successful expansion in already existing markets, but also new ones. Catering affordable luxury and lifestyle propositions to customers worldwide, we strongly believe that this positioning will continuously gain more audience.

The performance of our domestic operations demonstrated impressively how the Group exploited the opportunities coming from the recession environment and managed to successfully position our local operations as a leading force for branded retail in Greece and the Balkans.



After experiencing six years of heavy recession and having passed the strongest fiscal consolidation, unique in Europe in terms of extent and duration, we see some first signs of optimism.

As a result of the recovery in our Greek and Balkan operations as well as the strong performance of our own brands, Folli Follie and Links of London the FF Group reported excellent financial results for the year 2013.

Consolidated Group revenues for the full year 2013 increased on a continuing basis (excluding the Travel Retail business) by 9,6%.

The Group's Gross profit increased by 10,3%, with the respective gross margin at 50,3%.

In the effort to further control and reduce operating expenses, we managed to achieve an increase in the Group's operating profit of 53,8%.

Earnings before interest, taxes and depreciation increased by 44,5%. Net profit after minorities reached EUR 343 million impacted by the sale of the Travel Retail activity, from EUR 26.1 million in the year 2012.

The Jewellery, Watches and Accessories activity reported for the Full Year 2013 another record performance confirming the favorable positioning of our brands Folli Follie and Links of London. Revenues grew in 2013 by 10% with EBITDA increasing by 29,5% and the respective margin at 26,7%.

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

Revenues for the activity Retail/Wholesale grew by 8% for the year 2013 with EBITDA reaching EUR 10,4 million from EUR -6,3 million in the year before and the EBITDA margin at 9,8% from -6,4% in the year 2012.

The same trend can be observed in the Department Store activity where revenues grew by 10% and EBITDA by 50% with a margin increase from 5,2% to 7,1%.

Looking ahead, we are optimistic for all our activities. We believe that our competitive strengths, along with the growth strategies that we have im-

plemented, paired with a strong balance sheet will enable us to achieve continued financial success.

I wish to express my special thanks and appreciation to our customers, our loyal shareholders and colleagues, particularly to our staff in Greece who achieved with enthusiasm and great commitment in such difficult times for them and their families these outstanding results.

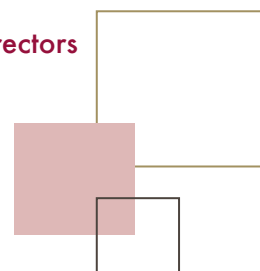
Thank you for your loyalty and support.

Yours sincerely,



**Dimitris Koutsolioutsos**  
**Chairman of the Board of Directors**

**Looking ahead,  
we are optimistic for  
all our activities.**









## company profile

**FOLLI FOLLIE Group** (FF Group) operates in more than 28 countries defining new trends in all sectors at which it activates. With a dynamic structure and an impressive portfolio FF Group "accompanies" a customer through all life phases: from early childhood to adulthood one can relate to the FF Group and its brand portfolio.

In 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 FF Group we treat fashion as a mood enhancer that allows people to follow the lifestyle they dream. From Athens to Hong Kong; from London to Shanghai; from Tokyo to New York, FF Group creates, shares and houses trend-setting fashion and the most coveted style proposals spreading its unparalleled craziness.

FF Group designs, produces and markets on a global level its two own brands: Folli Follie and award winning British jewellery Links of London. Famed for high quality and breakthrough design, jewellery, watches, accessories and giftware Folli Follie and Links of London have won a place in the hearts of millions of consumers globally.

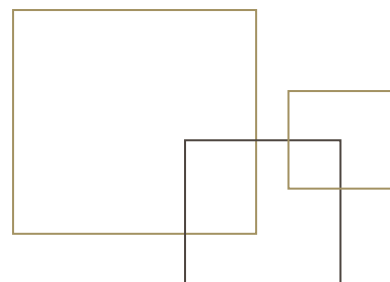
At the same time the Group maintains a leading presence in the department stores field, the retail and wholesale channel within Greece and Europe. "Factory Outlet", as well as "attica" department stores, are the Group's department stores in Greece that cover almost 70,000 m<sup>2</sup>. Moreover, brands such as Ermenegildo Zegna, Juicy Couture, UGG Australia, Guess, Nike, Converse, G-Star Raw, Franklin & Marshall, Samsonite and Technogym belong to the Group's brand portfolio. It is worth mentioning that FF Group has undertaken the exclusive wholesale and retail distribution rights for the Juicy Couture brand in all Continental Europe, UK, Ireland and Cyprus, acquiring an international character and appeal for its ever-growing Fashion Business.

At the same time the Group, in the context of its continuous strategic development, has extended its activities in the Beauty & Cosmetics sector, through the distribution of globally acclaimed brands in the Greek market, such as Dolce & Gabbana, D&G, Gucci, Hugo Boss and also the Dolce & Gabbana Make-Up Collection.

Recently, Folli Follie Group announced the strengthening of Beauty & Cosmetics channel through the acquisition of internationally known brands of cosmetics, such as: Molton Brown, Annick Goutal, Lip Smacker, Agraria, NEOM, etc., and the Store "Heaven on Earth" located in Kifissia.

Maintaining a key role in the global travel retail sector, even after the sale of Hellenic Duty Free Shops to the Swiss Dufry AG, FF Group became a strategic partner of Dufry by joining the main shareholders of the Swiss Group. At the same time the Board of Directors of Dufry will propose Mr. George Koutsolioutsos for election as member of the Board at the 2014 Annual General Meeting. Dufry is a leading global travel retailer operating almost 1,400 duty-free and duty-paid shops in airports, cruise lines, sea-ports, railway stations and downtown tourist areas and operates in 45 countries in Europe, Africa, Eurasia, Central America & Caribbean, North America and South America.

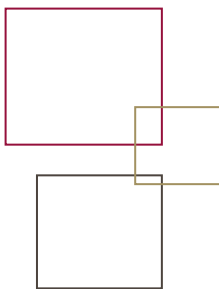
FF Group creates fashion globally and has established a strong presence counting more than 850 points of sale worldwide and employing more than 4,700 people worldwide.



## important milestones

- 1982:** Folli Follie company is founded in Greece by Mr. Dimitris Koutsolioutsos and his wife Ketty. First Folli Follie store opens in downtown Athens.
- 1994:** Launch of the Folli Follie women's watch collection.
- 1995:** Folli Follie enters the Japanese market, shop openings in New York, Hawaii, Guam.
- 1997:** Folli Follie listed at the Athens Stock Exchange.
- 1998:** Entry in key Asian markets.
- 1999:** Folli Follie creates subsidiaries in France and UK.
- 2002:** Folli Follie enters key European and Chinese markets and develops the Travel Retail business.
- 2005:** Opening of "attica", the biggest department store in Greece, in the center of Athens.
- 2006:** Raising the stake at HDFS from 24,61% to 52,28%. HDFS acquires Links of London. Folli Follie obtains the Chinese retail license.
- 2007:** Acquisition of Elmec Sport via HDFS.
- 2008:** Acquisition of Folli Follie's affiliate in Japan.

- 2010:** 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.
- 2011:** 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..
- 2012:** 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.
- 2013:** 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.
- 2014:** FF Group announces exclusive wholesale and retail distribution rights for the Juicy Couture brand in all Continental Europe, UK, Ireland and Cyprus.





## 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 26 countries with more than 600 points of sale worldwide. The philosophy of the brand lies in offering a “full fashion concept” of branded, trendy jewellery, watches and accessories that enhances the feel-good factor and adds a luxurious lifestyle in the lives of modern women.

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 approximately 73 and 200 points of sale respectively, whereas the brand in overall has presence in the most fashionable streets of the world's major cosmopolitan cities: London (Regent Street), Hong Kong (Central district), New York (Madison Avenue), Dubai, Athens, Beijing, Seoul, Honolulu.

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, Harrods in Great Britain, 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 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 British Airways, Cathay Pacific, Air China, China Eastern, Japan Airlines, EVA Airlines, ANA Airlines, Korean Airlines, Qatar Airways, Singapore Airlines, United Airlines etc. Folli Follie has secured presence in Haitang Bay, Hainan Island, China, the world's largest duty free shopping centre, with the store expected to open within the second half of 2014.



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.

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 Rubber Collection, the Jewellery Watches, and specifically the Heart-4Heart, Regatta and Water Champ are amongst the few that have been embellishing female wrists worldwide.

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, from a very successful global best seller necklace, translated into an exciting watches collection, into a complete jewellery line with many distinct offerings and now 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 and Greek top designers, who work together for the presentation of complete jewellery, watches and accessories collections. The collections' highlight is the premium K Collection, which includes unique and limited edition jewellery and accessories pieces, inspired and supervised by Mrs. Ketty Koutsolioutsos.

The aim of our designers is not only to maintain an orientation following the prevailing fashion trends but also to form fashion trends, translating fashion in everyday life and offering particular characteristics, with the signature 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 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 ]

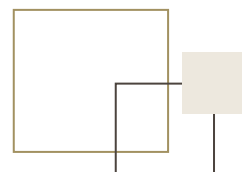
Links of London is an iconic international jewellery brand that captures London's wit, spirit and heart.

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

Today, the in-house design team leads the brand through the next stage of growth and evolution, with a focus on product development with successful launches in 2013 including the Stardust, Dream catcher and Aurora collections. 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 addition, Links of London is launching four new watch collections alongside the Driver and Bloomsbury ranges, signalling the continued growth and strength of its timepiece offering. With the brand having plans to grow its watch offer, for both men and women, even further over the next few years.

Alongside this, Links of London continues to expand its distribution with particular attention on the UK, where it has recently opened new stores in Chester, Bristol and in Ireland within the luxury shopping outlet Kildare Village. This will give it 59 standalone stores and concessions in the UK and Ireland, and 282 points of sale and 48 concessions internationally in locations such as Europe, the Middle East, the Far East and the Americas. Moreover, Links of London will open a new store in Haitang Bay, Hainan Island, China, which will be the largest duty free shopping center in the world, among other prestigious brands. The new store is expected to open within the second half of 2014.



## “We Share Fashion”

FF Group has a very dynamic fashion business unit, as an exclusive importer and distributor of branded clothing footwear and accessories, a fact that places it among the most important businesses in the fashion scene in Greece and South Eastern Europe. Loyal to its corporate goal of becoming as one of the most important Groups in the global fashion sector, FF Group is proud to upgrade its business to an international level.

In 2013 FF Group announced that it has reached an agreement with “Authentic Brands Group LLC” to assume the exclusive wholesale and retail distribution rights Juicy Couture in all Continental Europe, UK, Ireland and Cyprus. With insightful knowledge of the fashion operations on a global level FF Group is bound to ensure the continuity of the significant retail presence of Juicy Couture in Europe, starting with the brand’s flagship store located on Regent Street in London, assisting at the same time the strategic expansion plans of the brand in the rest of Europe.

This important agreement, which is aligned with FF Group’s broader strategy to internationalize its brand portfolio, also comes as a verification of the FF Group’s expertise, insightful knowledge of the global markets’ operations.

At the same time, FF Group plays an active and key role in the broader field of wholesale and retail industry, serving as the exclusive distributor of highly acknowledged and globally aspiring fashion brands of apparel, footwear and accessories in the markets of Greece, Cyprus, Romania and Bulgaria.

Placing emphasis in the fashion element, 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, 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, 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, FF Group is placed among the most hi-profile distributors in the European fashion scene.

Namely, 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, 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-Hiker, Converse, Levi’s Kidswear, Aletta, La Martina Kids 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 in Thessaloniki, the second biggest city in Greece.

In 2013 FF Group opened the biggest Nike store in Europe, which is now located in Glyfada, a southern suburb of Athens.

In 2009, FF Group initiated the development of mono-brand Juicy Couture boutiques in Greece. Four exclusive boutiques operate in Kifisia, Glyfada, Thessaloniki and Mykonos, whereas in April 2011 FF Group opened the first Juicy Couture boutique outside Greece, in Sofia, Bulgaria.

Moreover, signing an agreement with Ermenegildo Zegna for the company’s retail network expansion in Greece has led to the opening of two exclusive Zegna boutiques in Athens and that of another four points of sale “attica” department stores and in the Athens International Airport.







## ***“We House Fashion”***

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 m<sup>2</sup>.

The second discount department store opened in 2006 at the commercial park of Athens International Airport, with a 14,000 m<sup>2</sup> space. 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 m<sup>2</sup> is located in the heart of Athens.

On November 2008, a second “attica”, opened its doors in the recently renovated shopping mall “Golden Hall” near the Athens Olympic Center, with a total surface of 13,000 m<sup>2</sup>.

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 5,000 m<sup>2</sup> space. In September 2014 a forth attica department store is expected to start its operation at the city centre of Thessaloniki.

Moreover, FF Group has a reconstruction program in place for two groups of buildings, a privately owned building of 12,000 m<sup>2</sup> at the centre of Bucharest in Romania, and finally the buildings that have accommodated in the past the department stores “Minion” at Patision street, at the centre of Athens, of 15,000 m<sup>2</sup>.



## ***“We Share Beauty”***

In 2012, 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, Folli Follie Group undertook the exclusive distribution and representation of Procter & Gamble Prestige perfumes in Greece for the following brands: Dolce&Gabbana, D&G, Gucci, Hugo Boss, Escada, Lacoste, Dunhill, Rochas, Ghost, Laura Biagiotti, Christina Aguilera, Puma, and also the Dolce & Gabbana Make-Up Collection.

The Dolce & Gabbana Make-Up collection in particular was introduced for the first time in the Greek market in 2011, and the strategic objective is to further expand it and reach 20 point of sales until 2015. In parallel, Dolce & Gabbana perfumes constitute one of the leading perfume brands in the Greek market.

Folli Follie Group recently announced the strengthening of its Beauty & Cosmetics segment through the acquisition of internationally known brands of cosmetics as: Molton Brown, Annick Goutal, Lip Smacker, Agraria, NEOM, etc., as well as the store Heaven on Earth which is located in Kifissia.



## ***“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, 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 97 stores at 47 sales points throughout Greece, 64 stores of which are located in 21 airports, 17 stores 3 at 13 border stations and 16 stores at 13 ports all over Greece.

In October 2012 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 FF Group and Dufry, as it enables FF Group to further exploit new markets, where Dufry has already presence while simultaneously Dufry benefits from the presence and the know-how that Folli Follie has in markets where Dufry's presence is limited.

Through this strategic partnership FF Group will join the Group of Dufry's AG main shareholders led by Travel Retail Investments SCA. In addition, the Board of Directors of Dufry will propose Mr. George Koutsolioutsos for election as member of the Board at the 2014 Annual General Meeting.

Dufry's, history goes back to 1865, today Dufry AG is a leading global travel retailer operating almost 1,400 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas the Group operates in 45 countries in Europe, Africa, Eurasia, Central America & Caribbean, North America and South America. Dufry provides its customers with prestigious brands from more than 1,500 suppliers and has been pursuing a strategy of profitable growth with focus on tourist destinations in emerging markets.



## ***“We Care”***

### **• Corporate Responsibility**

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 Folli Follie 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 28 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 Folli Follie 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, 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 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.

In the past Folli Follie has sponsored several cultural events in Greece and abroad, events such as the first Kabuki Theater in Megaron-the Athens Concert Hall 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, like Jean Luc Blanc, Gregory Crewdson, Jim Drain, Ryan McGinley, Michael Robinson, Daniel Silver, Daniel Subkoff, Stephen Sutcliffe, Scott Treleaven, Dimitrios Antonitsis, Christos Delidimos, Kostas Bassanos, etc.

Along the Sports axis, Folli Follie honoured the Vouliagmeni female polo team – European Champion 2010 – by dedicating and naming a sports watch "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.

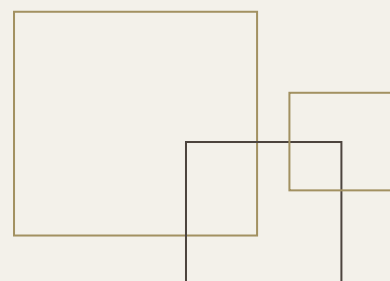
In August 2012, Folli Follie sponsored the sailing race "Aegean Regatta 2012". The race took place in Greece for the 11th consecutive year, starting from the island of Mytilene in the North Aegean sea and reaching its final destination, the island of Syros in the Cyclades. Folli Follie shares with the "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.

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

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 two consecutive years. 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.

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.





## • 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. In addition, Folli Follie 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, Folli Follie 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 the last years. In May 2008, Folli Follie hosted a major Charity Sale in Hong Kong to support the victims of the earthquake in the province of Sichuan. The response was massive and all proceeds from sales of this three-day charity event were donated to the Red Cross of Hong Kong for the relief of the victims. In autumn 2009, Folli Follie designed for Greece and abroad two limited edition bracelets in collaboration with the leading non-profit organisation "Save the Children", whereas part of their proceeds was donated to support its remarkable activities. Folli Follie also donates to organizations dedicated to child care and the protection of children, such as the "Smile Angel" Foundation in China.

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, Folli Follie Group 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 Lord & Taylor store's opening.

In Spain, Folli Follie actively supports the purposes 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, founder of Folli Follie, a department of a nursery that was built in Cangut Village in Senegal, was named as "Ketty's Nursery".

Folli Follie UK supported "Kids Company", a non-profit organization which provides practical, emotional and educational support to vulnerable inner-city children. Using the Pantone of "Kids Company's" logo, an exclusive Heart4Heart range which includes watches, necklaces and bracelets, was created to support the initiative. A part of the products sales proceedings were offered to "Kids Company", and all Folli Follie employees who are based in the UK will be encouraged to also help voluntarily through corporate volunteering days.

In 2013, 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 Sotirópoulou, a famous Greek model/ actress, the ideal ambassador for this initiative. The limited edition bracelet was out of stock in less than a month from all Folli Follie's points of sale in Greece and e-shop.

Moreover, Folli Follie supports, at a national level, many clubs, organizations and non-profit organizations through product donations. Specifically, in 2011 Folli Follie products were offered for free at the following clubs/ organizations to reinforce their lotteries: the Association of Employees of Hospital ATTIKON, the "Kentro Zois", the Nautical Club of Andros, the Association CaryatidesAHEPA, the Association "To Hamogelo tou paidiou" which is a Child Welfare Foundation, the association of Welfare and Education of the Deaf and Hard of Hearing of Greece, the Association of Parents of Children with Special Needs, the National Association of Adapted Activities Alma, the Charity Association "Arogi", to "Merimna" and the "Ksenona Peribolaki", among others.



Links of London is also an active participant of 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, it also organized an ambassadors' initiative, named "Sweetie... It's all about you!", to support the causes 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 the third consecutive year 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 bracelet's 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.



FF Group, which is connected to Japan with a close relationship of friendship and cooperation, which has been continuing for over 25 years, actively supported the victims of the devastating earthquake and tsunami that struck Japan in March 2011. Folli Follie offered 10% of the global sales of the collection Heart4Heart, while Links of London offered 10% of the global sales of the classic Friendship Bracelet and collected a significant amount to support the purposes of the Japanese Red Cross.

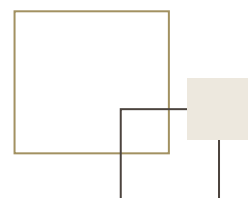
FF Group takes great pride in one the initiative of its employees based in Greece. During December 2013, an FF Group employee task force organized a three-day charity bazaar in which FF Group products were sold and FF Group employees offered their services voluntarily. The FF Group Christmas Charity Bazaar lead 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.

## • Environment Axis

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.

The close relationship that 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.

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.



## **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:

(a): the Group's Full Year 2013 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 § 3-5 of article 5 of Law 3556/2007.

(b): the Group's Full Year 2013 report of the Board of Directors reflects in a true development, performance and position of Folli Follie Group and the companies included in consolidation as a whole, including the description of principal risks and uncertainties faced.

**Agios Stefanos, March 28th, 2014**

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

**GEORGIOS KOUTSOLIOUTSOS**

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

**EMMANOUIL ZACHARIOU**



**B****Annual Board of Directors' Management Report**  
for the period 01.01-31.12.2013**To the Ordinary General Meeting of Shareholders of the year 2013****Dear Shareholders,**

The present Board of Directors' Financial Report for the period 01.01.2013-31.12.2013 was prepared according to the provisions of §6 article 5 of L. 3556/2007 as well as the relevant executive decisions 7/448/11.10.2007 and 1/434/3-7-2007 issued by the Board of Directors of Hellenic Capital Market Commission, as well as the article 136 of L. 2190/1920. The Annual 2013 Financial Report of the Company and the Group has been conducted according to International Accounting Standards adopted by the European Union as well as International Financial Reporting Standards. The report presents the assets, liabilities, equity and the financial performance of in the period considered. The report also includes a description of the basic risks and uncertainties the group's companies may face and finally significant transactions between the issuer and its related parties are also presented in order to provide a comprehensive briefing on the activity the company **"FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME"** and its Group.

The present report includes along with the Company's financial statements for the Full Year 2013 other information and statements required by law and is divided into the following sections:

**A. Review for the Full Year 2013****Consolidated results (Continuing operations)**

In € m.

<b>P&amp;L Statement</b>	<b>FY 2013</b> Continuing operations	<b>FY 2012</b> Continuing operations	<b>chg%</b>
Sales Revenue	884.407	809.729	9.6%
Gross profits	446.788	405.089	10.3%
Operating Profits (EBIT)	166.606	108.233	53.9%
Profit before taxes, financing and investing results, depreciation and amortization	186.596	129.079	44.6%

More detailed, **revenues (continued operations)** reached €884,4 million in 2013, from €809,7 million in 2012, increased by 9,6%. **EBITDA** reached €186,6 million from €129,1 million, increased by 44,6%.

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

- The design, processing and marketing of jewellery, watches and other similar accessories (bags, belts, pashminas, sunglasses, small leather goods, etc.).
- Travel Retail, including duty free and duty paid sales, conducted at airports, stations, ports, and border stations (This operation is not consolidated after the first quarter of 2013).
- The operation of department stores and outlets.
- Wholesale and retail of branded clothing and footwear and
- Other activities.

Details of the respective operating segment:

**a) Jewellery - Watches – Accessories**

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

The Commercial Group's activities include wholesale and retail products primarily under the brand Folli Follie in 27 countries. In addition, through its subsidiary company Links (London) Limited, products are available through an extensive network of outlets across Europe, Middle East, Africa and North America and wholesale at selected outlets internationally.

**b) Travel Retail\***

The Group's travel retail operation includes duty free and duty paid sales at airport terminals, border stations and ports in Greece, sales of duty paid products at retail points that allow to purchase products even for those customers not travelling, through the subsidiary company "HELLENIC DISTRIBUTIONS S.A." and wholesale of goods of traditional products of travel goods to embassies and armed forces.

The duty-free sales are made solely by the parent company of the Group, to departing passengers from third countries, within customs controlled areas, airports, ports and border stations, according to the current legislation and customs regulations.

This operation has 97 shops in 47 locations (25 airports, 11 border stations and 11 ports). Especially at the Athens International Airport, the Company operates a total of twenty two (22) shops on the premises to departing travellers. The subsidiary "Hellenic Distributions S.A.", operates a total of 16 stores, 10 of them at the Athens International Airport.

**\*(This operation is not consolidated after the first quarter 2013)**

**c) Department Stores**

The Group operates through the subsidiary "Attica Department Stores S.A." three department stores, under the brand name "attica". The largest department store is located in the city centre of Athens, another attica department store is located at the mall "Golden Hall" and at the third attica is inside the mall "Mediterranean Cosmos" near Thessaloniki, the second largest city in Greece. Further to this, the operation of two discount department stores under the brand name "Factory Outlet" at Piraeus Street and at the commercial park of Athens International Airport.

**d) Retail – Wholesale**

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

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

This activity includes the following:

- i. **Wholesale** of clothing, shoes and accessories. The collaborations includes: sports apparel and footwear collections, general active wear and street wear, clothing, footwear and fashion accessories (fashion), children's clothing, footwear, travel goods and perfumes.
- ii. **Retail sale** of footwear and clothing accessories for mono-brand/ and multi-brand) retail apparel, footwear- accessories and perfumes.

#### e) Other activities

The sector includes diverse activities of the Group.

The Group represents the brand TechnoGym in Greece which is a leading manufacturer of sports and fitness equipment.

In addition, the Group deals with surveillance and security systems. Yacht Yards Planaco, located on the island of Aegina complements the other activities of the Group.

#### SALES PER SEGMENT (post eliminations) (Continuing operations)

in Euro mil	2013	2012	%chng	% of total
Jewellery-Watches-Accessories	642.4	583.8	10.0%	72.4%
Department Stores	136.2	123.8	10.0%	15.3%
Retail/Wholesale	106.3	98.4	8.0%	12.0%
Other Activities	2.5	3.7	-32.4%	0.3%
<b>Total</b>	<b>887.4</b>	<b>809.7</b>	<b>9.6%</b>	<b>100.0%</b>

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

- Revenues of the segment **"Jewellery-Watches-Accessories"** rose during the year 2013 by 10% to €642.4 million compared to €583.8 million in the corresponding year of 2012.
- Revenues in **"Department Stores"** increased during 2013 by 10% with revenues reaching €136.2 million from €123.8 million in the corresponding year 2012.
- Subsequently, the sector **"Retail and Wholesale"** reported for the year 2013 revenues of €106.3 million from €98.4 million in 2012, increased by 8%.
- Revenues of **"Other Activities"** reached in 2013 €2.5 million from €3.7 million in the corresponding year 2012.



## Financial Position of the Group and ratios

<b>Liquidity</b>		<b>31.12.2013</b>	<b>31.12.2012</b>
General	Current Assets	3.16	2.26
	Current liabilities		
Direct	(Current Assets-Inventories)	2.38	1.48
	Current liabilities		
Cash	(Cash + Securities)	77.67%	26.11%
	Current liabilities		
Working Capital	(Receivables + Inventories)	507,950,091.72	650,867,129.65
	(Suppliers + Other Current Liabilities)		
<b>Activity</b>			
Velocity of money	Net sales	0.91	1.01
	Current Assets		
Recovery	Average Receivables /	163.30	138.93
	Net sales		
Inventory turnover	Cost of goods	1.47	1.54
	Average stock		
Days inventory	Average stock	249.00	236.48
	Cost of goods		
<b>Financial</b>			
Indebtedness	International Equity	24.71%	54,51%
	Total Equity		
Loans to Equity	International Equity	0.33	1.20
	Total equity		
<b>Profitability</b>			
Gross profit	Gross profit	50.38%	50.17%
	Sales		
Return on Assets	Net Profit	22.11%	5.27%
	TOTAL ASSETS		
Return on Equity	Net Profit	29.36%	11.59%
	Total equity		

## B. Significant events during 2013

### External Environment

After six years of recession the Greek economy shrank by 23 percent and lifted the country's unemployment rate to a record 28 percent after austerity measures were imposed to shore up public finances.

All available data indicate that in 2013 the Greek economy reached a turning point, approaching a state of stability that creates the prerequisites for an exit from the prolonged recession in the coming year. Meanwhile, positive developments are documented (a) in the banking sector, where a stabilization trend has been observed, (b) in the reduction of the increase in unemployment, and (c) in international tourism, where stronger inflow has provided a significant boost to the wider economy.

Economic indicators suggest that the recovery will be driven by corporate activity and the concomitant revival of highly pro-cyclical business investment, while the reduction of consumer spending will continue, but at a significantly slower pace. The decline in private consumption should slow, on the back of less negative developments in the fundamental drivers of consumer spending. Moreover, the support to activity from the export sector should be stronger in 2014 as the favorable momentum in tourism activity will be reinforced by the recovery of the euro area.

Recent data, such as retail sales, car sales, industrial output, construction and manufacturing activity suggest the economy has most probably bottomed out and is set to pull out from recession this year.

Finally, the stabilization of the Greek economy and the estimated marginal positive growth of GDP are expected to affect positively the labor market in 2014. The continuation of the state's privatization program as well as the restart of major infrastructure projects will also contribute to the reduction of unemployment.

### Business Developments of the Group

#### 12/4/2013 Amendment of corporate name-completion of spin-off

The amendment of the corporate name "DUTY FREE SHOPS SOCIETE ANONYME FOR EXPLOITATION OF DUTY FREE SHOPS AND INDUSTRIAL, MANUFACTURING, TECHNICAL AND COMMERCIAL COMPANY S.A." (with the distinctive title "FOLLI FOLLIE GROUP") into "FOLLI FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL COMPANY S.A." (with the distinctive title "FOLLI FOLLIE GROUP") was approved by G.E.MH (General Electronic Commercial Registry) with protocol number K5-1383/11-04-2013, as a result of the completion of the carve-out of the "Travel Retail" business of the above mentioned company its contribution as a 100% subsidiary of the company named "DUTY PAID SHOPS S.A.", according to notarial act number 3006/27-03-2013 of the attesting notary Eleni Thomopoulou based in Athens, the financial statement of accounts dated 30-09-2012, the report of the chartered auditors Mr. Panagiotis Vroustouris and Mr. Dimitrios Drossos and the resolutions of the General Shareholder Meetings of the above mentioned companies' dated 06-12-2012 and 19-03-2013 respectively.

The carve-out was conducted according to regulations of Laws 2190/1920 and 1297/1972 and was approved with the announcement by G.E.MH (General Electronic Commercial Registry) with protocol number 31665/11-04-2013 which also approved the amendment of the corporate name absorbing the company of the sector into "DUTY FREE SHOPS S.A.".

#### 23/4/2013 The transfer of 51% of HDFS was completed

The transfer of 51% of the company HELLENIC DUTY FREE SHOPS S.A., to Dufry AG, was successfully completed on April 22nd 2013. FF Group continues to keep a stake of 49% of the company, which will develop from a local travel retail leader into a business of international range, whereby direct synergies will significantly improve the value of FF Group's participation of the 49%.

The transaction amounted to € 200,5 million in cash, prior to this the transfer of debt of € 335 million to the subsidiary company which absorbed the travel retail business had been completed. As a result of this transaction, the bank net debt of the Folli Follie Group (excluding leases) shall become almost even.

### **3/9/2013 Announcement**

FOLLI - FOLLIE GROUP announces that pursuant to the resolutions of 30.08.2013, the Boards of Directors of the following subsidiaries of the Group decided to launch a merger process with "Attica Department Stores SA" (hereinafter "Attica" ) absorbing the companies "NORTHLANDMARK S.A. OPERATIONS OF DEPARTMENT STORES AND MALLS" (hereinafter "NORTHLANDMARK") and "NORTHERN GREECE S.A. OPERATIONS OF DEPARTMENT STORES AND MALLS" (hereinafter "NGD").

The above intragroup merger will take place under the provisions of articles 68 of Law 2190/1920 in conjunction with the provisions of articles 1-5 of Law 2166/1993, as applicable, with the consolidation of the Assets and Liabilities of the merging companies.

The Boards of Directors additionally decided to appoint an independent auditor from the merging companies, Mr. Panagiotis Vroustouris, member of the auditing firm ENEL - AUDITING S.A. for the valuation of the merging companies and the opinion on the reasonableness and fairness of the exchange ratio of shares, to be suggested at a future meetings of the Board of Directors of the merging companies.

During these meetings, it is decided to start the merging process with Balance Sheet date Transformation 31.08.2013 and appointed the Chartered Accountant Mr. George Varthalitis member of the audit company BAKER TILLY HELLAS A.E., to determine the book value of the elements of assets of the merging companies.

In any case all the above and the intended corporate transformation in general, are subject to approval from the General Meetings of the merging companies and the conditions of grant, during the required permits or approvals from the competent authorities.

### **29/11/2013 Significant change in voting rights**

FOLLI FOLLIE S.A. COMMERCIAL INDUSTRIAL AND TECHNICAL COMPANY under the trade name "FOLLI FOLLIE GROUP", announces, in accordance to Law 3556/2007 (article 14, par. 3), and having received respective information on 29.11.2013, a significant change to the voting rights as follows:

- Reason for Notification: Significant change of shares and voting rights
- Full name of the person subject to the notification obligation: Dinakar Singh
- Reason for Notification: Significant change of shares and voting rights, due to disposal of shares

Change in number of shares and voting rights from 4.568.295 shares and 4.568.295 voting rights, after the triggering transaction fell below the 5% threshold. In total, TPG Axon Management LP's participation stands at below 5% voting rights and shares.

Additionally, Mr Dinakar Singh, under the status of controlling person-ultimate managing member of TPG Axon Management LP, its participation stands below 5% (directly and indirectly through TPG Axon Partners LP and TPG Axon International LP)

### **12/12/2013 Completion of sale of HDFs**

Folli Follie enters as a strategic investor to Dufry AG by selling the remaining 49% stake of Hellenic Duty Free Shops.



Folli Follie Group has signed an agreement to sell the remaining 49% equity stake of Hellenic Duty Free to Dufry AG. Folli Follie will receive a total consideration of EUR 328 million through a combination of cash and shares. Through this transaction, Folli Follie will enter as a strategic investor to Dufry AG. On December 11th, 2013, Folli Follie signed an agreement with Dufry AG to sell the remaining 49% of Hellenic Duty Free (HDF). This transaction completes the sale of HDF, the leading travel retailer in Greece, much earlier than originally scheduled, evidencing its 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 will reinforce the strategic partnership between Folli Follie and Dufry. It will enable Folli Follie to further exploit new markets where Dufry has already presence while simultaneously Dufry will benefit from the presence and the know how that Folli Follie has in markets where Dufry's presence is limited.

#### General meeting of shareholders resolutions

The most important decisions of the Group's General Meetings which took place on June 14th, 2013 are as follows: On June 14th, 2013, the Annual General Meeting of the shareholders of the Company was convened and approved, as originally announced, based on the respective invitation.

1. Approval of the annual corporate and consolidated financial statements for the fiscal year 1st January 2012 – 31st December 2012, after having heard the reports of the Board of Directors and the Chartered Auditor-Accountant.
2. Resolution on the distribution of the net profits of the fiscal year 1st January 2012 – 31st December 2012 and 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 2012.
4. Election of an ordinary and a deputy Chartered Auditor – Accountant for the fiscal year 2013 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 2012 and prior approval of all kinds of fees and compensations to be paid during fiscal year 2013.
6. Permission to the Company's Board of Directors, according to article 23a of Law 2190/1920, to grant guarantees and cash facilities and to effect share capital increases of affiliated companies in accordance to par. 5 of article 42e of Law 2190/1920.
7. Amendment of article 9 of the Company's Articles of Association under the title "Appointment and Composition of the Board of Directors" as well as article 17 of the Company's Articles of Association under the title "Invitation – Agenda of the General Meeting of the Company's Shareholders".
8. Approval of own share acquisition program.
9. Various announcements, approvals and decisions.

In the above General Meeting were present shareholders representing 77,119% of the Company's share capital, namely 51.629.933 voting rights out of a total of 66.948.210.

#### Treasury shares

As of 31.12.2013 the Company does not hold 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. Risks associated with the macroeconomic environment

- The uncertainty that stems from the Greek financial crisis is likely to continue to adversely affect the business, the operating results and financial position of the Group.
- Changes in consumer behaviour.
- The Group is subject to economic and political risks and uncertainties that exist in some countries where it operates.
- Enlargement of the European Union and any strengthening of the euro against other currencies like the Japanese yen and dollar would adversely affect the business travel retail sector.
- 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 (IRS).

#### ii) Foreign Exchange Risk:

##### a) Risk of reduced gross profitability due to appreciation of foreign currencies:

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

##### b) Risk from the conversion of financial statements expressed in foreign currency:

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

**iii) Price risk – Inflation:**

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

**Credit Risk**

This is the risk of breaching contractual obligations on part of the other party. With regard to dealing with credit risk from wholesale, the Group performs most of these sales with known department stores in the countries in which it is active and in a network of selected franchisee. Also, as a general measure, it compiles credit insurance contracts.

**Liquidity risk**

Despite the unprecedented financial crisis and the limitation of liquidity internationally, the Group retains high liquidity thanks to the retail nature of the largest part of its sales and provides for further reinforcement of this liquidity, with the successful creation of discount outlets to dispose older stock and the limitation of expenses.

**Inventory risk**

This risk is created by the retaining of old stock from certain companies of the Group and regards the inability to dispose of this stock or its disposal in prices lower than its evaluation. The management of this risk is provided via specialized disposal area-markets such as: Outlet type discount department stores, discount outlets and large hotel units, in countries in which the Group is active. The Group has evaluated its older stock at its net realizable value, evaluated based on the administration experience and the actual market data. The Management believes that this evaluation method (essentially forecasting for stock evaluation) covers fully the inventory risk.

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

The supply and demand for products and thus the cost, sales and results of the Issuer and the Group in general, are affected by various factors external to their activity, such as political instability, financial uncertainty and the recession, which affect each company in various degrees, regardless of the sectors in which they are active.

**E. Labour and environmental issues**

On December 31, 2013 the Group employed 4.703 employees, over 6.063 employees on December 31, 2012. The corresponding figures for the Company are 1.093 versus 2.169. The Group employs (a) employees with a contract of indefinite duration, (b) wage workers, and (c) hourly employees. Labour union formed in consolidated companies Attica Department Stores S.A. (About 170 members).

The Group fully respects the environmental legislation of the countries it operates. Participates in recycling programs and applies the relevant laws in terms of (a) packaging, (b) electric accumulators' etc. vehicle equipment and parts, and (c) electrical and electronic equipment. It has signed contracts with certified companies that manage recycled material. The Group's cooperation with suppliers is based on standards refusing any form of child labour, discrimination or forced labour, in order to ensure the health and safety for every employee involved in the production process, equal pay and respect for their rhythms of life. We visit our suppliers regularly in order to that everyone complies with the principles of social responsibility that inspire us.

**F. Transactions with Affiliates**

The Group companies' receivables and liabilities, 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 2013, according to IAS 24, are the following:



## For the Group

		1/1- 31/12/2013		1/1- 31/12/2012	
		Executives	Other related parties	Executives	Other related parties
<b>Purchases of Goods</b>					
Folli Follie S.A.			266.006,02	0,00	0,00
Northlandmark S.A.			544.977,00	0,00	445.017,00
Attica Department stores S.A.			2.215.767,00	0,00	467.393,00
<b>Total</b>		<b>0,00</b>	<b>3.026.750,02</b>	<b>0,00</b>	<b>912.410,00</b>
<b>Sales of services-Other income</b>					
Folli Follie S.A.			686.180,67	0,00	0,00
Northlandmark S.A.			545,00	0,00	1.292,00
Attica Department stores S.A.			19.265,00	0,00	8.740,00
<b>Total</b>		<b>0,00</b>	<b>705.990,67</b>	<b>0,00</b>	<b>10.032,00</b>
<b>Get services-Other expenses</b>					
Folli Follie S.A.			13.696,31	0,00	0,00
Northlandmark S.A.			47.554,00	0,00	18.894,00
Attica Department stores S.A.			97.500,00	0,00	11.669,00
<b>Total</b>		<b>0,00</b>	<b>158.750,31</b>	<b>0,00</b>	<b>30.563,00</b>
<b>Sales of Goods</b>					
Folli Follie S.A.			3.305.954,62	0,00	0,00
Northlandmark S.A.			1.593,00	0,00	0,00
Attica Department stores S.A.			103.039,00	0,00	0,00
<b>Total</b>		<b>0,00</b>	<b>3.410.586,62</b>	<b>0,00</b>	<b>0,00</b>
<b>Transactions &amp; remuneration of board members &amp; managers</b>					
Folli Follie S.A.	2.999.762,63	0,00		7.054.079,86	0,00
Hellenic Distributions S.A.	73.597,77	0,00		314.448,38	0,00
Northlandmark S.A.	424.959,01	0,00		289.350,25	0,00
Attica Department stores S.A.	235.170,00	0,00		325.560,00	0,00
<b>Total</b>	<b>3.733.489,41</b>	<b>0,00</b>	<b>0,00</b>	<b>7.983.438,49</b>	<b>0,00</b>
<b>Receivables</b>					
Folli Follie S.A.	0,00	4.413.073,38		0,00	38.907,97
Northlandmark S.A.	0,00	0,00		0,00	266,00
Attica Department stores S.A.	0,00	9.024,00		0,00	6.390,00
Planaco S.A	41.677,54	0,00			
<b>Total</b>	<b>41.677,54</b>	<b>4.422.097,38</b>		<b>0,00</b>	<b>45.563,97</b>
<b>Payables</b>					
Folli Follie S.A.	0,00	327.563,95		0,00	0,00
Northlandmark S.A.	0,00	0,00		0,00	338.227,00
Attica Department stores S.A.	0,00	1.001.840,00		0,00	500.471,00
<b>Total</b>	<b>0,00</b>	<b>1.329.403,95</b>		<b>0,00</b>	<b>838.698,00</b>

## For the Company

	1/1-31/12/2013	1/1-31/12/2012		1/1-31/12/2013	1/1-31/12/2012
Sales of Goods			Sales of services/ Other income		
FOLLI-FOLLIE H.K. - Group	828.418,36	54.645,46	FOLLI-FOLLIE H.K. - Group	19.224,49	5.302,72
FOLLI-FOLLIE JAPAN LTD	49.790,50	91.027,21	FOLLI-FOLLIE JAPAN LTD	4.181,23	362,43
FOLLI FOLLIE UK LTD	0,00	0,00	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	-18.740,85	-2.929,22	FOLLI FOLLIE FRANCE SA	6.054,69	6.064,84
FOLLI FOLLIE SPAIN SA	37.034,83	72.953,17	FOLLI FOLLIE SPAIN SA	7.322,95	16.625,32
MFk FASHION LTD	1.302.273,79	964.247,96	MFk FASHION LTD	22.746,81	19.491,50
PLANACO SA	4.580,55	0,00	PLANACO SA	0,00	2.400,00
LINKS OF LONDON LTD	6.992.577,48	5.947.458,05	LINKS OF LONDON LTD	30.003,18	30.963,94
HELLENIC DISTRIBUTIONS S.A.	4.329.667,92	5.274.062,62	HELLENIC DISTRIBUTIONS S.A.	3.293,30	38.085,06
HDFS SKOPJE DOO	0,00	0,00	HDFS SKOPJE DOO	0,00	0,00
HELLENIC TOURIST BUREAU S.A	0,00	0,00	HELLENIC TOURIST BUREAU S.A	0,00	0,00
FF GROUP ROMANIA SRL	6.815.032,09	8.603.597,11	FF GROUP ROMANIA SRL	11.502,31	10.712,77
FF GROUP BULGARIA EOOD	3.730.074,55	3.545.137,58	FF GROUP BULGARIA EOOD	6.317,86	1.768,10
MOUSTAKIS S.A.	808.398,52	716.286,56	MOUSTAKIS S.A.	187.047,78	5.046,50
LOGISTICS EXPRESS S.A.	232.226,88	569.440,95	LOGISTICS EXPRESS S.A.	98.083,09	30.481,07
ATTICA DEPARTMENT STORES S.A.	5.734.220,99	4.469.786,00	ATTICA DEPARTMENT STORES S.A.	15.464,30	203.594,00
NORTHLANDMARK S.A.	1.831.547,08	3.348.736,52	NORTHLANDMARK S.A.	0,00	0,00
ICS ELMEC SPORT SRL	0,00	0,00	ICS ELMEC SPORT SRL	0,00	0,00
ICE CUBE S.A.	404.735,72	570.295,09	ICE CUBE S.A.	3.961,33	3.555,35
COLLECTIVE OF PATRAS S.A.	315.680,25	309.532,50	COLLECTIVE OF PATRAS S.A.	7.328,63	3.013,35
FOLLI FOLLIE SHENZHEN	0,00	0,00	FOLLI FOLLIE SHENZHEN	0,00	0,00
NORTH GREECE DEPARTMENT STORES S.A.	525.371,54	1.293.410,90	NORTH GREECE DEPARTMENT STORES S.A.	0,00	0,00
FF HOLDINGS S.A	9.619,77	0,00	FF HOLDINGS S.A	24.982,73	0,00
<b>TOTAL</b>	<b>33.932.509,97</b>	<b>35.827.688,46</b>	<b>TOTAL</b>	<b>447.514,68</b>	<b>377.466,95</b>

	1/1-31/12/2013	1/1-31/12/2012		1/1-31/12/2013	1/1-31/12/2012
Purchases of Goods			Get services/ Other expenses		
FOLLI-FOLLIE H.K. - Group	7.002.790,08	7.264.647,66	FOLLI-FOLLIE H.K. - Group	13.234,29	10.128,97
FOLLI-FOLLIE JAPAN LTD	0,00	0,00	FOLLI-FOLLIE JAPAN LTD	0,00	0,00
FOLLI FOLLIE UK LTD	0,00	0,00	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	8.896,41	0,00	FOLLI FOLLIE FRANCE SA	0,00	0,00
FOLLI FOLLIE SPAIN SA	0,00	0,00	FOLLI FOLLIE SPAIN SA	0,00	0,00
MFk FASHION LTD	0,00	0,00	MFk FASHION LTD	0,00	0,00
PLANACO SA	0,00	11.881,00	PLANACO SA	2.040,00	0,00
LINKS OF LONDON LTD	379.700,42	602.383,26	LINKS OF LONDON LTD	81.250,20	3.634.910,35
HELLENIC DISTRIBUTIONS S.A.	594.222,99	699.717,17	HELLENIC DISTRIBUTIONS S.A.	0,00	37.246,65
HDFS SKOPJE DOO	0,00	0,00	HDFS SKOPJE DOO	0,00	0,00
HELLENIC TOURIST BUREAU S.A	0,00	0,00	HELLENIC TOURIST BUREAU S.A	0,00	0,00
FF GROUP ROMANIA SRL	2.060.829,03	397.079,42	FF GROUP ROMANIA SRL	0,00	0,00
FF GROUP BULGARIA EOOD	510.870,00	96.063,96	FF GROUP BULGARIA EOOD	0,00	0,00
MOUSTAKIS S.A.	501,51	0,00	MOUSTAKIS S.A.	0,00	64,53
LOGISTICS EXPRESS S.A.	163.929,93	1.320,33	LOGISTICS EXPRESS S.A.	0,00	214,00
ATTICA DEPARTMENT STORES S.A.	198.085,86	256.636,04	ATTICA DEPARTMENT STORES S.A.	138.529,53	111.061,89
NORTHLANDMARK S.A.	0,00	56.724,55	NORTHLANDMARK S.A.	29.241,01	0,00
ICS ELMEC SPORT SRL	0,00	0,00	ICS ELMEC SPORT SRL	0,00	0,00
ICE CUBE S.A.	1.165,85	1.900,81	ICE CUBE S.A.	0,00	0,00
COLLECTIVE OF PATRAS S.A.	246.275,55	288.081,25	COLLECTIVE OF PATRAS S.A.	0,00	0,00
FOLLI FOLLIE SHENZHEN	0,00	16.245,46	FOLLI FOLLIE SHENZHEN	0,00	0,00
NORTH GREECE DEPARTMENT STORES S.A.	11.424,00	0,00	NORTH GREECE DEPARTMENT STORES S.A.	2.996,43	46.054,86
FF HOLDINGS S.A	2.200.763,13		FF HOLDINGS S.A	0,00	
<b>TOTAL</b>	<b>13.379.454,76</b>	<b>9.692.680,91</b>	<b>TOTAL</b>	<b>267.291,46</b>	<b>3.839.681,25</b>

	1/1-31/12/2013	1/1-31/12/2012		1/1-31/12/2013	1/1-31/12/2012
Receivables			Payables		
FOLLI-FOLLIE H.K. - Group	1.335.668,49	4.206.956,97	FOLLI-FOLLIE H.K. - Group	3.307.853,31	0,00
FOLLI-FOLLIE JAPAN LTD	7.106.550,51	7.166.412,20	FOLLI-FOLLIE JAPAN LTD	0,00	0,00
FOLLI FOLLIE UK LTD	4.585,88	4.684,63	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	1.570.974,11	694.660,27	FOLLI FOLLIE FRANCE SA	8.896,41	0,00
FOLLI FOLLIE SPAIN SA	5.972.859,33	3.368.541,52	FOLLI FOLLIE SPAIN SA	0,00	0,00
MFK FASHION LTD	1.695.635,75	855.649,37	MFK FASHION LTD	0,00	0,00
PLANACO SA	3.883.350,00	2.334.331,09	PLANACO SA	554,21	9.660,18
LINKS OF LONDON LTD	13.217.016,40	7.633.802,42	LINKS OF LONDON LTD	10.668.650,15	10.409.153,24
HELLENIC DISTRIBUTIONS S.A.	0,00	2.053.660,91	HELLENIC DISTRIBUTIONS S.A.	0,00	0,00
HDFS SKOPJE DOO	0,00	0,00	HDFS SKOPJE DOO	0,00	0,00
HELLENIC TOURIST BUREAU S.A	0,00	0,00	HELLENIC TOURIST BUREAU S.A	0,00	0,00
FF GROUP ROMANIA SRL	7.703.669,46	10.519.425,83	FF GROUP ROMANIA SRL	15.560,51	202.580,55
FF GROUP BULGARIA EOOD	189.654,98	61.745,02	FF GROUP BULGARIA EOOD	0,00	0,00
MOUSTAKIS S.A.	50.733,69	11.154,99	MOUSTAKIS S.A.	0,00	0,00
LOGISTICS EXPRESS S.A.	2.346.319,43	2.349.856,47	LOGISTICS EXPRESS S.A.	0,00	0,00
ATTICA DEPARTMENT STORES S.A.	10.549.656,29	5.668.447,95	ATTICA DEPARTMENT STORES S.A.	178.135,57	174.986,27
NORTHLANDMARK S.A.	0,00	4.004.540,54	NORTHLANDMARK S.A.	0,00	19.639,82
ICS ELMEC SPORT SRL	0,00	0,00	ICS ELMEC SPORT SRL	0,00	0,00
ICE CUBE S.A.	696.427,06	760.410,03	ICE CUBE S.A.	0,00	0,00
COLLECTIVE OF PATRAS S.A.	295.019,13	1.090.659,90	COLLECTIVE OF PATRAS S.A.	0,00	0,00
FOLLI FOLLIE SHENZHEN	0,00	0,00	FOLLI FOLLIE SHENZHEN	381,41	0,00
NORTH GREECE DEPARTMENT STORES S.A.	0,00	1.212.536,95	NORTH GREECE DEPARTMENT STORES S.A.	0,00	2.535,10
FF HOLDINGS S.A	19.999,25	0,00	FF HOLDINGS S.A	1.538.703,71	0,00
<b>TOTAL</b>	<b>56.638.119,76</b>	<b>53.997.477,06</b>	<b>TOTAL</b>	<b>15.718.735,28</b>	<b>10.818.555,16</b>

## Trends, Prospects and expected development of the Group

Despite a still challenging local environment, we expect the Asian region to maintain the key growth driver for the Group. Thanks to a diversified portfolio of activities and the presence in major markets worldwide the Group has a comparative advantage. We expect for 2014 an ongoing difficult environment for our local operations, which will be more than offset but our diversified geographic expansion as well as product portfolio. Together with our strategic partners like the Fosun Group, the Koc Group and more recently the Dufry Group we are continuously exploring new partnerships, markets and synergies aiming to maximize value for our shareholders.

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

The prospects for the Greek economy start to show on encouraging signs, as the recession is projected to reach a stabilization point in 2014 and the economy is expected to move towards positive territory. Rising unemployment, and a continuing declining purchasing power, does not leave considerable room for optimism, since the activities of the parent company are intertwined with those of the Greek economy.

## 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

The Company complies with the specific practices for listed companies provided by the Greek Code of Corporate Governance (EKED):

[http://www.ecgi.org/codes/documents/hellenic\\_cg\\_code\\_oct2013\\_en.pdf](http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf).

The company may proceed to amendments in the Code and the Corporate Governance Principles applied.

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

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

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

## Deviations from the Corporate Governance Code and justification

### Board of Directors' role and competencies

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

### Board of Directors' size and composition

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



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

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

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

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

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

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

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

- There is no established procedure for the evaluation of the Board of Directors' and its committee's evaluation, nor is the performance of the Board of Directors' Chairman evaluated during the procedure presided by the independent Vice Chairman or another non-executive Board of Directors' member in lack of an independent Vice Chairman. This procedure is not considered necessary in light of the company's organizational structure.
- Regular and non-executive members do not convene without the presence of executive members, in order to evaluate the performance of executive members and determine their rewards.
- The Board of Directors does not describe in the corporate governance annual statement its evaluation procedure, as well as the evaluation procedure for its committees, since no such evaluation procedures are applied.

### **Internal Audit System**

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

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

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

- Constant implementation of the corporate strategy with effective use of the available resources.

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

### Audit Committee

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

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

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

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

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

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

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

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

### Remunerations

- The Board of Directors' executive members' contracts do not include any term according to which the Board of Directors may claim the refund of the entire or part of the bonus that has been allocated, due to revised financial statements of previous financial years or in general, based on erroneous financial data used for the estimation of this bonus.
- There is no rewards committee, consisting exclusively of non-executive members, independent by their majority, dealing with the determination of the Board of Directors' executive and non-executive members' rewards. Thus, there are no provisions for the duties of the said committee, the frequency of its meetings and other issues regarding its operation. The composition of such a committee, in light of the company's structure and operation, has not been considered necessary so far.

- Each Board of Directors' executive member's reward is not approved by the Board of Directors further to a suggestion by the rewards committee without the presence of its executive members, given that no such rewards committee exists.

## General Meeting

- No deviation was found.

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

## General Meeting of shareholders

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

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

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

At least the company's Board of Directors' Chairman, the Vice Chairman and the Managing Director attend the shareholders' General Meeting, in order to provide information on issues of their competence, placed for discussion, and on questions or clarifications requested by the shareholders. The General Meeting Chairman has ample time for the submission of questions by shareholders.

## General Meeting basic authorities

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

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

- Any issue submitted to it by the Board of Directors or eligible parties, according to the provisions of the Law or the Articles of Association, to call for its convention;
- Amendments on the Articles of Association. Such amendments are those regarding the increase or reduction of share capital, the Company's dissolution, the extension of its duration and its merger with another company;
- The election of the Board of Directors' members and the auditors, and determination of their rewards;
- The approval or amendment of annual financial statements prepared by the Board of Directors and the disposal of net profit;

- The approval, by special voting performed with nominal call, of the Board of Directors' management and the release of the board of Directors and auditors of any liability further to the voting of the Annual Financial Statements and the hearing of the report on the Board of Directors' activities and the general status of the corporate cases. The company's Board of Directors' and its employees may participate in the above voting, but only with shares they hold by ownership;
- The hearing of auditors with regard to the company's books' and accounts' audits they have performed;
- The issuing of bond loans with rights over profits, according to article 3b of Law 2190/1920 and convertible bond loans;
- The appointment of liquidators in case of the company's dissolution;
- The filing of lawsuits against Board of Directors' members or the auditors, for breach of their duties as deriving from the Law and Articles of Association.

### Shareholders' rights and their exercise

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

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

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

### Information on the Board of Directors' composition and operation

#### Board of Directors' composition

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

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

The company's Board of Directors is the trustee of the Corporate Governance Principles of the company. The Board of Directors consists of seven (7) to fifteen (15) 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 six executive members, five non-executive members and two independent non-executive members. From the non-executive members, two fulfil its prerequisites, according to the provisions of L. 3016/2002 on Corporate Governance and are considered independent. Executive members are employed by the company or provide services to it by exercising administrative duties. The Board of Directors' non-executive members do not exercise administrative duties to the company.



Member of the Board of Directors:

NAME	SEAT
1. Koutsolioutsos Dimitrios	Chairman, Executive member
2. Koutsolioutsos Ekaterini	Vice Chairman, Executive member
3. Koutsolioutsos Georgios	Managing Director, Executive member
4. Zachariou Emmanouil	Deputy Managing Director & General Manager, executive member
5. Ioannis Tsigounakis	Non-executive member
6. Aronis Georgios	Independent non-executive member
7. Dafermos Epaminondas	Independent non-executive member
8. Jiannong Qian	Non-executive member
9. Koukoutsas Ilias	Non-executive member
10. Kouloukountis Ilias	Non-executive member
11. Mantzavinos Zacharias	Non-executive member
12. Anna Marina Xirokosta	Non-executive member
13. Nioti Eirini	Executive member

### Brief CVs of the BoD members:

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

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

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

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

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

**Georgios Aronis**, He was born in Athens in 1957. He studied Finance and has an MBA, major in Finance, by ALBA. He has been working for Alpha Bank since 2004 as head of Retail Banking and May.2006 he became Executive

General Manager. He has worked for 15 years in multinational banks, most of the time for ABN AMRO in Greece and abroad. For 6 years he worked in managerial positions for National Bank of Greece and from 2002 until 2004 he was General Manager of Retail Banking. He is Chairman of Board of Directors of Alpha Insurance Agencies, Vice President of Alpha Asset Management A.E.D.A.K. and Alpha Life. Since January 2011 he is a non-executive Board member of the Issuer.

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

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

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

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

**Anna Marina Xirokosta**, Graduated from the Law University of Dimokritos Thrake and holds a Master Degree (MSc in Business for Lawyers from ALBA GRADUATE BUSINESS SCHOOL). She started as a lawyer for corporate law in 2005.

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

**Ioannis Tsigkounakis**, Graduated from the Athens Law University and holds a postgraduate Master degree (MSc on international and banking law, University of Pantheon in Paris (Sorbonne), France). His professional experience started in 1992 as an attorney specializing in shipping and matters relating to the settlement of international disputes at a law firm based in Piraeus. During 1994-2007 he was a lawyer in the law firm Vgenopoulos & Partners dealing mainly with capital markets issues while from 2007 to 2013 he was in charge of the International financial markets division of the same company.

Since 2014 he is the founder and principal shareholder of the law firm IDEALAW in Greece specializing in the entire spectrum of commercial law, corporate restructuring and international transactions.

### Relations with shareholders

#### Communication with shareholders

-no deviation was found

## Z. 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 nominal shares with nominal value € 0,30 each and paid in full. Each share provides the right of one vote. All shares are listed for trade at the Athens Stock Exchange in the category of Big Capitalization.

Each share embodies all rights and obligations determined by the Law and the FF Group S.A. Articles of Association, which do not contain any provisions more limiting than those provided by the Law. The shareholders' liability is limited to the nominal value of the shares they own. The ownership of the share entails the acceptance of the Folli Follie Group's Articles of Association and the lawful decisions of the shareholders' General Meetings by its owner. The Folli Follie Group Articles of Association do not provide special rights in favour of specific shareholders or change terms for the capital and amendment of the shareholders' rights which are more limiting than the provisions of the Law. Shareholders exercise their rights in relation to the company administration via the General Meetings. Each shareholder has a right to participate in the company's shareholders' General Meeting either in person or via a representative. Each share provides the right of one vote.

Each shareholder may request 10 days before the Regular General Meeting 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 31.12.2013, the following shareholders held more than 5% of total voting rights

Dimitrios G. Koutsolioutsos: 36,01%

Fosun International: 13,85%

Fidelity Investments: 6,6%

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

There are no shares of the Company to 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 between the shareholders of the Company**

It is not known to the Company that there are agreements between the shareholders or the voting rights arising from shares.

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

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

The Society for the appointment and replacement of Board members, as well as amending the Constitution as needed following the provisions of Law 2190/1920, as amended.

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

1. The company cannot undertake to cover its own shares.
2. Without prejudice to the principle of equal treatment of shareholders in the same position and the provisions of Law 3340/2005, as applicable, the Company may, itself or through a person acting in his name but on behalf of, to acquire its own shares, but only after approval by the General Meeting, which establishes the terms and conditions of such acquisitions, in particular the maximum number of shares to be acquired, the duration for which the authorization, which cannot exceed twenty-four (24) months and in case of acquisition for value, the minimum and maximum value of the acquisition.

## **I. Significant agreements between the company that enters into force, alter or terminate upon change of the control of the Company following a public offer and the effects thereof**

Does not exist.



**J. Agreements that the Company has entered with members of the Board of Directors or its staff, which provides for compensation in case of resignation or dismissal without cause or termination of office or employment as a result of the bid**

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

**K. Dividend policy**

The Board, despite the positive results of the Group, taking into account the market crisis, and to further strengthen the financial position of the company in conjunction with planned investments will propose at the Annual General Meeting, not to distribute to the shareholders dividend for the fiscal year 2013.

**L. Significant events after year end**

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

**Ag. Stefanos, March 28th, 2014**

CHIEF EXECUTIVE OFFICER  
**GEORGIOS KOUTSOLIOUTSOS**

DEPUTY EXECUTIVE OFFICER  
AND GENERAL MANAGER  
**EMMANOUIL ZACHARIOU**



## Independent certified auditors' accountants report

To the Shareholders of "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME"

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

We have audited the accompanying consolidated financial statements of "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" and its subsidiaries, which comprise the parent and consolidated statement of financial position as of 31 December 2013, and the parent and consolidated statement of comprehensive income, of changes in equity and cash flows for the year that ended, as well as the summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" and of its subsidiaries as at December 31, 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### Report on Other Legal and Regulatory Requirements

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

**BAKER TILLY HELLAS**  
**Certified Public Accountants S.A.**  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

**Athens, 31 March 2013**  
The Certified Public Accountant

**Chrisa G. Tsakalogianni**  
SOEL Reg.: 23811



**D**

# Financial Statements

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

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

## The Group

**31.12.2013**
**31.12.2012**

### Assets

	NOTES		
Non-current assets			
Tangible fixed assets	4	175.305.338,39	240.100.507,06
Investment Property	4	76.053.155,41	72.865.151,63
Intangible assets	5	11.938.947,00	99.605.695,21
Goodwill	5	91.872.622,21	252.770.555,37
Investments in subsidiaries	6	14.000.000,00	0,00
Investments in Associates		479.383,27	505.733,64
Investments available for sale	7	153.747.536,89	616.878,56
Deferred tax claims	20	3.485.524,29	22.631.222,89
Other long term assets	8	20.376.393,82	30.794.038,80
Total non-current		547.258.901,28	719.889.783,16
Current assets			
Inventories	9	254.839.033,30	377.616.142,19
Trade receivables	10	390.415.004,20	445.537.105,50
Other current assets	10	127.669.284,66	146.280.364,56
Other financial assets at fair value through profit	12	20.059,78	35.470,71
Cash & cash equivalent	11	251.584.195,30	126.483.148,41
Total current assets		1.024.527.577,24	1.095.952.231,37
Total assets		1.571.786.478,52	1.815.842.014,53
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	13	20.084.463,00	20.084.463,00
Share Premium	13	145.211.731,47	145.211.731,47
Other reserves	13	47.741.628,47	-13.423.218,00
Other equity	13	-130.655.674,31	-114.561.004,47
Retained earnings	13	1.077.755.479,47	768.222.990,18
		1.160.137.628,10	805.534.962,18
Minority interests		23.293.877,43	20.412.136,83
Total equity		1.183.431.505,53	825.947.099,01
Liabilities			
Long-term liabilities			
Long-term borrowings	14	35.904.529,82	428.829.361,00
Deferred tax liabilities	20	12.762.162,21	36.112.907,36
Employee benefit liabilities	15	2.534.670,23	7.416.433,38
Total long-term provisions	16	3.485.456,71	3.704.119,71
Other long-term liabilities	17	9.725.733,54	29.298.802,95
Total long-term liabilities		64.412.552,51	505.361.624,40
Short-term liabilities			
Short-term borrowings	14	186.638.474,70	312.247.173,08
Trade and other payables	18	120.258.929,37	152.291.571,36
Current Income tax	19	11.465.616,98	15.039.688,88
Current tax liabilities	19	5.576.882,50	4.895.329,86
Dividends payable		2.516,93	59.527,94
Total short term liabilities		323.942.420,48	484.533.291,12
Total liabilities		388.354.972,99	989.894.915,52
Total equity & liabilities		1.571.786.478,52	1.815.842.014,53

## [1.2] Statement of Financial Position of the Company

		The Company	
		31.12.2013	31.12.2012
<b>Assets</b>			
Non-current assets	<b>NOTES</b>		
Tangible fixed assets	4	50.441.327,95	110.300.448,57
Investment Property	4	76.053.155,41	72.865.151,63
Intangible assets	5	3.635.503,69	89.322.851,05
Goodwill	5	39.373.861,68	200.171.794,84
Investments in subsidiaries	6	200.167.864,24	193.522.864,24
Investments in Associates		700.000,00	450.000,00
Investments available for sale	7	153.558.153,89	614.677,56
Deferred tax claims	20	0,00	18.513.623,29
Other long term assets	8	11.409.013,38	20.516.989,50
Total non-current		535.338.880,24	706.278.400,68
Current assets			
Inventories	9	31.213.252,87	91.545.137,04
Trade receivables	10	74.603.411,30	78.310.935,95
Other current assets	10	32.515.122,75	37.806.143,01
Other financial assets at fair value through profit	12	20.059,78	35.470,71
Cash & cash equivalent	11	134.500.088,67	11.729.895,39
Total current assets		272.851.935,37	219.427.582,10
Total assets		808.190.815,61	925.705.982,78
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	13	20.084.463,00	20.084.463,00
Share Premium	13	145.211.731,47	145.211.731,47
Other reserves	13	43.672.225,11	-17.217.508,51
Other equity	13	-85.554.366,48	-85.554.366,48
Retained earnings	13	437.796.611,32	40.074.713,56
Minority interests		0,00	0,00
Total equity		561.210.664,42	102.599.033,04
Liabilities			
Long-term liabilities			
Long-term borrowings	14	25.226.682,00	400.008.208,00
Deferred tax liabilities	20	11.652.186,23	34.825.381,41
Employee benefit liabilities	15	1.435.182,00	6.009.001,83
Total long-term provisions	16	2.412.095,01	2.721.000,00
Other long-term liabilities	17	9.641.912,28	29.210.736,37
Total long-term liabilities		50.368.057,52	472.774.327,61
Short-term liabilities			
Short-term borrowings	14	143.144.124,37	284.874.963,01
Trade and other payables	18	51.803.555,75	64.421.401,03
Current Income tax	19	0,00	4.158,80
Current tax liabilities	19	1.661.896,62	972.571,35
Dividends payable		2.516,93	59.527,94
Total short term liabilities		196.612.093,67	350.332.622,13
Total liabilities		246.980.151,19	823.106.949,74
Total equity & liabilities		808.190.815,61	925.705.982,78

1) Significant changes in Equity and liabilities due to the spin-off of the travel retail. For comparability purposes set out in Note 34 " Financial Position December 31, 2012 " for both the Group and the Company , which does not include the travel retail.

2) Based on the new IAS 19 which apply from 01.01.2013, the total actuarial loss / gain arising should be recognized directly in a separate account in the statement of comprehensive income directly influencing equity. After applying the standard restated the comparative figures of "equity" of " deferred tax " and " provisions for employee benefits " of financial statements 31.12.2012 . After the allocation of actuarial losses / gains net of the Group and of the Company on 31.12.2012 restated by € 858 thousand.

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

### 2.1 The Group

		Group					
		01.01. - 31.12.2013	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2012		
		Continuing operations	Non - Continuing operations	Total	Continuing operations		
					Non - Continuing operations		
					Total		
NOTES	21	887.407.141,07	46.823.352,39	934.230.493,46	809.729.243,04	300.303.293,00	1.110.032.536,04
		-440.619.515,23	-22.927.948,95	-463.547.464,18	-404.640.678,79	-148.530.823,00	-553.171.501,79
	Gross Profit	446.787.625,84	23.895.403,44	470.683.029,28	405.088.564,25	151.772.470,00	556.861.034,25
	Other operating income	10.577.069,63	2.502.356,89	13.079.426,52	17.576.681,70	14.962.171,00	32.538.852,70
	Administration expenses	-56.183.869,88	-2.904.756,40	-59.088.626,28	-64.286.719,40	-9.315.251,00	-73.601.970,40
	Selling expenses	-224.908.271,31	-16.427.083,43	-241.335.354,74	-234.324.568,90	-79.481.075,00	-313.805.643,90
	Other operating expenses	-9.666.397,75	-271.545,38	-9.937.943,13	-15.821.011,79	-389.804,00	-16.210.815,79
	Operating income	166.606.156,52	6.794.375,12	173.400.531,64	108.232.945,86	77.548.511,00	185.781.456,86
	Financial-Investments and other income-expenses at fair value	227.094.455,77	-2.854.442,65	224.240.013,12	-46.802.382,41	-7.990.656,53	-54.793.038,94
	Investments in Associates	-27.998,61		-27.998,61	-93.966,36	0,00	-93.966,36
26	Profit/Loss (before the tax)	393.672.613,68	3.939.932,47	397.612.546,15	61.336.597,09	69.557.854,47	130.894.451,56
	Income tax	-50.660.830,81	551.942,78	-50.108.888,03	-35.274.296,46		-35.274.296,46
	Profit/Loss (after the tax)	343.011.782,87	4.491.875,25	347.503.658,12	26.062.300,63	69.557.854,47	95.620.155,10
	Depreciation & amortization	19.989.962,94	1.298.898,65	21.288.861,59	20.845.733,23	6.191.306,98	27.037.040,21
	Profit before taxes depreciation & amortisation	186.596.119,46	8.093.273,77	194.689.393,23	129.078.679,09	83.739.817,98	212.818.497,07
	Other comprehensive income / (expenses): Recognised in Equity						
	Amounts not reclassified to income statement	0,00	0,00	0,00	0,00	0,00	0,00
	Revaluation of liabilities for employee benefits	0,00	0,00	0,00	0,00	0,00	0,00
	Amounts may be reclassified to income statement in subsequent periods	0,00	0,00	0,00	0,00	0,00	0,00
	Financial assets available for sale	8.136,18	0,00	8.136,18	215.178,99	0,00	215.178,99
	Valuation of Assets	0,00	0,00	0,00	0,00	0,00	0,00
	Valuation of financial instruments	19.568.824,08	0,00	19.568.824,08	7.898.448,03	0,00	7.898.448,03
	Income tax relating to items of the total income	0,00	0,00	0,00	0,00	0,00	0,00
	Deferred taxes non-participants in Profit	-5.050.071,85	0,00	-5.050.071,85	175.958,76	0,00	175.958,76
	Profit / loss from associates	-48.630,99	0,00	-48.630,99	0,00	0,00	0,00
	Other income » / expenses not participating in profit for the period	0,00	0,00	0,00	397.302,04	0,00	397.302,04
	Foreign translation exchange differences	-16.107.874,59	0,00	-16.107.874,59	-18.838.496,97	0,00	-18.838.496,97
	Other comprehensive income, net of taxes	-1.629.617,17	0,00	-1.629.617,17	-10.151.609,15	0,00	-10.151.609,15
	Total comprehensive income after taxes	341.382.165,70	4.491.875,25	345.874.040,95	15.910.691,48	69.557.854,47	85.468.545,95
	Profit is attributable to:						
	Shareholders of the parent company	340.140.050,78	4.491.875,25	344.631.926,03	24.067.865,27	69.557.854,47	93.625.719,74
	Non controlling interests	2.871.732,09	0,00	2.871.732,09	1.994.435,36		1.994.435,36
	Total	343.011.782,87	4.491.875,25	347.503.658,12	26.062.300,63	69.557.854,47	95.620.155,10
	Total comprehensive income Attributable to :						
	Shareholders of the parent company	338.500.425,10	4.491.875,25	342.992.300,35	13.916.256,12	69.557.854,47	83.474.110,59
	Non controlling interests	2.881.740,60	0,00	2.881.740,60	1.994.435,36		1.994.435,36
	Total	341.382.165,70	4.491.875,25	345.874.040,95	15.910.691,48	69.557.854,47	85.468.545,95
	Earnings / Losses per share	0,00	0,00	0,00	0,00	0,00	0,00
	Basic and diluted (in euros):	0,00	0,00	5,15339	0,00	0,00	1,41825
	27						

[22] The Company

		The Company			The Company		
		01.01.-31.12.2013	01.01.-31.12.2013	01.01.-31.12.2013	01.01.-31.12.2012	01.01.-31.12.2012	01.01.-31.12.2012
		Continuing operations	Non - Continuing operations	Total	Continuing operations	Non - Continuing operations	Total
21	Turnover	130.209.211,93	46.537.164,10	176.746.376,03	121.987.046,81	285.950.404,20	407.937.451,01
	Cost of goods	-72.983.112,90	-23.349.805,76	-96.332.918,66	-80.498.749,42	-138.650.165,57	-219.148.914,99
	Gross Profit	57.226.099,03	23.187.358,34	80.413.457,37	41.488.297,39	147.300.238,63	188.788.536,02
	Other operating income	3.174.431,55	1.227.929,35	4.402.360,90	3.297.850,52	8.588.835,31	11.886.685,83
	Administration expenses	-13.938.258,72	-2.667.217,00	-16.605.475,72	-18.115.763,14	-7.424.244,64	-25.540.007,78
23	Selling expenses	-51.249.759,39	-14.685.127,82	-65.934.887,21	-50.235.495,74	-71.907.735,41	-122.143.231,15
	Other operating expenses	-785.087,60	-262.356,95	-1.047.444,55	-6.017.506,06	-424.498,00	-6.442.004,06
24	Operating income	-5.572.575,13	6.800.585,92	1.228.010,79	-29.582.617,03	76.132.595,89	46.549.978,86
25	Financial-Investments and other income-expenses at fair value	461.222.062,37	-2.844.739,54	458.377.322,83	-41.910.420,27	-7.930.736,46	-49.841.156,73
	Investments in Associates	0,00		0,00			0,00
26	Profit/Loss (before the tax)	455.649.487,24	3.955.846,38	459.605.333,62	-71.493.037,30	68.201.859,43	-3.291.177,87
	Income tax	-27.996.632,88	551.942,78	-27.444.690,10	-8.330.035,19	0,00	-8.330.035,19
	Profit/Loss (after the tax)	427.652.854,36	4.507.789,16	432.160.643,52	-79.823.072,49	68.201.859,43	-11.621.213,06
	Depreciation & amortization	6.023.077,03	1.259.347,87	7.282.424,90	6.375.007,24	5.924.256,62	12.299.263,86
Profit before taxes depreciation & amortisation		450.501,90	8.059.933,79	8.510.435,69	-23.207.609,79	82.056.852,51	58.849.242,72
Other comprehensive income / (expenses): Recognised in Equity							
	Amounts not reclassified to income statement	0,00	0,00	0,00	0,00	0,00	0,00
	Revaluation of liabilities for employee benefits	0,00	0,00	0,00	0,00	0,00	0,00
	Amounts may be reclassified to income statement in subsequent periods	0,00	0,00	0,00	0,00	0,00	0,00
	Financial assets available for sale	8.136,18		8.136,18	215.178,99	0,00	215.178,99
	Valuation of Assets	0,00	0,00	0,00	0,00	0,00	0,00
	Valuation of financial instruments	19.568.824,09	0,00	19.568.824,09	7.898.448,03	0,00	7.898.448,03
	Income tax relating to items of the total income	0,00	0,00	0,00	0,00	0,00	0,00
	Deferred taxes non-participants in Profit	-5.087.894,27	0,00	-5.087.894,27	172.954,58	0,00	172.954,58
	Profit / loss from associates	-85.662,99	0,00	-85.662,99	0,00	0,00	0,00
	Other income / expenses not participating in profit for the period	0,00	0,00	0,00	0,00	0,00	0,00
	Foreign translation exchange differences	0,00	0,00	0,00	0,00	0,00	0,00
	Other comprehensive income, net of taxes	14.403.403,01	0,00	14.403.403,01	8.286.581,60	0,00	8.286.581,60
	Total comprehensive income after taxes	442.056.257,37	4.507.789,16	446.564.046,53	-71.536.490,89	68.201.859,43	-3.334.631,46
	Profit is attributable to:						
	Shareholders of the parent company	0,00	0,00	432.160.643,52	0,00	0,00	-11.621.213,06
	Non controlling interests	0,00	0,00	0,00	0,00	0,00	0,00
	Total	0,00	0,00	432.160.643,52	0,00	0,00	-11.621.213,06
	Total comprehensive income Attributable to :						
	Shareholders of the parent company	0,00	0,00	446.564.046,53	0,00	0,00	-3.334.631,46
	Non controlling interests	0,00	0,00	0,00	0,00	0,00	0,00
	Total	0,00	0,00	446.564.046,53	0,00	0,00	-3.334.631,46
27	Earnings / Losses per share Basic and diluted (in euros):	0,00	0,00	0,00	0,00	0,00	0,00
		0,00	0,00	6,46224	0,00	0,00	-0,17604



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

#### 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
<b>Balance at 1.1.2012</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>0,00</b>	<b>-13.384.633,73</b>	<b>-9.542.442,86</b>	<b>674.731.561,69</b>	<b>-8.694.652,64</b>	<b>721.377.972,07</b>	<b>18.372.835,42</b>	<b>739.750.807,49</b>
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	93.625.719,74	0,00	93.625.719,74	1.994.435,36	95.620.155,10
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	7.898.448,03	0,00	0,00	7.898.448,03	0,00	7.898.448,03
Valuation of investments available for sale	0,00	0,00	0,00	0,00	0,00	215.178,99	0,00	0,00	215.178,99	0,00	215.178,99
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-18.838.496,97	-18.838.496,97	0,00	-18.838.496,97
Actuarial loss / (gain)	0,00	0,00	0,00	0,00	0,00	857.676,17	0,00	0,00	857.676,17	0,00	857.676,17
Other income not calculated in profit for the period	0,00	0,00	0,00	0,00	0,00	397.302,04	0,00	0,00	397.302,04	0,00	397.302,04
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	175.958,76	0,00	0,00	175.958,76	0,00	175.958,76
Income tax relating to items of the total income	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period, net of tax</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>9.544.563,99</b>	<b>93.625.719,74</b>	<b>-18.838.496,97</b>	<b>84.331.786,76</b>	<b>1.994.435,36</b>	<b>86.326.222,12</b>
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Various Expenses/income in Equity	0,00	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	-129.930,60	0,00	0,00	-129.930,60	0,00	-129.930,60
Minority interest resulted from Subsidiaries' rates change	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends payable	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Acquisition of minority shareholding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00	89.425,20	-134.291,25	0,00	-44.866,05	44.866,05	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
Sale of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Balance at 31st December 2012</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>0,00</b>	<b>-13.384.633,73</b>	<b>-38.584,27</b>	<b>768.222.990,18</b>	<b>-27.533.149,61</b>	<b>805.534.962,18</b>	<b>20.412.136,83</b>	<b>825.947.099,01</b>
<b>Balance at 1.1.2013</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>0,00</b>	<b>-13.384.633,73</b>	<b>-38.584,27</b>	<b>768.222.990,18</b>	<b>-27.533.149,61</b>	<b>805.534.962,18</b>	<b>20.412.136,83</b>	<b>825.947.099,01</b>
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	344.631.926,03	0,00	344.631.926,03	2.871.732,09	347.503.658,12
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	19.568.824,08	0,00	0,00	19.568.824,08	0,00	19.568.824,08
Valuation of investments available for sale	0,00	0,00	0,00	0,00	0,00	8.136,18	0,00	0,00	8.136,18	0,00	8.136,18
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-16.105.320,28	-16.105.320,28	-2.554,31	-16.107.874,59
Actuarial loss / (gain)	0,00	0,00	0,00	0,00	0,00	-67.517,31	0,00	0,00	-67.517,31	18.886,32	-48.630,99
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	0,00	0,00	0,00	0,00	0,00	0,00
Income tax relating to items of the total income	0,00	0,00	0,00	0,00	0,00	-5.043.748,35	0,00	0,00	-5.043.748,35	-6.323,50	-5.050.071,85
<b>Total comprehensive income for the period, net of tax</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>14.465.694,60</b>	<b>344.631.926,03</b>	<b>-16.105.320,28</b>	<b>342.992.300,35</b>	<b>2.881.740,60</b>	<b>345.874.040,95</b>
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Various Expenses/income in Equity	0,00	0,00	0,00	0,00	0,00	359,40	0,00	0,00	359,40	0,00	359,40
Capital increase expenses	0,00	0,00	0,00	0,00	0,00	-437.578,67	0,00	0,00	-437.578,67	0,00	-437.578,67
Minority interest resulted from Subsidiaries' rates change	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends payable	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Acquisition of minority shareholding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00	35.088.786,29	-35.099.436,74	10.650,45	0,00	0,00	0,00
Liquidation of Participations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Sale of own shares	0,00	0,00	0,00	0,00	13.384.633,73	-1.337.048,88	0,00	0,00	12.047.584,85	0,00	12.047.584,85
<b>Balance at 31st December 2012</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>0,00</b>	<b>0,00</b>	<b>47.741.628,47</b>	<b>1.077.755.479,47</b>	<b>-43.627.819,44</b>	<b>1.160.137.628,11</b>	<b>23.293.877,43</b>	<b>1.183.431.505,53</b>

## [3.2] The Company

## The Company

	Share Capital	Share Premium	Consolidation Differences	Fair Value Reserves	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total shareholders' equity	Minority Interests	Total Equity
<b>Balance at 1.1.2012</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>-13.384.633,73</b>	<b>-13.277.409,67</b>	<b>51.996.203,74</b>	<b>0,00</b>	<b>105.075.988,33</b>	<b>0,00</b>	<b>105.075.988,33</b>
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	-11.621.213,06	0,00	-11.621.213,06	0,00	-11.621.213,06
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	7.898.448,03	0,00	0,00	7.898.448,03	0,00	7.898.448,03
Valuation of investments available for sale	0,00	0,00	0,00	0,00	0,00	215.178,99	0,00	0,00	215.178,99	0,00	215.178,99
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Actuarial loss / (gain)	0,00	0,00	0,00	0,00	0,00	857.676,17	0,00	0,00	857.676,17	0,00	857.676,17
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	172.954,58	0,00	0,00	172.954,58	0,00	172.954,58
Income tax relating to items of the total income	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period, net of tax</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>9.144.257,77</b>	<b>-11.621.213,06</b>	<b>0,00</b>	<b>-2.476.955,29</b>	<b>0,00</b>	<b>-2.476.955,29</b>
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Various Expenses/Income in Equity	0,00	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	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	0,00	0,00
Dividends payable	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Acquisition of minority shareholding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00	300.277,12	-300.277,12	0,00	0,00	0,00	0,00
Liquidation of Participations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Sale of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Balance at 31st December 2012</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>-13.384.633,73</b>	<b>-3.832.874,78</b>	<b>40.074.713,56</b>	<b>0,00</b>	<b>102.599.033,04</b>	<b>0,00</b>	<b>102.599.033,04</b>
<b>Balance at 1.1.2013</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>-13.384.633,73</b>	<b>-3.832.874,78</b>	<b>40.074.713,56</b>	<b>0,00</b>	<b>102.599.033,04</b>	<b>0,00</b>	<b>102.599.033,04</b>
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	432.160.643,52	0,00	432.160.643,52	0,00	432.160.643,52
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	19.568.824,09	0,00	0,00	19.568.824,09	0,00	19.568.824,09
Valuation of investments available for sale	0,00	0,00	0,00	0,00	0,00	8.136,18	0,00	0,00	8.136,18	0,00	8.136,18
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Actuarial loss / (gain)	0,00	0,00	0,00	0,00	0,00	0,00	-85.662,99	0,00	-85.662,99	0,00	-85.662,99
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	-5.087.894,27	0,00	0,00	-5.087.894,27	0,00	-5.087.894,27
Income tax relating to items of the total income	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period, net of tax</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>14.489.066,00</b>	<b>432.074.980,53</b>	<b>0,00</b>	<b>446.564.046,53</b>	<b>0,00</b>	<b>446.564.046,53</b>
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Various Expenses/Income in Equity	0,00	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	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	0,00	0,00
Dividends payable	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Acquisition of minority shareholding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00	34.353.082,77	-34.353.082,77	0,00	0,00	0,00	0,00
Liquidation of Participations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Sale of own shares	0,00	0,00	0,00	0,00	13.384.633,73	-1.337.048,88	0,00	0,00	12.047.584,85	0,00	12.047.584,85
<b>Balance at 31st December 2012</b>	<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>0,00</b>	<b>0,00</b>	<b>43.672.225,11</b>	<b>437.796.611,32</b>	<b>0,00</b>	<b>561.210.664,42</b>	<b>0,00</b>	<b>561.210.664,42</b>

**4. Cash Flow Statement**

	<b>The Group</b>		<b>The Company</b>	
	<b>01.01. - 31.12.2013</b>	<b>01.01. - 31.12.2012</b>	<b>01.01. - 31.12.2013</b>	<b>01.01. - 31.12.2012</b>
<b>Cash Flows related to Operating Activities</b>				
Net Profit before taxes (Continuing operations)	393.672.613,68	61.336.597,09	455.649.487,24	-71.493.037,30
Net Profit before taxes (Non - Continuing operations)	3.939.932,47	69.557.854,47	3.955.846,38	68.201.859,43
Adjustments				
Depreciation and Amortisation	19.989.962,94	20.845.733,22	6.030.134,20	6.375.007,24
Provisions	18.430.406,18	8.602.157,59	17.878.538,53	163.235,03
Exchange differences	8.821.801,81	108.935,76	0,00	0,00
Results (income, expenses, gains and losses) from investing activities	-466.989.487,26	6.073.419,88	-469.342.429,25	12.775.066,34
Interest and related expenses	21.365.670,87	32.286.469,77	20.136.724,15	30.374.420,08
Adjustments related to working capital or other operating activities	0,00	0,00	0,00	0,00
Decrease/(increase) of Inventories	65.518.243,69	-50.523.797,91	13.794.406,39	8.191.369,41
Decrease/(increase) of Receivables	2.875.415,98	-81.813.548,76	-34.048.400,22	-15.634.732,61
Increase/(decrease) of payable accounts (except Banks)	-1.219.851,19	77.442.611,05	25.455.377,02	73.089.939,17
Minus	0,00	0,00	0,00	0,00
Interest paid and similar expenses	-22.822.305,67	-29.878.588,58	-21.194.605,39	-27.966.538,89
Income Tax paid	-27.772.077,55	-23.981.320,97	-2.494.674,38	-498.540,41
Cash Flows from Non - Continuing operations	-5.382.585,61	3.150.109,45	-5.312.488,73	4.799.516,86
<b>Net cash inflows/(outflows) from Operating Activities (a)</b>	<b>6.487.807,87</b>	<b>23.648.777,59</b>	<b>6.552.069,56</b>	<b>20.175.704,92</b>
<b>Investing Activities</b>				
Purchases of subsidiaries, associates and other investments	-5.180.000,00	-599.700,00	-19.955.399,49	-61.708.835,40
Acquisition of minorities	0,00	0,00	0,00	0,00
Proceeds from the sale of Travel Retail activity	375.500.000,00	0,00	375.500.000,00	0,00
Adjustments related to the sale of Travel Retail activity	-52.842.309,00	0,00	-52.842.309,81	0,00
Purchases of tangible and intangible assets	-15.340.660,36	-19.626.494,79	-2.457.428,55	-4.170.790,99
Proceeds from sale of tangible and intangible assets	344.975,43	839.474,69	13.299,65	109.162,66
Interest received	1.728.131,90	1.764.703,17	244.830,86	128.931,19
Dividends received	0,00	0,00	0,00	0,00
Proceeds from sale of financial assets	-16.300.989,32	-13.252.003,02	-16.260.988,50	-12.895.567,81
Decrease/(increase) of other long-term receivables	1.976.833,93	-4.619.643,58	1.393.668,15	-4.261.412,73
Investing Activities from Non- Continuing operations	-863.848,72	-3.995.533,78	-861.453,23	-3.801.873,13
<b>Net cash inflows/(outflows) from Investing Activities (b)</b>	<b>289.022.133,86</b>	<b>-39.489.197,31</b>	<b>284.774.219,08</b>	<b>-86.600.386,21</b>
<b>Financing Activities</b>				
Capital increase	0,00	0,00	0,00	0,00
Proceeds from Loans	59.619.729,12	432.418.373,13	22.000.000,00	399.480.360,58
Proceeds from leases	0,00	940.000,00	0,00	0,00
Payment of Loans	-223.218.990,24	-420.810.836,22	-185.378.169,93	-339.169.629,30
Payments for leases	-18.800.207,56	-5.575.221,74	-17.168.499,27	-2.977.134,49
Own Stock	12.047.584,85	0,00	12.047.584,85	0,00
Expenses related to capital increase	0,00	-129.930,60	0,00	0,00
Dividends paid	-57.011,01	-20.367,54	-57.011,01	-20.367,54
Financing Activities from Non - Continuing operations	0,00	0,00	0,00	0,00
<b>Net cash inflows/(outflows) from Financing Activities (c)</b>	<b>-170.408.894,84</b>	<b>6.822.017,03</b>	<b>-168.556.095,36</b>	<b>57.313.229,25</b>
<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>125.101.046,89</b>	<b>-9.018.402,69</b>	<b>122.770.193,28</b>	<b>-9.111.452,04</b>
Cash and cash equivalents at beginning of the Year	126.483.148,41	135.501.551,10	11.729.895,39	20.841.347,43
Cash and cash equivalents at end of the Year	251.584.195,30	126.483.148,41	134.500.088,67	11.729.895,39

**E INFORMATION ABOUT THE GROUP****1. General Information**

The company titled "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 and its registered seat is in Agios Stefanos, Attica. The Company is active in the fields manufacturing of jewellery, department stores, and in the field of apparel and footwear.

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, 2013 up to December 31, 2013, approved by the Board the Company on March 28, 2014.

**[1.1] Group Structure**

The consolidated financial statements include the financial statements of the parent company and of its subsidiaries. The structure of the Group, as this has been formed after the merger of the three companies, is presented in the following table:

Company Name	Head Office	Direct % Participation	Indirect % Participation	Total	Consolidation
FOLLI FOLLIE JAPAN LTD	JAPAN	100,00%		100,00%	Full
FOLLI FOLLIE FRANCE SA	FRANCE	100,00%		100,00%	Full
FOLLI FOLLIE SPAIN SA	SPAIN	100,00%		100,00%	Full
FOLLI FOLLIE UK LTD	U.K	100,00%		100,00%	Full
FOLLI FOLLIE SOURCING LTD	H.K	99,99%		99,99%	Full
FOLLI FOLLIE ASIA LTD	H.K		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 CHINA (PILION LTD)	CHINA		100,00%	100,00%	Full
FOLLI FOLLIE SHENZHEN LTD	CHINA		100,00%	100,00%	Full
BLUEFOL GUAM LTD	GUAM		99,99%	99,99%	Full
BLUEFOL HAWAII LTD	HAWAI		99,99%	99,99%	Full
BLUEFOL HONG KONG LTD	H.K.		99,99%	99,99%	Full
FOLLI FOLLIE HOLDINGS SA	GREECE	100,00%		100,00%	Full
LINKS (LONDON) LIMITED	U.K.		100,00%	100,00%	Full
LINKS OF LONDON (INTERNATIONAL) LTD	U.K.		100,00%	100,00%	Full
LINKS OF LONDON COM LTD (UK)	U.K.		100,00%	100,00%	Full
LINKS OF LONDON INC (USA)	USA		100,00%	100,00%	Full
LINKS OF LONDON (FRANCE)	FRANCE		100,00%	100,00%	Full
FF GROUP ROMANIA SRL	ROMANIA	100,00%		100,00%	Full
FF GROUP BULGARIA EOOD	BULGARIA	100,00%		100,00%	Full
MOUSTAKIS S.A.	GREECE	100,00%		100,00%	Full
ATTIKA DEPARTMENT STORES S.A.	GREECE	32,51%	13,39%	45,90%	Full
LOGISTICS EXPRESS S.A.	GREECE	100,00%		100,00%	Full
MFK FASHION LTD	CYPRUS	100,00%		100,00%	Full
PLANACO S.A.	GREECE	100,00%		100,00%	Full
ICE CUBE S.A.	GREECE	25,00%		25,00%	Full
COLLECTIVE S.A.	GREECE	80,00%		80,00%	Full

In the financial statements of the parent company, the affiliate companies are valued on their acquisition cost minus any probable impairment losses. On April 2013 a signed agreement was completed to sell 51% of the travel retail, which is engaged in operating Duty-Free Shops to the Swiss Dufry AG. Specifically, pursuant to the signed agreement, the spinoff process of the travel retail who contributed to a subsidiary of the Group. With the completion of the carve out, the Dufry AG acquired 51% of the share capital of this subsidiary that absorbed the sector and had the right to acquire the remaining 49% in four years at fair market value. In December 2013 the Swiss company Dufry AG acquired the remaining 49%. Therefore the consolidated financial statements of December 31, 2013 do not include the company "Hellenic Duty Free Shops S.A.".

## 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

The following amendments and interpretations of IFRS issued by the International Accounting Standards Board (IASB) and their application are compulsory from 01/01/2013 or later. The most relevant Standards and Interpretations listed below:

- **Amendments to IAS 1 "Presentation of Financial Statements" - Presentation of Items of Other Comprehensive Income**

In June 2011, the IASB issued amendments to IAS 1 "Presentation of Financial Statements". These changes relate to the way of presentation components of other comprehensive income.

- **IFRS 13 "Fair Value Measurement"**

In May 2011 the IASB issued IFRS 13 "Fair Value Measurement at." IFRS 13 defines fair value, sets out in a single IFRS a framework for the determination of fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS require or permit valuation data at fair value. IFRS 13 does not introduce new requirements with respect to determining the fair value of an asset or liability. Moreover, it does not change the requirements of other Standards regarding the items measured at fair values and is not mentioned in the presentation of changes in fair value in the financial statements.

- **Revision of IAS 19 "Employee Benefits"**

In June 2011, the IASB issued the revised IAS 19 'Employee Benefits'. This review aims to improve the recognition and disclosure requirements with respect to defined benefit plans. Under the revised standard removes the process margin and therefore the possibility to defer the recognition of actuarial gains and losses, while requiring revaluations of net liability (asset) including actuarial gains and losses arising during the reporting period are recognized in the statement of comprehensive Income. Under the revised standard, the Company reclassified the comparative period in accordance with the prescribed transitional provisions of IAS 19 and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine Terrestrial"**

In October 2011, the IASB issued IFRIC 20. The Interpretation clarifies when production mining should lead to the recognition of an asset and how it should be valued at that point both at inception and in subsequent periods.



- **Amendments to IFRS 7 "Disclosures" - Offsetting financial assets and financial liabilities"**

In December 2011, the IASB published new requirements for disclosures that enable users of financial statements to perform in a better way, comparisons between published financial statements under IFRS and those published under the US GAAP.

- **Amendment to IFRS 1 "First Time Adoption of International Financial Reporting Standards" - Government Loans**

In March 2012, the IASB issued an amendment to IFRS 1 whereby the first-time adopters IFRS that have received government loans at preferential rates, have the potential of non- retroactive application of IFRS in the depiction of these loans at the transition.

- **Annual Improvements cycle 2009 - 2011**

The IASB proceeded in May 2012 in the publication " Annual Improvements to International Financial Reporting Cycle 2009-2011 ", which consists of a series of adjustments in 5 Standards and is part of the program for annual improvements in standards. The standards on which there are improvements to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.

- **New standards, interpretations and amendments to existing standards that are not yet in force**

The following new Standards, Revised Standards and Interpretations to the following existing standards have been published but are not yet in force, or have not been approved by the European Union.

Specifically:

- **IFRS 9 "Financial Instruments" (postponement of the application)**

The IASB proceeded on 12/11/2009 version of the new standard, the revised IFRS 9 "Financial Instruments" which will gradually replace IAS 39 "Financial Instruments: Recognition and Measurement". Noted that in October 2010 the IASB issued additions with respect to financial liabilities that the entity has elected to measure at fair value. Under IFRS 9, all financial assets are measured initially at fair value plus transaction costs. The subsequent measurement of financial assets carried at amortized cost or fair value depending on the entity's business model for managing financial assets and the contractual cash flows of that asset. IFRS 9 prohibits reclassifications except in cases where the entity's business model changed, and in this case is required to reclassify the affected financial instruments. In accordance with the principles of IFRS 9 all equity investments should be valued at fair value. However, management has the option to present in other comprehensive income unrealized and realized gains and losses in the fair value of equity instruments not held for trading. In November 2013 the IASB made amendments to the standard. Added a chapter reviewing major hedge accounting and implements a new model improves the correlation of accounting with risk management and introduced improvements in disclosures regarding hedge accounting and risk management. The modification is readily available improvements with respect to disclosures relating to changes in the fair value of a debt of the same firm, as included in the standard. Finally, the IASB decided to defer the implementation of the model (annual periods beginning on or after 01.01.2015), as the processes are completed and could not be given adequate time to prepare businesses. However companies can decide the immediate implementation.

- **IFRS 10 " Consolidated Financial Statements", IFRS 11 "Figures Under Common Control" (Joint Arrangements), IFRS 12 "Disclosure of Interests in Other Entities" , "IAS 27 Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" ( effective for annual periods beginning on or after 01/01/2014)**

In May 2011 the IASB issued three new standards and specifically IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" states a model of integration that defines control as the basis for the integration of all types of businesses. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC- 12 "Consolidation - Special Purpose Entities". IFRS 11 "Figures Under Common Control" sets out principles regarding financial reporting of participating in a joint arrangement (Joint Arrangement). IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities - Non -Monetary Contributions by Ventures". IFRS 12 "Disclosure of Interests in Other Entities" unites, enhances and replaces the disclosure requirements for subsidiaries, jointly controlled companies, associates and non-consolidated companies.

As a result of these new standards, the IASB also adopted the amended IAS 27 titled IAS 27 "Separate Financial Statements" and revised IAS 28 titled IAS 28 "Investments in Associates and Joint Ventures". The new standards are effective for annual periods beginning on or after 01 January 2014, with earlier application permitted.

• **Transition Guide: Consolidated Financial Statements, Figures under common control, Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods beginning on or after 01/01/2013)**

In June 2012, the IASB has made such a publication which provides guidance on the transitional provisions of IFRS 10. The amendments provide additional facilities on transition to IFRS 10, IFRS 11 and IFRS 12 by reducing the requirements for customized comparative information only previous comparative period. Further regarding disclosures for unconsolidated companies, the amendments remove the requirement to present comparative information for periods prior to the first application of IFRS 12. These amendments are effective for annual periods beginning on or after 01 January 2013, but will actually be implemented from the date of implementation of the relevant standards, from 01 January 2014. These amendments were adopted by the European Union in April 2013.

• **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods beginning on or after 01/01/2014)**

In October 2012, the IASB issued amendments to IFRS 10, IFRS 12 and IAS 27. The amendments apply to the category "Investment Entities". The IASB uses the term "Investment Entities" to refer to those operating exclusively in capital investment for the returns from the goodwill of capital, investment income or both. Investment entities should evaluate the performance of their investments at fair value. This category can include private equity firms, venture capital organizations, private pension funds, sovereign wealth funds and other investment funds. Defined as an exception to the requirements of IFRS 10 on its consolidated, that investment entities shall measure specific subsidiaries at fair value through profit and will not consolidate, giving the necessary disclosures. These amendments are effective for annual periods beginning on or after 01 January 2014 with earlier application permitted. These amendments were adopted by the European Union in November 2013.

• **Amendments to IAS 32 "Financial Instruments: Presentation" - Offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 01/01/2014)**

In December 2011, the IASB issued amendments to IAS 32 "Financial Instruments: Presentation" to provide clarifications on the requirements of the standard with respect to clearing cases. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. This amendment was adopted by the European Union in December 2012.

• **Amendment to IAS 36 "Reduction of Assets" - Disclosures for Non - Recoverable Amount of Financial Assets (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, the IASB issued an amendment to the limited objective of IAS 36 "Reduction of Assets." This amendment specifies the disclosures that should be made regarding the recoverable amount of an asset that has been reducing its value, if this amount is based on fair value less costs to sell. Earlier application is permitted provided the company has already implemented IFRS 13 "Fair Value Measurement." The amendment is effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. This amendment was adopted by the European Union in December 2013.

• **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Replacing derivatives and inhibition of hedge accounting (effective for annual periods beginning on or after 01/01/2014)**

In June 2013, the IASB issued amendments to the limited scope of IAS 39 "Financial Instruments: Recognition and Measurement". The objective of the proposed amendments is the introduction of an exemption limited purpose, with respect to inhibition of hedge accounting in accordance with the principles of IAS 39. Specifically, if certain conditions are met, proposed an exception if the counterparty of a derivative is designated as a hedging instrument, replaced by a prime contractor, as a result of changes in laws or regulations. Exception which is included in IFRS 9 "Financial Instruments". The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. This amendment was adopted by the European Union in December 2013.

• **IFRIC 21 Levies (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, the IASB issued IFRIC 21. The Interpretation clarifies when an entity would have to recognize the obligation to pay the levy imposed by the state, to the Financial Statements. The IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the present obligation resulting from a past event, known as a binding event. This interpretation indicates that the binding which creates an obligation for the payment of the levy is the action described in the relevant legislation to bring the payment of duty. This interpretation is effective for annual periods beginning on or after 01 January 2014, with earlier application permitted. This interpretation has not been adopted by the European Union.

• **Amendment to IAS 19 "Employee Benefits" - Defined Benefit : Employee contributions (effective from 01/07/2014)**

In November 2013, the IASB issued an amendment to the limited objective of IAS 19 'Employee Benefits'. This amendment applies to contributions by employees or third parties with respect to defined benefit plans. The purpose of this amendment is to reduce the complexity of accounting treatment of contributions that are independent of the employee's years of service, as is typically the contributions calculated as a fixed percentage of payrolls. The amendment is effective from 01 July 2014, with earlier application permitted. This amendment has not been adopted by the European Union.

• **Annual Improvements Cycles 2010 - 2012 & 2011 - 2013 (effective from 01/07/2014)**

The IASB proceeded in December 2013 in the publication "Annual Improvements to International Financial Reporting Cycles 2010-2012 & 2011-2013." The Cycle 2010 - 2012, includes improvements to the standards IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and the Cycle from 2011 to 2013 improvements relating Standards IFRS 1, IFRS 3, IFRS 13 and IAS 40. Improvements in standards are effective from 01 July 2014, with earlier application permitted. These annual improvements have not been adopted by the European Union.

• **IFRS 14 "Accruals regulated activities" (effective from 01.01.2016)**

In January 2014, the IASB issued the standard "Accruals regulated activities." The purpose of this standard is to achieve comparability of financial reporting by companies involved in status determination through a price regulation (rate-regulated activities). The adjustable determination of prices can significantly affect the value and timing of recognition of revenue of a company. You may not implement this standard for companies that already apply IFRSs. The Standard is effective from 01 January 2016, with earlier application permitted. This standard has not been adopted by the European Union.

## [2.3] Consolidation

### 2.3.1 Subsidiaries

The consolidated financial statements include the financial statements of the company and of its controlled businesses (subsidiaries). Control is considered when the company is able to define the financial and operational activities of a business with the purpose of acquiring a benefit. The results, assets and liabilities of subsidiaries have been integrated in the financial statements using the complete consolidation method. The financial statements of the subsidiaries have been prepared by following the same accounting policies followed by the company. Company to company transactions, inter-company balances and inter-company incomes and expenses are deleted during consolidation. The goodwill resulting during the acquisition of businesses, if it is positive, is registered as a non-depreciable asset, subjected annually to an audit for the impairment of its value. If it is negative, it is registered as income in the results of operations for the Group. The goodwill refers to the balance between the price for acquiring and the reasonable value of the separate assets, the liabilities and probable liabilities of the acquired business.

### 2.3.2 Currency translations

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

The figures of the financial statements for the Group's companies and for the 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 to the functional currency, based on the exchange rates valid during the transactions' dates. Any profits and damages from currency differences, resulted from the liquidation of such transactions during the fiscal year and from the conversion of the of the currency elements expressed in a foreign currency with

the current exchange rates, applicable on the date of the Balance Sheet are registered in results. Any foreign currency differences from non-currency elements evaluated 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 of the financial statements of the Group's companies are measured based on the currency of the financial environment for the specific country where each Group company is active. The separate financial statements of the companies participating in the consolidation, which had initially presented in a currency other than the Group's presentation currency, have been converted into €. Assets and liabilities have been translated into € at the closing exchange rate on the date of the balance sheet. Incomes and expenses have been translated to the Group's presentation currency based on the average exchange rate for each stated fiscal year. Any differences resulting from this procedure are transferred to the reserve fund for translating subsidiary balance sheets in a foreign currency, in the net position, through the remaining total earnings.

## [2.4] Tangible Assets

Tangible Assets consistently valued at cost less depreciation. Cost includes all costs directly attributable to the acquisition of data. Subsequent expenditure recorded an increase in the book value of tangible assets, only if it is probable that future economic benefits will flow to the group and their cost can be measured reliably. Repairs and maintenance are in the results when done. Establishments in third party property (opening of shops) depreciated in the estimated time of the lease. Land is not depreciated. Depreciation is computed using the straight line method over their useful lives, which detail is as follows:

Assets Categories	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-constructed tangible assets consist an addition to the acquisition cost of the tangible assets at values which comprise the direct payroll cost of personnel that participates in manufacturing, the consumed materials cost and other general costs.

Tangible assets' residual values and useful lives are subject to review at the date of the balance sheet. If the residual values, the expected useful life or the expected consumption rate of future benefits that are incorporated in an asset change, these changes are treated accounting-wise as changes in accounting valuations. During the sale of tangible assets, the differences between the component received and its accounting value are recognised as profit or losses in the results.

The accounting value of tangible assets is monitored for devaluation when there are relevant indications, i.e. events or changes in circumstances show that the accounting value may not be recoverable. If there is such an indication and the accounting value exceeds the estimated recovered amount, assets or cash flow generating units are devaluated at the recoverable amount. The recoverable amount of property, installations and equipment is greater than the one between their net selling price and their usage value. To calculate the usage value, the expected future cash flow is prepaid at their current value by using a pre-tax interest rate that reflects market's current valuations for the money value and the risks linked to this asset.

When the tangible assets accounting values exceed their recoverable value, the difference (devaluation) is initially recognised as the decrease in the fair value created which is reported on the accounts of net equity. Every devaluation loss incurred that exceeds the created reserve for the 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) which are held through the market by the group, or to derive rents from the lease. Investment property allocated initially at cost including transaction costs. Subsequently they are valued at fair value.

Management determines fair value by using valuation techniques. The purpose of using a valuation technique is to determine the transaction price would result in measurement date in commercial basis, driven by normal business considerations. The technical evaluation included among others the use of recent arm's length transactions, reference to the current fair value of a substantially similar instrument and analysis of discounted cash flows.

The estimated fair value of property made by a registered real estate expert who has the skills and experience in assessing property and unrelated to the group. The reassessment / assessment relates only to land and buildings are not included in engineering or other mobile equipment of the Company. As there is no establishment of horizontal or vertical properties of the buildings, the distinction between the estimated value of the land value and building value was proportional to land area per building, based on the above said structure. The book value is recognized in the financial statements reflect the market conditions at the balance sheet date. Any gain or loss resulting from change in fair value of investment properties is recognized in the income statement as incurred.

Transfers to the category of real estate investments are made only when there is a change in use, evidenced by the end of private assets by the group or by the end of construction of a property or to use an operating lease from a third party. Properties transportation from the category of investment in owner-occupied properties are only made when there is a change of use of these, evidenced by the entry of private assets by the group or classification as held for sale. To transfer property from the category of investment in owner-occupied property deemed cost of property for subsequent accounting is its fair value at the date of the change of use. Gains or losses resulting from the removal or disposal of investment property are recognized in profit or loss during the removal or disposal.

Real estate investments of the Group 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 set by an independent and chartered assessor at the beginning of 2010. The same value was taken into consideration for the financial statements of 31.12.2010.

## [2.6] Intangible Assets

### 2.6.1 Trademarks and Licenses

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

The licenses have a finite useful life and are carried at cost less accumulated depreciation. Depreciation is calculated using the method of its useful life to share the costs of trademarks and licenses over the estimated useful life.

### 2.6.2 Other Intangible Assets

This category includes the group rental rights, which is initially recognized at cost. After 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 the production or administration. The acquired licenses related to software capitalized on the basis of expenditure incurred for the acquisition and installation of the software. The costs associated with maintenance of computer software are recognized in the period in which they occur. The costs capitalized are amortized using the straight-line method over the estimated useful lives.

### 2.6.3 Assets Impairments

Intangible assets with indefinite useful lives are not amortized and are reviewed for impairment in value at least annually. The assets subject to amortization are reviewed for impairment when there are indications that the carrying value may not be recoverable. The recoverable amount is the higher of fair value less the necessary costs to sell and value in use of the asset. The use value is determined by discounting the future flows to the appropriate



discount rate. If the recoverable amount is less than the depreciated, then the carrying value is reduced to its recoverable amount. Impairment losses are recognized as expenses in the income statement when incurred, unless the asset is adjusted so that the impairment loss decreases the corresponding revaluation reserve. When a later use the impairment loss should be reversed, the carrying value of the asset is increased to the level of the revised estimate of recoverable amount, provided that the new book value does not exceed the residual value would have determined if it had not registered the loss impairment in prior years. The reversal of the loss is recognized in income unless the asset has been updated, so reversal of the impairment loss 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 registered in the balance sheet of the group once the group becomes part of the contractual provisions of the instrument.

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

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

Financial assets are separated into different categories by management according to their characteristics and the purpose for which acquired.

The category in which each financial instrument is classified, differs from the others as different rules apply with respect to valuation but also on recognition of each designated outcome either in the income statement or directly in equity. Financial assets are recognized through the application of the accounting trade date.

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

Financial assets at fair value through profit or loss include financial assets that are held primarily for commercial purposes identified by the group as at fair value through profit or loss upon initial recognition. In addition, derivative financial data which do not qualify for hedge accounting 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 unless management is willing and able to hold to maturity.

After initial recognition, investments that fall into this category are valued at amortized cost using the effective interest rate method. The amortized cost is the amount which initially measured the financial asset or financial liability after the deduction of principal repayments, plus or minus any accumulated depreciation difference between that initial amount and the amount payable at maturity calculated by the method of real rate, after deducting any depreciation. The calculation includes all fees and points paid or received between parties that are an integral part of the real interest rate transaction costs and any discount or promotion.

Moreover, if any objective evidence that a financial element has been declining in value, then the investment is valued at the present value of projected cash flows and any difference with the book value of the investment is recognized in profit or loss as a loss.

## Fair Value

The fair value of 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 to determine the transaction price would result in measurement date in an arm's length commercial basis, driven by normal business considerations. The technical evaluation included among others the use of recent arm's length transactions, reference to the current fair value of a substantially similar instrument and analysis of discounted cash flows.

### [2.8] Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined using the weighted average cost. Net realizable value is estimated based on current selling price in the ordinary course of business and minus 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 stock 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 amortised cost, using the effective interest method, less any devaluation provision. Every change in the value of loans and receivables is recognised in profit or loss when loans and receivables are eliminated or undergo value discount, as well as during the application of the effective interest method.

The requirements of commercial activities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest 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 provision recognized is measured as the difference between the book value of the asset and the present value of estimated future cash flows discounted at the effective interest rate on initial recognition. For some requirements it is checked for impairment at the individual requirement (e.g. for each customer separately) where the recovery of the claim has been declared late on the date of the financial statements or in cases where objective evidence indicates the need to write them. Other assets are pooled and tested for impairment at all sources. The amount of impairment loss is the difference between the carrying amount and the estimated future cash flows. The amount of impairment loss is recorded as an expense in the 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. The balance sheets are classified as commercial and other requirements and constitute the majority of financial assets of the Group.

### [2.10] Cash equivalents

Cash and cash equivalents include cash at bank and 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 cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding the outstanding balances of bank overdrafts (bank overdrafts).

### [2.11] Share Capital

Common shares are classified as equity. Estimated costs for the issuance of shares shown after deduction of the income tax, a reduction in the proceeds. Estimated costs associated with issuing shares to acquire companies included in the cost of the company acquired. The acquisition cost of treasury shares with a reduced income tax (if applicable) is shown as a deduction from equity in the group, until the same shares are sold or canceled. Any gain or loss from sale of treasury shares net of direct transaction costs and other income tax, if any, shown as a reserve in equity.

## [2.12] Financial Obligations

### 2.12.1 Initial Recognition

The financial liabilities are registered in the balance sheet of the group 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 liabilities and financial leases.

Financial liabilities are classified in the following categories:

- Financial liabilities available at fair value through profit
- 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 derecognised when the group is exempted from or is cancelled or expires. Liabilities from financial leases are measured at initial value less the amount of financial capital repayments and 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 measured at amortized cost. Gains and losses are recognized in the Income Statement when the liabilities are eliminated and in applying the effective interest method. 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 fair value and subsequently measured at amortized cost using the effective interest method.

### 2.12.3 Bank Loans

Every loan is initially recognized at cost, which is the fair value of the consideration received, save from their direct issuing expenses. After the initial recognition, loans are evaluated at their un-depreciated cost, based on the real interest rate method, and any difference is recognized in results during the loan period.

## [2.13] Accounting Income Tax

### 2.13.1 Current Income Tax

Current tax asset / liability includes those obligations or claims by tax authorities relating to current or previous reporting periods and not paid up the balance sheet date. Calculated according to the tax rates and tax laws that apply on the basis of taxable profits each year. All changes to current tax assets or liabilities are recognized as expense in the income tax.

### 2.13.2 Deferred Income Tax

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

The group recognizes a previously unrecognized deferred tax asset to the extent that it is likely that a future taxable profit.

The deferred tax asset is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow recovery of interest or part of this deferred tax asset.

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

Deferred tax assets and liabilities are measured at tax rates expected to apply to the period during which settled the claim or liability, based on tax rates (and tax laws) that have been enacted or substantially prevailing at the date of Balance Sheet.

Changes in deferred tax assets or liabilities are recognized as part of the income tax on the income statement, except those resulting from specific changes in assets or liabilities that are recognized directly in shareholders' equity, and result in relative change in deferred tax assets 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 an obligation, if the amount already paid exceeds the amount of benefits, the company recognizes the excess as an asset (prepaid expense) only to the extent that the prepayment will lead to lower future payments or 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 21 12/20 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 obligation is likely to lead to an outflow of economic resources for the group and can be estimated reliably. The timing or the amount of output can be uncertain. A present obligation arising from the presence of a legal or constructive obligation resulting from past events. Each formed prediction is used only for expenses that were originally formed. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions are valued at expected costs required to settle the present obligation, based on the best evidence available at the balance sheet date, including the risks and uncertainties related to this commitment. When the effect of time value of money is material, the amount of the provision is the present value of costs expected to be required to settle the obligation.

When using the method of discounting, the book value of a forecast increase in each period to reflect the passage of time. This increase is recognized as an expense in financial results. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by taking into account the category of commitments, as a whole. A provision is recognized even of the possibility of an outflow component included in the category of commitments is low. If it is now likely that an outflow of resources embodying economic benefits will be required to settle the obligation, 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 inputs of economic benefits for the group not yet meet the criteria of an asset are considered contingent assets and disclosed in the notes to 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 transferred to him virtually all the risks and benefits associated with the leased asset is independent of the legal form of contract. At the beginning of the lease asset is recognized at fair value or if lower the present value of minimum lease payments including extra payments if any, covered by the tenant. A corresponding amount is recognized as an obligation of the lease whether some of the lease payments are payable in advance at the beginning of the lease.

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

#### **2.18.1.2 Operational Leases**

All other leases are treated as operating leases. Payments on operating lease contracts are recognized as expense in the income of the straight-line (links to use revenue and expenses). The related 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**

Leases where the Group does not transfer substantially all risks and rewards of the asset 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 over the lease term as rental income.



## [2.19] Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues are net of value added tax, discounts and rebates. Income between group companies which are consolidated by full consolidation method, are eliminated in full.

The recognition of revenue is as follows:

### 2.19.1 Sales of Goods

Revenues are recognized when the significant risks and rewards of ownership of property transferred to the buyer and the collection of receivables is reasonably assured. The wholesale sales of goods are mainly on credit.

### 2.19.2 Services

Revenue from service contracts with a default value is recognized based on the stage of completion of the transaction at the balance sheet date. Under this method, revenue is recognized based on the proportion of services rendered to the date of financial statements in respect of all services to be performed.

When the result is referred to as service can be validly assumed the income is recognized only to the extent that the recognized costs are recoverable.

In cases where no change in the initial estimates of revenue, expenditure and the level of integration, these changes may lead to increases or decreases in estimated revenues or costs and appear to revenue in the period.

### 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 and by using the real interest rate.

### 2.19.5 Income from Rents

Income from rent is recognized on an accrual basis in accordance with the substance of the relevant agreements.

## 3. Financial Information per segment

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

The sectors of Group are the following

- **Jewellery, Watches, Accessories:** This sector includes the treatment and marketing of jewels, watches and accessories.
- **Travel Retail:** The sector Travel Retail includes duty free and duty paid sales/ sales at airport terminals, border stations and ports. (Until 10/4/2013)
- **Department Stores:** This sector deals with the operation of the department stores.
- **Clothing - Footwear:** This sector concerns retail and wholesale sale of branded clothing and footwear and perfumes.
- **Other Activities:** This sector includes sales to exterior customers below 5%.

The accounting policies for the operating sectors are the same as those used for the financial statements. The outcome of the sectors is calculated upon the profitability, on a pre-tax profit and without taking into account figures such as non-recurring and foreign exchange transactions.

**RESULTS PER SEGMENT FOR THE PERIOD ENDED AT 31.12.13**
**GROUP**

<b>Amounts in thousands.000</b>	<b>Jewellery - Watch - Accessories</b>	<b>Clothing - Footwear</b>	<b>Department stores</b>	<b>Other segment</b>	<b>Non - Continuing operations "Travel Retail"</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated data</b>
<b>31.12.2013</b>								
Sales to external customers	664.080	121.910	136.812	2.520	51.140	<b>976.461</b>	-42.231	934.230
Sales intersectoral	1.323	7.328	232	2.233	13	<b>11.128</b>	-11.128	0
Cost of sales	-311.845	-80.825	-80.263	-4.248	-26.859	<b>-504.039</b>	40.492	-463.547
Cost of sales sectors	-2.249	-601	-8.107	-5	-22	<b>-10.984</b>	10.984	0
<b>Gross Margin</b>	<b>351.308</b>	<b>47.812</b>	<b>48.674</b>	<b>500</b>	<b>24.272</b>	<b>472.567</b>	<b>-1.884</b>	<b>470.683</b>
Other operating income	3.899	3.741	3.509	387	2.502	<b>14.038</b>	-959	13.079
Selling Cost	-142.903	-37.459	-40.728	-4.814	-16.417	<b>-242.321</b>	985	-241.335
Selling expenses crosscutting	-75	-16	-17	0	-11	<b>-118</b>	118	0
Administration cost	-44.760	-6.819	-5.053	-699	-2.905	<b>-60.237</b>	1.148	-59.089
Administrative expenses crosscutting	-26	0	0	0	0	<b>-26</b>	26	0
Other operating cost	-7.251	-1.924	-120	-371	-272	<b>-9.938</b>	0	-9.938
<b>Segment operating earnings (EBIT)</b>	<b>160.192</b>	<b>5.334</b>	<b>6.265</b>	<b>-4.997</b>	<b>7.171</b>	<b>173.965</b>	<b>-565</b>	<b>173.401</b>
<b>Previous Reporting Period</b>	<b>Jewellery - Watch - Accessories</b>	<b>Clothing - Footwear</b>	<b>Department stores</b>	<b>Other segment</b>	<b>Non - Continuing operations "Travel Retail"</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated data</b>
<b>31.12.2012</b>								
Sales to external customers	600.875	113.009	126.173	3.691	306.157	<b>1.149.904</b>	-39.872	1.110.033
Sales intersectoral	1.509	8.352	243	44	-37	<b>10.112</b>	-10.112	0
Cost of sales	-278.143	-83.274	-73.408	-3.394	-153.889	<b>-592.108</b>	38.937	-553.172
Cost of sales sectors	-47	-439	-9.382	0	-156	<b>-10.025</b>	10.025	0
<b>Gross Margin</b>	<b>324.194</b>	<b>37.648</b>	<b>43.625</b>	<b>341</b>	<b>152.076</b>	<b>557.883</b>	<b>-1.022</b>	<b>556.861</b>
Other operating income	29.618	3.146	5.894	150	15.011	<b>53.818</b>	-21.280	32.539
Selling Cost	-148.161	-42.372	-42.101	-2.526	-79.493	<b>-314.653</b>	847	-313.806
Selling expenses crosscutting	-5	-57	0	0	-26	<b>-87</b>	87	0
Administration cost	-52.928	-7.734	-4.103	-916	-9.341	<b>-75.022</b>	1.420	-73.602
Administrative expenses crosscutting	0	0	0	0	0	<b>0</b>	0	0
Other operating cost	-31.698	-3.074	-218	-994	-390	<b>-36.375</b>	20.164	-16.211
<b>Segment operating earnings (EBIT)</b>	<b>121.023</b>	<b>-12.443</b>	<b>3.096</b>	<b>-3.946</b>	<b>77.837</b>	<b>185.565</b>	<b>216</b>	<b>185.781</b>

## BALANCE SHEET OF THE GROUP AS OF 31.12.13

## GROUP

	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Other segment	Total	Eliminations	Consolidated data
amounts in thousands.000 31.12.2013							
Tangible and Intangible assets							
Inventories	97.089	52.765	102.466	50.500	302.820	52.350	355.170
Trade and other receivables	190.072	20.189	46.099	1.785	258.145	-3.306	254.839
Cash & cash equivalent					663.815	-120.505	543.310
					251.584		251.584
					<b>1.476.364</b>	<b>-71.460</b>	<b>1.404.904</b>
Other assets Unallocated					441.351	-249.242	192.109
<b>Total</b>					<b>1.917.715</b>	<b>-320.702</b>	<b>1.597.013</b>
Trade and other payables	89.121	54.163	70.153	3.191	216.628	-96.369	120.259
Other liabilities Unallocated					320.781	-27.459	293.322
Equity					1.380.306	-196.874	1.183.432
<b>Total</b>					<b>1.917.715</b>	<b>-320.702</b>	<b>1.597.013</b>

## Geographical Segments

	Greece	Other Europe	Total Asian Countries	Total
External net sales	276.557.938,06	117.499.052,63	540.173.503,31	<b>934.230.494,01</b>
Non-current Assets	482.885.561,37	29.243.883,34	35.129.456,57	<b>547.258.901,28</b>
Capital Expenditure	5.270.849,97	3.924.594,74	7.479.101,33	<b>16.674.546,04</b>

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:

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

##### The Group

	Land	Buildings & Leasehold improvements	Machinery & technical installation	Transportation equipment	Furniture and fixtures	Construction in progress	Total	Investment Property
<b>Cost</b>								
Balance at 1.1.2012	40.856.024,27	143.299.034,00	12.880.726,30	3.659.324,78	84.967.068,63	45.381.887,11	331.044.065,09	77.283.262,55
Additions	0,00	11.668.063,94	669.294,90	1.765.524,23	8.285.373,93	776.809,79	23.165.066,79	86.531,09
Disposals	0,00	-2.254.430,11	-462.191,55	-172.413,81	-1.985.476,72	0,00	-4.874.512,19	0,00
Transfers	0,04	7.472.959,45	-339.599,64	-1.323,72	-377.214,39	-2.197.303,88	4.557.517,86	436.080,06
Exchange Differences	-188.832,48	-911.290,05	102.777,32	-27.924,96	-48.833,71	-86.771,35	-1.160.875,23	0,00
Balance at 31.12.2012	40.667.191,83	159.274.337,23	12.851.007,33	5.223.186,52	90.840.917,74	43.874.621,67	352.731.262,32	77.805.873,70
<b>Accumulated amortisation</b>								
Balance at 1.1.2013	40.667.191,83	159.274.337,23	12.851.007,33	5.223.186,52	90.840.917,74	43.874.621,67	352.731.262,32	77.805.873,70
Additions	0,00	7.619.179,94	293.177,48	78.117,74	5.286.313,64	2.622.197,06	15.898.985,86	35.936,44
Disposals	0,00	-933.268,20	-77.808,06	-46.573,33	-2.465.226,58	0,00	-3.522.876,17	0,00
Non Continuing operations-Impairments	-14.211.289,96	-49.761.405,06	-3.005.539,76	-1.561.332,60	-17.189.907,46	-401.018,60	-86.130.493,44	0,00
Transfers	12.144.940,10	-17.388.798,21	-177.619,08	162,95	1.310.283,27	-1.007.573,75	-5.118.604,72	4.207.896,71
Exchange Differences	-565.363,31	-1.751.560,95	-133.062,10	-32.751,67	-1.085.789,84	-33.193,30	-3.601.721,17	0,00
Balance at 31.12.2013	38.035.478,66	97.058.484,75	9.750.155,81	3.660.809,61	76.696.590,77	45.055.033,08	270.256.552,68	82.049.706,85
<b>Accumulated amortisation</b>								
Balance at 1.1.2012	0,00	30.474.097,23	9.292.011,40	2.773.499,96	54.941.079,31	376.002,82	97.856.690,72	3.479.157,56
Amortisation charge	0,00	10.229.706,91	1.223.376,55	237.808,72	9.202.260,09	0,00	20.893.152,27	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.053.751,61
Decrease of amortisation	0,00	-1.538.439,33	-408.291,43	-65.919,02	-1.529.037,80	0,00	-3.541.687,58	0,00
Transfers	0,00	-1.268.743,48	-339.855,13	-1.321,34	-881.256,04	241.742,58	-2.249.433,41	407.812,90
Exchange Differences	0,00	-411.680,84	73.754,89	-24.399,75	-27.107,35	61.466,31	-327.966,74	0,00
Balance at 31.12.2012	0,00	37.484.940,49	9.840.996,28	2.919.668,57	61.705.938,21	679.211,71	112.630.755,26	4.940.722,07
Balance at 1.1.2013	0,00	37.484.940,49	9.840.996,28	2.919.668,57	61.705.938,21	679.211,71	112.630.755,26	4.940.722,07
Amortisation charge	0,00	8.713.475,53	849.918,72	307.018,66	8.107.004,63	0,00	17.977.417,54	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.055.829,37
Non Continuing operations-Impairments	0,00	-15.526.639,27	-1.934.868,13	-1.420.320,59	-12.540.844,85	0,00	-31.422.672,84	0,00
Decrease of amortisation	0,00	-701.776,34	-40.368,14	-29.430,11	-2.074.085,84	0,00	-2.845.660,43	0,00
Transfers	0,00	365.319,13	161,99	354,21	268.991,53	0,00	634.826,86	0,00
Exchange Differences	0,39	-1.149.754,00	-99.866,22	-29.553,13	-742.299,97	-1.979,17	-2.023.452,10	0,00
Balance at 31.12.2013	0,39	29.185.565,54	8.615.974,50	1.747.737,61	54.724.703,71	677.232,54	94.951.214,29	5.996.551,44
Net Book amount 31.12.2012	40.667.191,83	121.789.396,74	3.010.011,05	2.303.517,95	29.134.979,53	43.195.409,96	240.100.507,06	72.865.151,63
Net Book Amount 31.12.2013	38.035.478,27	67.872.919,21	1.134.181,31	1.913.072,00	21.971.887,06	44.377.800,54	175.305.338,39	76.053.155,41

The Company

	Land	Buildings & Leasehold improvements	Machinery & technical installation	Transportation equipment	Furniture and fixtures	Construction in progress	Total	Investment Property
<b>Cost</b>								
Balance at 1.1.2012	25.051.808,90	96.958.579,14	4.781.047,13	2.281.696,11	34.987.132,02	1.091.120,81	165.151.384,11	79.591.135,03
Additions	0,00	3.098.891,12	183.530,58	1.684.609,52	2.735.009,85	160.927,86	7.862.968,93	86.531,09
Disposals	0,00	0,00	-57.223,25	-147.317,84	-39.221,73	0,00	-243.762,82	0,00
Transfers	0,00	-541.764,57	-339.855,14	-1.323,59	-580.714,85	-169.820,81	-1.633.478,96	436.080,06
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2012	25.051.808,90	99.515.705,69	4.567.499,32	3.817.664,20	37.102.205,29	1.082.227,86	171.137.111,26	80.113.746,18
Balance at 1.1.2013	25.051.808,90	99.515.705,69	4.567.499,32	3.817.664,20	37.102.205,29	1.082.227,86	171.137.111,26	80.113.746,18
Additions	0,00	1.363.571,21	30.193,68	77.179,69	1.248.871,62	249.140,74	2.968.956,94	35.936,44
Disposals	0,00	-4.700,00	0,00	-23.511,83	-505.143,57	0,00	-533.355,40	0,00
Non Continuing operations/Impairments	-14.211.289,96	-48.526.072,08	-3.001.772,33	-1.481.104,82	-1.5923.731,41	-398.118,60	-83.542.089,20	0,00
Transfers	1.403.258,75	-5.611.155,46	0,00	0,00	0,00	-31.000,00	-4.238.896,71	4.207.896,71
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2013	12.243.777,69	46.737.349,36	1.595.920,67	2.390.227,24	21.922.201,93	902.250,00	85.791.726,89	84.357.579,33
<b>Accumulated amortisation</b>								
Balance at 1.1.2012	0,00	26.817.155,00	3.090.468,71	1.804.891,34	23.400.978,52	0,00	55.113.493,57	5.787.030,04
Amortisation charge	0,00	3.765.617,63	296.635,53	149.804,62	3.185.890,57	0,00	7.397.948,35	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.053.751,61
Decrease of amortisation	0,00	0,00	-55.141,32	-41.483,51	-32.690,67	0,00	-129.315,50	0,00
Transfers	0,00	-623.572,41	-339.855,13	-1.321,34	-580.714,85	0,00	-1.545.463,73	407.812,90
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2012	0,00	29.959.200,22	2.992.107,79	1.911.891,11	25.973.463,57	0,00	60.836.662,69	7.248.594,55
Balance at 1.1.2013	0,00	29.959.200,22	2.992.107,79	1.911.891,11	25.973.463,57	0,00	60.836.662,69	7.248.594,55
Amortisation charge	0,00	2.514.121,90	123.700,55	234.865,81	2.239.108,48	0,00	5.111.796,74	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.055.829,37
Non Continuing operations/Impairments	0,00	-14.783.553,01	-1.947.696,49	-1.359.088,36	-11.991.464,12	0,00	-30.081.801,98	0,00
Decrease of amortisation	0,00	-4.700,00	0,00	-6.414,94	-505.143,57	0,00	-516.258,51	0,00
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 31.12.2013	0,00	17.685.069,11	1.168.111,85	781.253,62	15.715.964,36	0,00	35.350.398,94	8.304.423,92
Net Book amount 31.12.2012	25.051.808,90	69.556.505,47	1.575.391,53	1.905.773,09	11.128.741,72	1.082.227,86	110.300.448,57	72.865.151,63
Net Book Amount 31.12.2013	12.243.777,69	29.052.280,25	427.808,82	1.608.973,62	6.206.237,57	902.250,00	50.441.327,95	76.053.155,41



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

### The Group

	Software Programs	Rental Rights	Grant of industrial property rights	Total	Goodwill
<b>Cost</b>					
Balance at 1.1.2012	18.245.074,84	13.861.497,25	113.517.649,88	145.624.221,97	252.828.647,37
Additions	752.496,84	355.470,34	19.799,80	1.127.766,98	0,00
Disposals	-10.700,18	-485.087,36	0,00	-495.787,54	0,00
Transfers	80.069,91	-34.957,97	34.957,90	80.069,84	0,00
Exchange Differences	-152.763,99	-464.241,33	-63.962,88	-680.968,20	0,00
Balance at 31.12.2012	18.914.177,42	13.232.680,93	113.508.444,70	145.655.303,05	252.828.647,37
Balance at 1.1.2013	18.914.177,42	13.232.680,93	113.508.444,70	145.655.303,05	252.828.647,37
Additions	738.775,04		848,70	739.623,74	0,00
Disposals		-841.509,25		-841.509,25	0,00
Non continuing operations	-3.641.038,34	-3.420.000,00	-109.737.307,59	-116.798.345,93	-160.797.933,16
Transfers	-168.886,29	166.672,57	-72.450,17	-74.663,89	
Exchange Differences	-329.172,92	-714.987,17	-130.996,66	-1.175.156,75	0,00
Balance at 31.12.2013	15.513.854,91	8.422.857,08	3.568.538,98	27.505.250,97	92.030.714,21
<b>Accumulated amortisation</b>					
Balance at 1.1.2012	15.347.231,05	5.664.549,15	20.879.208,13	41.890.988,33	0,00
Amortisation charge	1.144.549,69	1.417.037,03	2.528.549,60	5.090.136,32	0,00
Decrease of amortisation	-4.716,90	-456.312,90	0,00	-461.029,80	0,00
Transfers	0,00	0,00	0,00	0,00	58.092,00
Exchange Differences	-179.880,20	-284.941,73	-5.665,08	-470.487,01	0,00
Balance at 31.12.2012	16.307.183,64	6.340.331,55	23.402.092,65	46.049.607,84	58.092,00
Balance at 1.1.2013	16.307.183,64	6.340.331,55	23.402.092,65	46.049.607,84	58.092,00
Amortisation charge	714.543,01	1.647.408,13	-106.336,25	2.255.614,89	0,00
Decrease of amortisation	0,00	-789.237,90	0,00	-789.237,90	0,00
Non continuing operations	-3.184.186,82	-3.514.344,59	-25.204.623,73	-31.903.155,14	0,00
Transfers	11.809,96	-1,00	717.189,97	728.998,93	100.000,00
Exchange Differences	-285.615,19	-462.708,66	-27.200,80	-775.524,65	0,00
Balance at 31.12.2013	13.563.734,60	3.221.447,53	-1.218.878,16	15.566.303,97	158.092,00
<b>Net Book amount 31.12.2012</b>	<b>2.606.993,78</b>	<b>6.892.349,38</b>	<b>90.106.352,05</b>	<b>99.605.695,21</b>	<b>252.770.555,37</b>
<b>Net Book Amount 31.12.2013</b>	<b>1.950.120,31</b>	<b>5.201.409,55</b>	<b>4.787.417,14</b>	<b>11.938.947,00</b>	<b>91.872.622,21</b>

An amount of € 52.366 thousand refers to the goodwill resulting from the acquisition of LINKS (LONDON) LIMITED Company by the Group's subsidiary, and an amount of €39.374 thousand refers to other company acquisitions.

## The Company

	Software Programs	Rental Rights	Grant of industrial property rights	Total	Goodwill
<b>Cost</b>					
<b>Balance at 1.1.2012</b>	<b>4.926.514,57</b>	<b>10.400.773,27</b>	<b>110.315.253,77</b>	<b>125.642.541,61</b>	<b>200.171.794,84</b>
Additions	287.523,66	20.000,00	15.300,00	322.823,66	0,00
Disposals	0,00	0,00	0,00	0,00	0,00
Transfers	-0,01	-34.957,90	34.957,90	-0,01	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
<b>Balance at 31.12.2012</b>	<b>5.214.038,22</b>	<b>10.385.815,37</b>	<b>110.365.511,67</b>	<b>125.965.365,26</b>	<b>200.171.794,84</b>
<b>Balance at 1.1.2013</b>	<b>5.214.038,22</b>	<b>10.385.815,37</b>	<b>110.365.511,67</b>	<b>125.965.365,26</b>	<b>200.171.794,84</b>
Additions	236.196,27	0,00	0,00	236.196,27	0,00
Disposals	0,00	0,00	0,00	0,00	0,00
Non continuing operations	-3.359.829,31	-3.420.000,00	-109.734.657,20	-116.514.486,51	-160.797.933,16
Transfers	-94.222,40	166.672,57	-72.450,17	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
<b>Balance at 31.12.2013</b>	<b>1.996.182,78</b>	<b>7.132.487,94</b>	<b>558.404,30</b>	<b>9.687.075,02</b>	<b>39.373.861,68</b>
<b>Accumulated amortisation</b>					
<b>Balance at 1.1.2012</b>	<b>4.027.021,57</b>	<b>5.241.897,37</b>	<b>23.526.031,37</b>	<b>32.794.950,31</b>	<b>0,00</b>
Amortisation charge	558.548,64	846.485,56	2.442.529,70	3.847.563,90	0,00
Decrease of amortisation	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
<b>Balance at 31.12.2012</b>	<b>4.585.570,21</b>	<b>6.088.382,93</b>	<b>25.968.561,07</b>	<b>36.642.514,21</b>	<b>0,00</b>
<b>Balance at 1.1.2013</b>	<b>4.585.570,21</b>	<b>6.088.382,93</b>	<b>25.968.561,07</b>	<b>36.642.514,21</b>	<b>0,00</b>
Amortisation charge	169.446,80	1.224.643,79	-279.292,00	1.114.798,59	0,00
Decrease of amortisation	0,00	0,00	0,00	0,00	0,00
Non continuing operations	-2.994.008,90	-3.514.344,59	-25.197.387,98	-31.705.741,47	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
<b>Balance at 31.12.2013</b>	<b>1.761.008,11</b>	<b>3.798.682,13</b>	<b>491.881,09</b>	<b>6.051.571,33</b>	<b>0,00</b>
<b>Net Book amount 31.12.2012</b>	<b>628.468,01</b>	<b>4.297.432,44</b>	<b>84.396.950,60</b>	<b>89.322.851,05</b>	<b>200.171.794,84</b>
<b>Net Book Amount 31.12.2013</b>	<b>235.174,67</b>	<b>3.333.805,81</b>	<b>66.523,21</b>	<b>3.635.503,69</b>	<b>39.373.861,68</b>

## 6. Investments in related entities

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

### The Company

Investments in subsidiaries	31.12.2013	31.12.2012
FOLLI-FOLLIE SOURCING 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 JAPAN LTD	15.528.412,86	15.528.412,86
FOLLI-FOLLIE SPAIN SA	4.983.697,81	4.983.697,81
MFK FASHION LTD	367.395,18	367.395,18
PLANACO SA	7.776.221,01	7.776.221,01
FOLLI FOLLIE HOLDINGS SA	109.227.114,01	108.522.114,01
DUTY PAID SHOPS S.A.	0,00	7.000.000,00
HDFS SCOPJE DOO	0,00	1.060.000,00
FF GROUP ROMANIA SRL	5.545.971,25	5.545.971,25
FF GROUP BULGARIA EOOD	1.544.023,14	1.544.023,14
MOUSTAKIS S.A	943.650,44	943.650,44
LOGISTICS EXPRESS S.A.	60.000,00	60.000,00
ICE CUBE S.A.	25.000,00	25.000,00
COLLECTIVE S.A.	960.000,00	960.000,00
ATTIKA DEPARTMENT STORES S.A.	6.312.150,00	6.312.150,00
SHARE CAPITAL INCREASE FOR SUBSIDIARY	14.000.000,00	0,00
<b>Total</b>	<b>200.167.864,24</b>	<b>193.522.864,24</b>

The change of "Investment in subsidiaries" is due to:

- a) The completion of the spinoff of the travel retail, which resulted in the reduction of participation by 8.060 thousand.
- b) The increase of € 705 th. participation in the subsidiary FF holding SA following a decision of an extraordinary general meeting.
- c) The payment of € 14 million capital increase in the subsidiary company Links of London.

The Group also owns and indirect holdings through affiliated companies whose value is given in the following table:

### GROUP

SUBSIDIARIES	31.12.2013	31.12.2012
LINKS OF LONDON LTD	57.423.473,76	57.423.473,76
ATTIKA DEPARTMENT STORES S.A.	1.450.000,00	1.500.000,00
HELLENIC DISTRIBUTIONS	0,00	60.000,00
NORTH GREECE DEPARTMENT STORES S.A.	0,00	793.650,00
<b>Total</b>	<b>58.873.473,76</b>	<b>59.777.123,76</b>

Investments in associates regarding the company "MARINA MYTILINIS SA" with participation of 50 %.

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

Subsidiaries in Asia there are even indications of impairment, because their equity is much greater than the value of participation and therefore not appropriate investigation impairment.

For other subsidiaries (Europe - Greece) because of the specificity of the market conditions, especially in the last two years are subject to an impairment of their value once a year, namely 31.12. For the year 2013 revealed no facts indications for impairment of subsidiaries. In previous years in this category was finalized impairment, based on the value in use, the order of € 4.3 million respectively reducing the value of investments.

## 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					
	LITO S.A.	Dufry	A.B.G.	Other	Total
<b>Balance 01.01.2012</b>	<b>307.689,19</b>	<b>0,00</b>	<b>67.986,46</b>	<b>26.316,92</b>	<b>401.992,57</b>
Additions	0,00	0,00	0,00	0,00	0,00
Reductions	0,00	0,00	0,00	0,00	0,00
Movements	0,00	0,00	0,00	0,00	0,00
Disposals	0,00	0,00	0,00	0,00	0,00
Valued at 01.01.12-31.12.12	240.108,52	0,00	-32.385,45	7.162,92	214.885,99
<b>Balance 31.12.2012</b>	<b>547.797,71</b>	<b>0,00</b>	<b>35.601,01</b>	<b>33.479,84</b>	<b>616.878,56</b>
Additions	0,00	153.000.000,00	0,00	189.383,00	153.189.383,00
Reductions	0,00	0,00	0,00	0,00	0,00
Movements	0,00	0,00	-35.601,01	0,00	-35.601,01
Disposals	0,00	0,00	0,00	0,00	0,00
Valued at 01.01.13-31.03.13	8.376,18	0,00	0,00	-31.499,84	-23.123,66
<b>Balance 31.12.2013</b>	<b>556.173,89</b>	<b>153.000.000,00</b>	<b>0,00</b>	<b>191.363,00</b>	<b>153.747.536,89</b>

The Company					
	LITO S.A.	Dufry	A.B.G.	Other	Total
<b>Balance 01.01.2012</b>	<b>307.689,19</b>	<b>0,00</b>	<b>67.986,46</b>	<b>23.822,92</b>	<b>399.498,57</b>
Additions	0,00	0,00	0,00	0,00	0,00
Reductions	0,00	0,00	0,00	0,00	0,00
Movements	0,00	0,00	0,00	0,00	0,00
Disposals	0,00	0,00	0,00	0,00	0,00
Valued at 01.01.12-31.12.12	240.108,52	0,00	-32.385,45	7.455,92	215.178,99
<b>Balance 31.12.2012</b>	<b>547.797,71</b>	<b>0,00</b>	<b>35.601,01</b>	<b>31.278,84</b>	<b>614.677,56</b>
Additions	0,00	153.000.000,00	0,00	0,00	153.000.000,00
Reductions	0,00	0,00	0,00	0,00	0,00
Movements	0,00	0,00	-35.601,01	0,00	-35.601,01
Disposals	0,00	0,00	0,00	0,00	0,00
Valued at 01.01.13-31.12.13	8.376,18	0,00	0,00	-29.298,84	-20.922,66
<b>Balance 31.12.2013</b>	<b>556.173,89</b>	<b>153.000.000,00</b>	<b>0,00</b>	<b>1.980,00</b>	<b>153.558.153,89</b>

The payment of €153 million for the acquisition of shares of Dufry has as follows:

From the sale of the remaining 49% of the company " HDFFS S.A. " the price was 328 million, of which EUR 175 million was paid in cash and with the remaining EUR 153 million acquired 6.000.000 shares of company Dufry.

Investments available for sale the group in shares listed on the Athens Stock Exchange are valued at current prices closing session of the Stock Exchange on December 31, 2013 (Level 1) and not listed on the Athens Exchange are valued at cost and tested at each balance sheet date for impairment through other comprehensive income. The audit was conducted on 31.12.2013, a loss amounting to € 20k.

## 8. Other long term Assets

	The Group		The Company	
Other long term assets	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Bills and checks receivable	25.536,00	1.404.727,32	0,00	1.404.727,32
Rental deposits	10.008.718,28	14.763.203,07	1.409.013,38	5.112.262,18
Other non current assets	10.342.139,54	14.626.108,41	10.000.000,00	14.000.000,00
<b>Total</b>	<b>20.376.393,82</b>	<b>30.794.038,80</b>	<b>11.409.013,38</b>	<b>20.516.989,50</b>

## 9. Inventories

	The Group		The Company	
Inventories	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Merchandise	256.530.634,52	388.134.112,04	32.529.662,45	89.972.673,00
Products - Raw Materials & Consumables	3.173.718,73	2.913.957,96	2.855.323,75	2.598.134,78
Packing materials	689.957,46	751.330,10	274.464,48	288.338,20
Less: Provisions for obsolescence	-5.555.277,41	-14.183.257,91	-4.446.197,81	-1.314.008,94
<b>Total</b>	<b>254.839.033,30</b>	<b>377.616.142,19</b>	<b>31.213.252,87</b>	<b>91.545.137,04</b>

Inventories are measured at the lowest value between the acquisition value and the clear liquidating value, as provided for by IAS 2.

## 10. Trade Receivables and other Current Assets

	The Group		The Company	
Trade receivables	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Trade receivables (customers via open balances)	379.321.042,07	426.207.175,97	64.701.618,48	60.814.379,70
Cheques/promissory notes receivables	18.953.792,51	20.272.964,45	17.031.914,42	17.953.757,09
Balance provision of bad debts 31.12.2013	-7.859.830,38	-943.034,92	-7.130.121,60	-457.200,84
<b>Total</b>	<b>390.415.004,20</b>	<b>445.537.105,50</b>	<b>74.603.411,30</b>	<b>78.310.935,95</b>

	The Group		The Company	
Aging	31.12.2013	31.12.2012	31.12.2013	31.12.2012
1 to 120 days	326.956.638,38	316.388.023,35	62.623.343,68	55.027.719,12
from 120 to 180 days	6.127.638,32	47.329.486,19	1.952.615,55	5.354.407,03
from 180 to 270 days	29.781.920,98	45.572.423,67	4.078.173,30	5.281.765,13
above 270 days	35.408.637,72	37.190.207,21	13.079.400,37	13.104.245,51
<b>Total</b>	<b>398.274.835,40</b>	<b>446.480.140,42</b>	<b>81.733.532,90</b>	<b>78.768.136,79</b>



The provision made for doubtful debts arising from the stand-alone test the ability of repayment of the balance for each customer - debtor, taking into account the age of this. For receivables that have paid for claims through legal channels, taking into account the assessment of the legal adviser. During the year the parent company, a provision amounting to € 7.041 thousand and subsidiaries as conducted additional provision amounting to € 46 thousand and used provision amounting € 369 thousand for the company and amount of € 26 thousand for the Group for debt write off.

Following are the amounts of provisions and the aging of the balances of trade receivables.

The Group			The Company	
Trade receivables	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Balance provision of bad debts 01.01.2013	-1.168.095,95	-1.871.535,57	-457.200,84	-1.481.967,86
Expense for the period	-7.087.026,05	-687.528,33	-7.041.585,82	-573.195,76
Deletions / Recovery period	395.291,62	1.616.028,98	368.665,06	1.597.962,78
<b>Total</b>	<b>-7.859.830,38</b>	<b>-943.034,92</b>	<b>-7.130.121,60</b>	<b>-457.200,84</b>

The Group			The Company	
Other current assets	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Trade receivables (customers via credit cards)	15.088.167,84	14.555.345,45	1.629.345,75	1.716.338,55
Short-term Loan Claims	4.938.683,55	171.600,11	17.689.082,80	11.848.424,96
Receivables from public sector	4.385.242,69	8.923.926,15	2.714.374,28	5.977.534,67
Advances to suppliers	73.475.701,39	68.001.443,03	7.711.373,29	4.845.736,23
Personel advances	134.666,77	155.881,55	70.978,42	68.263,25
Purchases under settlement	1.841.992,50	31.853.694,58	357.674,82	1.847.959,39
Other receivables	21.712.367,10	15.535.128,87	1.791.298,55	10.252.968,46
Prepaid expenses	5.936.682,43	6.225.945,19	428.628,31	673.785,91
Accrued income	155.780,39	857.399,63	122.366,53	575.131,59
<b>Total</b>	<b>127.669.284,66</b>	<b>146.280.364,56</b>	<b>32.515.122,75</b>	<b>37.806.143,01</b>

## 11. Cash and cash equivalent

The Group			The Company	
Cash & cash equivalent	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Cash on hand	1.991.388,27	3.217.644,23	515.809,51	1.801.698,39
Cash at bank	249.592.807,03	123.265.504,18	133.984.279,16	9.928.197,00
<b>Total</b>	<b>251.584.195,30</b>	<b>126.483.148,41</b>	<b>134.500.088,67</b>	<b>11.729.895,39</b>

## 12. Other financial Assets at fair value

	The Group	The Company
Other financial assets at fair value through profit	Listed companies	Listed companies
Balance at 1.1.2012	66.428,13	66.428,13
Additions	0,00	0,00
Disposals	0,00	0,00
Adjustment	0,00	0,00
Impairments	0,00	0,00
valuation	-30.957,42	-30.957,42
Exchange Differences	0,00	0,00
Balance at 31.12.2012	35.470,71	35.470,71
Balance at 1.1.2013	35.470,71	35.470,71
Additions	0,00	0,00
Disposals	0,00	0,00
Adjustment	0,00	0,00
Impairments	0,00	0,00
valuation	-15.410,93	-15.410,93
Exchange Differences	0,00	0,00
Balance at 31.12.2013	20.059,78	20.059,78

## 13. Shareholders Equity

	The Group		The Company	
Equity of shareholders of the parent company	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Share Premium	145.211.731,47	145.211.731,47	145.211.731,47	145.211.731,47
Own shares	0,00	-13.384.633,73	0,00	-13.384.633,73
Other reserves	47.741.628,47	-38.584,27	43.672.225,11	-3.832.874,78
Currency translated differences	-43.627.819,45	-27.533.149,61	0,00	0,00
Differences due Consolidation	-87.027.854,86	-87.027.854,86	-85.554.366,48	-85.554.366,48
Retained earnings	1.077.755.479,47	768.222.990,18	437.796.611,32	40.074.713,56
<b>Total</b>	<b>1.160.137.628,10</b>	<b>805.534.962,18</b>	<b>561.210.664,42</b>	<b>102.599.033,04</b>

## 14. Borrowings

	The Group		The Company	
<b>Borrowings</b>	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
<b>Borrowed funds</b>				
Bond Loans	37.274.798,31	447.414.428,18	32.300.000,00	444.500.000,00
Bank Loans	151.694.934,55	241.600.708,92	109.121.742,37	196.265.606,22
Leases	33.573.271,66	52.061.396,98	26.949.064,00	44.117.564,79
<b>Total</b>	<b>222.543.004,52</b>	<b>741.076.534,08</b>	<b>168.370.806,37</b>	<b>684.883.171,01</b>
Long-term borrowings	35.904.529,82	428.829.361,00	25.226.682,00	400.008.208,00
Short-term borrowings	186.638.474,70	312.247.173,08	143.144.124,37	284.874.963,01
<b>Total</b>	<b>222.543.004,52</b>	<b>741.076.534,08</b>	<b>168.370.806,37</b>	<b>684.883.171,01</b>
<b>Bond Loans</b>				
More than 5 years	2.283.067,31	0,00	0,00	0,00
From 1 to 5 years	1.729.113,48	361.261.007,62	0,00	359.000.000,00
Up to 1 year	33.262.617,52	86.153.420,56	32.300.000,00	85.500.000,00
<b>Total</b>	<b>37.274.798,31</b>	<b>447.414.428,18</b>	<b>32.300.000,00</b>	<b>444.500.000,00</b>
<b>Bank Loans</b>				
More than 5 years	0,00	0,00	0,00	0,00
From 1 to 5 years	1.347.429,52	20.096.857,94	0,00	0,00
Up to 1 year	150.347.505,03	221.503.850,98	109.121.742,37	196.265.606,22
<b>Total</b>	<b>151.694.934,55</b>	<b>241.600.708,92</b>	<b>109.121.742,37</b>	<b>196.265.606,22</b>
<b>Leases</b>				
More than 5 years	17.775.235,00	27.662.930,00	17.775.235,00	27.662.930,00
From 1 to 5 years	12.769.684,51	19.808.565,44	7.451.447,00	13.345.278,00
Up to 1 year	3.028.352,15	4.589.901,54	1.722.382,00	3.109.356,79
<b>Total</b>	<b>33.573.271,66</b>	<b>52.061.396,98</b>	<b>26.949.064,00</b>	<b>44.117.564,79</b>

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

	The Group		The Company	
	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
<b>Amounts recognized in income statement</b>				
Current service cost	410.307	691.695	109.543	203.873
Interest on obligation	211.950	243.590	45.370	209.947
Recognition of actuarial loss / (profit)	0,00	(1.385.975)	0,00-	(1.379.343)
<b>Normal output in the income statement</b>	<b>622.257</b>	<b>(450.690)</b>	<b>154.913</b>	<b>(965.523)</b>
Cost cuts / settlement / termination of service	465.896	491.643	231.420	193.784
<b>Total expense in the income statement</b>	<b>1.088.153</b>	<b>40.953</b>	<b>386.333</b>	<b>(771.739)</b>
<b>Changes in net liability recognized in balance sheet</b>				
Net liability at beginning of year	7.243.688	9.282.505	6.009.002	6.921.106
Benefits paid by the employer	(860.262)	(1.890.992)	(284.413)	(1.171.843)
Total expense recognized in income statement	1.057.258	24.921	386.333	259.739
Total amount recognized in Equity	(37.081)	(27.139)	26.218	0,00
Adjusted to liability *	<b>(4.868.932)</b>	<b>0,00</b>	<b>(4.701.958)</b>	0,00
<b>Net liability at end of year</b>	<b>2.534.671</b>	<b>7.416.434</b>	<b>1.435.182</b>	<b>6.009.002</b>
<b>Change in present value of obligation</b>				
Present value of obligation at beginning of period	7.243.688	9.282.505	6.009.002	7.997.010
Current service cost	592.507	691.695	109.543	203.873
Interest on obligation	63.442	343.590	45.370	209.947
Benefits paid by the employer	(860.262)	(1.890.992)	(284.413)	(1.171.843)
Cost cuts / settlement / termination of service	401.309	57.418	231.420	0,00
Adjusted to liability *	(4.868.932)	0,00-	(4.701.958)	0,00
Additional payments or expenses / (income)	0,00-	255.038	0,00-	193.784
Cost of service during the period	0,00-	(1.295.681)	0,00-	(1.379.343)
Actuarial loss / (gain)	(37.081)	(27.139)	26.218	(44.426)
<b>Present value of obligation at end of period</b>	<b>2.534.671</b>	<b>7.416.433</b>	<b>1.435.182</b>	<b>6.009.002</b>
Actuarial assumptions	0,00-	0,00-	0,00-	0,00
Discount rate	0,00-	0,00-	3,83%	2,94%
Future salary increases	0,00-	0,00-	0,00%	0,00%
Expected remaining working lives	0,00-	0,00-	17,39	17,06

\* Due to travel Retail

## 16. Long term liabilities

	Group		Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>Total long-term provisions</b>				
Provisions for additional taxes	872.183,18	872.249,86	571.000,00	571.000,00
Provisions for exposure and expenses	2.613.273,53	2.831.869,85	1.841.095,01	2.150.000,00
<b>Total</b>	<b>3.485.456,71</b>	<b>3.704.119,71</b>	<b>2.412.095,01</b>	<b>2.721.000,00</b>

Unaudited fiscal years:

Company Name	Unaudited Tax Years
FOLLI FOLLIE UK LTD	2007-2012
FOLLI FOLLIE FRANCE SA	2007-2012
FOLLI FOLLIE SPAIN SA	2007-2012
MFK FASHION	2007-2012
PLANACO S.A.	2010
FOLLI FOLLIE JAPAN LTD	2010-2012
FOLLI FOLLIE HONG KONG LTD	2007-2012
FOLLI FOLLIE ASIA LTD	2007-2012
FOLLI FOLLIE TAIWAN LTD	2007-2012
FOLLI FOLLIE KOREA LTD	2007-2012
FOLLI FOLLIE SINGAPORE LTD	2007-2012
FOLLI FOLLIE MACAO LTD	2008-2012
BLUEFOL GUAM LTD	2007-2012
BLUEFOL HAWAII LTD	2007-2012
BLUEFOL HONG KONG LTD	2007-2012
FOLLI FOLLIE MALAYSIA LTD	2007-2012
FOLLI FOLLIE THAILAND LTD	2007-2012
FOLLI FOLLIE CHINA (PILION LTD)	2007-2012
FOLLI FOLLIE SHENZHEN	2008-2012
FOLLI FOLLIE HOLDINGS	2010
LINKS (LONDON) LIMITED	2007-2012
LINKS OF LONDON (INTERNATIONAL) LTD	2007-2012
LINKS OF LONDON COM LTD (UK)	2007-2012
LINKS OF LONDON INC (USA)	2007-2012
LINKS OF LONDON (FRANCE)	2007-2012
HDFS SKOPJE DOO	2007-2012
DUTY PAID SHOPS S.A.	2010
FF GROUP ROMANIA SRL	2007-2012
FF GROUP BULGARIA EOOD	2007-2012
MOUSTAKIS S.A.	2010
LOGISTICS EXPRESS S.A.	2010
ATTIKA DEPARTMENT STORES S.A.	2009-2010
NORTH LANDMARK S.A.	2009-2010
NORTH GREECE DEPARTMENT STORES S.A.	-
ICE CUBE S.A.	-
COLLECTIVE PATRAS S.A.	-

The years 2011-2012 have been audited by the statutory auditors in accordance with the provisions of Article 82 § 5 of Law 2238/1994, while the tax audit for the year 2013 for both the parent company and its subsidiaries, located in development and is not expected to incur additional tax liabilities.

In addition to the provision for additional taxes from future audits, the Group companies have a provision for litigations. This provision amounts to 686 thousand euros, based on the fact that company has been litigation with plaintiff the Greek government, and provides a reliable estimate of the amounts to be paid if the weight becomes final.

Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation.

In addition to provisions for additional taxes from future tax audits, the companies of the Group have formed the following provisions:

#### Provision for litigious cases

This provision is equal to €527 thousand and is based on the fact that a company of the Group is facing court action; 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 €227 thousand and stems from the fact that a Group's subsidiary company may be required to pay certain amounts as penalty clauses to its suppliers with whom the company has contracted a shop-in-shop commercial cooperation contract, if such cooperation is prematurely terminated, under specific conditions and terms.

These provisions are re-examined at each balance sheet date and are adjusted in order to show the present value of the expense anticipated in order to settle the obligation.

## 17. Other Long Term Liabilities

	The Group		The Company	
Other long-term liabilities	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Other liabilities	83.821,26	77.270,00	0,00	0,00
Valuation from financial hedging instruments	9.641.912,28	29.210.736,37	9.641.912,28	29.210.736,37
Special contribution tax	0,00	10.796,58	0,00	0,00
<b>Total</b>	<b>9.725.733,54</b>	<b>29.298.802,95</b>	<b>9.641.912,28</b>	<b>29.210.736,37</b>

The item "valuation of financial / hedging instruments" refers rate swaps (IRS) which are held as cash flow hedging instruments floating rate financial liabilities, which cover approximately 6.8% of the capital of the loans. The majority of contracts expire in 2015. The fair values of derivative financial instruments are based on market valuation (mark to market), which is verified by the credit institutions which have signed the contracts. These changes in valuation of hedging instruments are recognized as "reserves" in equity funds through other comprehensive income and are recognized in income when the hedged cash flows affect them.



## 18. Trade and other Liabilities

	The Group		The Company	
Trade and other payables	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Suppliers	74.743.050,78	96.132.739,90	36.502.786,60	47.411.989,67
Cheques / promissory notes payables	8.311.156,26	10.429.051,29	3.066.710,31	6.011.499,81
Advances from customers	9.214.283,50	7.334.391,17	7.765.019,77	5.977.418,95
Personnel payroll payable	526.277,62	1.742.621,08	232.878,74	876.768,33
Other creditors payable	1.180.878,27	6.593.315,80	1.150.541,40	79.112,38
Social security contribution	2.670.975,71	6.221.137,22	1.397.304,58	2.449.673,18
Other liabilities	11.434.821,79	12.868.962,65	338.008,37	292.267,81
Accrued expenses	12.177.485,44	10.908.769,67	1.350.305,98	1.312.249,46
Deferred revenue	0,00	60.582,58	0,00	10.421,44
<b>Total</b>	<b>120.258.929,37</b>	<b>152.291.571,36</b>	<b>51.803.555,75</b>	<b>64.421.401,03</b>

## 19. Current income tax and current tax liabilities

	The Group		The Company	
Current Income tax	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Income tax	11.465.363,98	15.039.688,88	0,00	4.158,80
Special contribution tax	253,00	0,00	0,00	0,00
<b>Total</b>	<b>11.465.616,98</b>	<b>15.039.688,88</b>	<b>0,00</b>	<b>4.158,80</b>

	The Group		The Company	
Current tax liabilities	31.12.2013	31.12.2012	31.12.2013	31.12.2012
V.A.T.	4.429.122,67	2.608.263,94	1.152.182,81	-455.922,51
Other taxes	1.147.759,83	2.287.065,92	509.713,81	1.428.493,86
<b>Total</b>	<b>5.576.882,50</b>	<b>4.895.329,86</b>	<b>1.661.896,62</b>	<b>972.571,35</b>

## 20. Deferred Income Tax

	The Group				The Company			
	31.12.2013		31.12.2012		31.12.2013		31.12.2012	
Deferred tax Claims-liabilities	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Obligation
<b>Current assets</b>								
Tangible fixed assets	0,00	15.883.607,14	0,00	13.369.433,73	0,00	0,00	0,00	13.969.765,25
Intangible assets	995.911,60	0,00	0,00	12.754.662,38	1.675.490,33	0,00	0,00	11.556.306,80
Long Term receivables	153.299,27	0,00	234.545,11	0,00	0,00	0,00	266.848,34	0,00
<b>Non-current assets</b>								
Provisions	0,00	201.707,77	1.967.099,14	0,00	0,00	0,00	1.418.015,05	0,00
Def.Tax recognised in Equity	2.510.830,77	0,00	7.421.836,89	0,00	2.506.897,19	0,00	7.594.791,46	0,00
Losses	2.818.985,31	0,00	2.877.654,05	0,00	0,00	0,00	0,00	0,00
Accruals	329.650,04	0,00	0,00	-141.276,45	97.983,26	0,00	0,00	65.340,92
<b>Total</b>	<b>6.808.676,99</b>	<b>16.085.314,91</b>	<b>12.501.135,19</b>	<b>25.982.819,66</b>	<b>4.280.370,78</b>	<b>15.932.557,01</b>	<b>9.279.654,85</b>	<b>25.591.412,97</b>
Matching	-3.323.152,70	-3.323.152,70	10.130.087,70	10.130.087,70	-4.280.370,78	-4.280.370,78	9.233.968,44	9.233.968,44
<b>Total</b>	<b>3.485.524,29</b>	<b>12.762.162,21</b>	<b>22.631.222,89</b>	<b>36.112.907,36</b>	<b>0,00</b>	<b>11.652.186,23</b>	<b>18.513.623,29</b>	<b>34.825.381,41</b>

Deferred taxes are calculated based on the tax rate to be charged to the profit of each company during the year are expected to settle the deferred tax asset or liability, taking into account the tax provisions in effect at the balance sheet date. Therefore, the tax rate used to calculate the deferred tax is detailed as follows: based on recent amendments in the Greek tax legislation, 26% rate was used.

## 21. Revenues

	The Group		The Company	
Turnover	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
Sales of Merchandise	907.102.912,36	1.093.157.929,98	162.324.750,69	393.019.916,84
Sales of Products	18.614.352,84	8.220.214,08	6.365.456,21	6.836.182,00
Sales of other goods	951.723,07	516.852,16	946.001,92	498.523,97
Sales of services	7.561.505,20	8.137.539,82	7.110.167,21	7.582.828,20
<b>Total</b>	<b>934.230.493,46</b>	<b>1.110.032.536,04</b>	<b>176.746.376,03</b>	<b>407.937.451,01</b>

## 22. Other Income

	The Group		The Company	
Other operating income	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
Income from Marketing	1.203.060,20	6.516.992,67	851.745,93	6.486.520,93
Income from Promoters & Merch.	1.370.118,52	7.954.296,89	144.195,23	1.950.511,98
Other income	6.272.017,76	8.290.505,21	2.547.133,03	2.189.485,51
Received grants	121.655,97	125.143,94	121.655,97	91.161,94
Rental income	112.830,60	85.829,08	83.934,22	67.086,00
Foreign exchange gains	3.230.615,97	2.208.477,69	492.188,27	504.481,05
Other operating & extraordinary income	241.994,30	7.123.288,50	10.997,99	372.087,18
Prior year income	527.133,20	234.318,72	150.510,26	225.351,24
<b>Total</b>	<b>13.079.426,52</b>	<b>32.538.852,70</b>	<b>4.402.360,90</b>	<b>11.886.685,83</b>

## 23. Administrative and Selling Expenses

	The Group		The Company	
	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
<b>Administration expenses</b>				
Total Fees & staff	26.593.989,81	32.371.074,91	6.647.274,12	10.341.720,75
Legal-professional-other fees	8.352.095,68	15.196.066,28	3.968.720,56	6.695.283,91
Credit card commissions	31.926,66	23.940,83	856,80	171,28
Postage & telecommunication	693.721,18	744.335,77	117.631,08	148.442,54
Rent expenses	3.444.929,28	4.097.193,79	359.820,30	171.857,14
Car rentals & car leases	108.767,07	213.874,21	83.511,72	195.653,20
Insurance	551.814,91	464.940,60	191.591,76	191.287,13
Repairs & Maintenance	1.469.692,03	1.161.186,29	359.633,75	402.321,64
Utilities & cleaning	590.121,30	704.098,26	41.295,92	516.612,96
Other taxes (not income tax)	1.769.427,75	1.426.268,18	876.930,94	473.761,67
Transportation expenses	1.967.156,32	1.992.142,14	439.154,45	340.531,53
Advertising & promotional expenses	6.928.165,60	4.641.728,90	232.591,61	262.736,96
Fairs & exhibition expenses	36.198,86	572.419,40	0,00	0,00
Stationery & consumables	521.269,68	612.268,54	74.128,19	82.891,47
Other expenses	1.726.569,76	1.775.509,72	1.079.436,22	767.291,20
Depreciation & amortization	3.925.375,75	7.072.474,07	2.124.344,91	4.966.319,04
Provision for retirement	369.950,64	368.982,05	8.553,39	-16.874,64
Other Provisions	7.454,00	163.466,46	0,00	0,00
<b>Total</b>	<b>59.088.626,28</b>	<b>73.601.970,40</b>	<b>16.605.475,72</b>	<b>25.540.007,78</b>

	The Group		The Company	
	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
<b>Selling expenses</b>				
Total Fees & staff	83.966.508,43	115.925.719,29	27.404.373,64	51.132.758,70
Legal-professional-other fees	18.908.584,00	20.352.819,70	4.413.394,63	4.618.765,97
Credit card commissions	4.225.267,64	5.242.795,28	1.068.466,91	2.101.645,89
Postage & telecommunication	1.463.175,54	2.104.533,06	407.110,11	843.945,13
Rent expenses	60.186.854,72	84.596.137,08	12.911.453,21	35.430.946,53
Car rentals & car leases	202.780,77	374.407,17	186.547,54	314.199,79
Insurance	1.526.169,54	1.843.566,77	982.789,97	1.188.598,83
Repairs & Maintenance	3.658.735,72	4.328.588,33	979.163,53	1.296.186,72
Utilities & cleaning	7.346.329,20	8.532.725,44	2.793.947,55	3.920.751,00
Other taxes (not income tax)	1.618.510,18	2.447.187,88	593.888,25	1.191.388,29
Transportation expenses	4.382.073,61	5.885.303,53	1.499.619,22	3.099.889,59
Advertising & promotional expenses	16.783.165,31	19.612.751,42	5.002.630,14	6.338.350,84
Fairs & exhibition expenses	520.370,63	189.988,81	430.580,07	103.655,78
Stationery & consumables	1.753.809,49	2.098.041,79	104.162,99	290.329,88
Other expenses	16.705.149,01	19.988.957,24	1.857.664,21	2.929.820,22
Depreciation & amortization	17.232.765,82	19.788.939,20	5.130.870,12	7.289.714,79
Provision for retirement	817.352,14	311.142,17	168.225,12	52.283,20
Other Provisions	37.753,00	182.039,74	0,00	0,00
<b>Total</b>	<b>241.335.354,74</b>	<b>313.805.643,90</b>	<b>65.934.887,21</b>	<b>122.143.231,15</b>

## 24. Other Expenses

	The Group		The Company	
Other operating expenses	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
Penalties & fines	211.174,25	135.517,48	168.253,40	95.696,60
Duties and taxes on deficits	19.233,60	6.384,49	0,00	245,11
Impairment of assets	36.585,66	123.356,02	0,00	0,00
Stock loss & damage	831.009,34	1.541.921,74	0,00	270.623,73
Loss from claims not susceptible of collection	24.693,62	681.823,96	0,00	624.619,12
Provisions for exposure & expenses	117.698,64	7.811.352,18	1.328,31	756.783,61
Foreign exchange losses	5.282.631,37	3.862.485,16	508.929,91	958.662,48
Prior years' expenses	182.543,40	926.993,95	176.637,22	55.373,85
Other expenses	3.232.373,26	1.120.980,81	192.295,71	3.679.999,56
<b>Total</b>	<b>9.937.943,13</b>	<b>16.210.815,79</b>	<b>1.047.444,55</b>	<b>6.442.004,06</b>

## 25. Financial Income - Expenses

	The Group		The Company	
Financial-Investements and other income-expenses at fair value	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
Gains from sale of travel retail activity	338.176.845,50	0,00	338.176.845,50	0,00
Gains from sale of investments	327.626,47	-5.172,13	227.642,28	0,00
Losses from sale of investments	-33.336,45	0,00	0,00	0,00
Gains from forex instruments	107.659,87	165.523,04	51.429,95	165.523,04
Gains from carve-out of travel retail activity	29.442.307,81	0,00	29.442.307,81	0,00
Revaluation of fair value investments	0,00	4.419,44	0,00	0,00
Gains from derivatives	352.799,76	1.013.520,97	352.799,76	1.013.520,97
Dividends from subsidiaries	0,00	0,00	0,00	0,00
Dividends from investments fair value	0,00	0,00	0,00	0,00
Dividends from other investments	0,00	34.052,04	0,00	0,00
Losses on derivatives	-23.102.570,08	-12.472.322,68	-23.102.570,08	-12.472.322,68
Devaluation of fair value inventories	-250.753.535,43	0,00	-19.732.711,08	0,00
Interest on reserves	1.608.516,68	1.816.098,66	209.664,38	290.450,67
Other interests	354.549,87	265.700,87	35.166,48	0,00
Interest expenses (Loans)	-20.490.777,94	-38.939.265,07	-18.869.743,39	-34.645.425,48
Interest expenses (Leases)	-1.418.540,64	-1.654.723,64	-1.266.980,76	-1.568.946,53
Other interests	-544.102,78	-460.399,95	0,00	155.576,88
Bank commission & taxes	-1.915.856,48	-1.420.749,79	-1.039.257,34	-1.205.035,22
Profits from sale of assets	1.694,88	30.283,18	172,94	26.940,37
Impairment losses of trade receivables and other non-current assets	-9.972.052,94	0,00	-9.154.862,97	0,00
Losses from the disposal of assets	-499.514,53	-1.103.119,89	-4.060,36	-4.412,67
Devaluation of fair value of fixed assets	-24.970.548,36	-58.092,00	-24.970.548,36	0,00
Other financial expenses	-5.452.268,98	-655.979,26	-4.599.815,64	-107.751,16
Impairment of investments	0,00	0,00	0,00	0,00
Losses from foreign exchange products	-7.403,96	-1.851.121,92	0,00	-1.602.289,14
Loss on valuation of investment at fair value	-15.410,93	-82.809,78	-15.410,93	-30.957,42
Revaluation of fair value of subsidiary	192.637.254,64	0,00	192.637.254,64	0,00
Other financial income	406.677,14	581.118,97	0,00	143.971,64
<b>Total</b>	<b>224.240.013,12</b>	<b>-54.793.038,94</b>	<b>458.377.322,83</b>	<b>-49.841.156,73</b>

## 26. Income Tax

	The Group		The Company	
	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
<b>Profit/Loss (before the tax)</b>	<b>397.612.546,15</b>	<b>130.894.451,56</b>	<b>459.605.333,62</b>	<b>-3.291.177,87</b>
Current tax rate	26,00%	20,00%	26,00%	20,00%
<b>Tax related</b>	<b>103.379.262,00</b>	<b>26.178.890,31</b>	<b>119.497.386,74</b>	<b>-658.235,57</b>
Irreversible deviations from tax basis	-32.606.096,59	727.711,30	-32.612.616,59	687.393,30
Tax effect of funds not subject to tax	-40.195.999,13	5.805.851,28	-59.473.049,40	4.468.686,18
Deleted deferred taxes	-7.527,00	50.850,21	0,00	45.234,21
Effect of different deferred tax rate	-48.359,00	3.757.003,86	0,00	3.764.251,87
Effect of different subsidiaries' tax rate	19.418.179,40	-1.268.715,70	0,00	0,00
Other Taxes	89.023,35	22.705,20	32.969,35	22.705,20
Additional to prior years' taxes	80.405,00	0,00	0,00	0,00
Provisions for additional taxes	0,00	0,00	0,00	0,00
<b>Total</b>	<b>50.108.888,03</b>	<b>35.274.296,46</b>	<b>27.444.690,10</b>	<b>8.330.035,19</b>

## 27. Earnings per share

	The Group		The Company	
<b>Earnings per Share</b>	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
<b>Net profit for the period</b>	<b>347.503.658,12</b>	<b>95.620.155,10</b>	<b>432.160.643,52</b>	<b>-11.621.213,06</b>
<b>Attributable to :</b>				
Shareholders of the parent company	344.631.926,03	93.625.719,74	432.160.643,52	-11.621.213,06
Non controlling interests	2.871.732,09	1.994.435,36	0,00	0,00
<b>Weighted average number of shares</b>	<b>66.874.760,45</b>	<b>66.015.129,00</b>	<b>66.874.760,48</b>	<b>66.015.129,00</b>
<b>Basic earnings per share</b>	<b>5,1534</b>	<b>1,4182</b>	<b>6,4622</b>	<b>-0,1760</b>

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

Transactions between parent and subsidiary		
	01.01. - 31.12.2013	01.01. - 31.12.2012
Sales of goods	33.932.509,97	35.827.688,46
Sales Services-other income	447.514,68	377.466,95
Purchases	13.379.454,76	9.692.680,91
Reception - other expenses	267.291,46	3.839.681,25
Parent co transactions with other related parties		
	01.01. - 31.12.2013	01.01. - 31.12.2012
Sales of goods	3.305.954,62	0,00
Sales Services - Other Income	686.180,67	38.907,97
Purchases	266.006,02	0,00
Reception - other expenses	13.696,31	0,00



Transactions and Fees with managers		
	01.01. - 31.12.2013	01.01. - 31.12.2012
The Company	2.999.762,63	7.054.079,86
The Group	3.733.489,41	7.983.438,49
Group's transactions with other related parties		
	01.01. - 31.12.2013	01.01. - 31.12.2012
Sales of goods	3.410.586,62	0,00
Sales Services - Other Income	705.990,67	10.032,00
Purchases	3.026.750,02	912.410,00
Reception - other expenses	158.750,31	30.563,00
Balance as at the end of the period		
	31.12.2013	31.12.2012
<b>The Company</b>		
<b>From subsidiaries</b>		
Requirements	56.638.119,76	53.997.477,06
Obligations	15.718.735,28	10.818.555,16
<b>From other related parties</b>		
Requirements	4.413.073,38	38.907,97
Obligations	327.563,95	0,00
<b>by executives</b>		
Requirements	0,00	0,00
Obligations	0,00	0,00
<b>The Group</b>		
<b>From other related parties</b>		
Requirements	4.422.097,38	45.563,97
Obligations	1.329.403,95	838.698,00
<b>by executives</b>		
Requirements	41.677,54	0,00
Obligations	0,00	0,00

## 29. Probable obligations and unavoidable commitments

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

For property of the subsidiary FF Group Romania SRL Bucharest registered mortgage to the Bank Bancpost, the Group EFG Eurobank, to secure credit lines. Also entered in favor of the Bank AlphaBank Romania mortgage on the land FF Group Romania SRL, also situated in Bucharest, to secure credit lines.

The Company has guaranteed loans to its subsidiaries have concluded, totaling € 8,6 million.

No other restrictions on ownership or transfer or other charges on assets owned by the Group. The assets acquired through financial leases remain the property of third until the expiration of the contract and repay the obligation.

### 30. Number of employed personnel

At 31.12.2013 the Group employed 4.703 employees versus 6.063 employees on 31.12.2012. The according figures for the Company are 1.093 versus 2.169 employees.

Total Fees & staff	The Group		The Company	
	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
Wages and salaries	92.065.349,29	122.310.984,17	26.936.058,97	48.318.198,08
Employer contributions	16.673.461,33	23.870.374,56	7.089.658,33	12.737.289,81
Released for reimbursement	870.141,57	657.873,61	389.582,22	238.972,39
Other benefits	2.041.042,13	2.417.662,53	425.151,58	791.559,09
<b>Total</b>	<b>111.649.994,32</b>	<b>149.256.894,87</b>	<b>34.840.451,10</b>	<b>62.086.019,37</b>

### 31. Management of financial Risk

#### 31.1 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:

	USD	GBP	JPY
31.12.2013	1,3791	0,8337	144,7200
1.1-31.12.2013	1,3281	0,8493	129,6627
31.12.2012	1,3194	0,8161	113,6100
1.1-31.12.2012	1,2848	0,8109	102,4919

On 31 December 2013 the net income and shareholders' equity would have been € 2.926 thousand lower (for the Company € 1.410 thousand), if the € was weak against USD and GBP by 10% and they would have been at € 2.394 thousand (for the Company € 1.154 thousand) higher, if the € was stronger of the USD and the GBP by 10%.

#### 31.2 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 at a global level, the Group has maintained increased liquidity, thanks to the retail nature of most of its sales, and takes steps in order to further support its liquidity, by creating discount outlets, in order to dispose old stock, as well as by limiting expenses.

Loan and other liabilities of the Group and Company are classified under the term of repayment, are shown in the table below. The amounts 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

Liquidity Analysis					
31.12.2013	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Floating rate loans	5,65%	190.871.902,90	3.554.560,87	2.863.537,17	197.290.000,94
Liabilities & Financial leases	3,18%	3.076.502,95	13.784.874,43	20.601.497,37	37.462.874,74
Suppliers etc. free liabilities		83.054.207,04	0,00	0,00	83.054.207,04
		<b>277.002.612,89</b>	<b>17.339.435,30</b>	<b>23.465.034,54</b>	<b>317.807.082,72</b>
31.12.2012	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Floating rate loans	5,20%	318.855.996,22	435.892.040,34	0,00	754.748.036,56
Liabilities & Financial leases	4,08%	4.683.535,53	21.829.039,11	33.306.167,72	59.818.742,37
Suppliers etc. free liabilities		106.561.791,19	0,00	0,00	106.561.791,19
		<b>430.101.322,95</b>	<b>457.721.079,45</b>	<b>33.306.167,72</b>	<b>921.128.570,12</b>

## The Company

Liquidity Analysis					
31.12.2013	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Floating rate loans	6,02%	147.381.254,59	0,00	0,00	147.381.254,59
Liabilities & Financial leases	3,13%	1.749.337,28	8.034.522,73	20.557.059,28	30.340.919,28
Suppliers etc. free liabilities		39.569.496,91	0,00	0,00	39.569.496,91
		<b>188.700.088,78</b>	<b>8.034.522,73</b>	<b>20.557.059,28</b>	<b>217.291.670,79</b>
31.12.2012	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Total
Floating rate loans	5,44%	292.495.240,50	412.706.400,00	0,00	705.201.640,50
Liabilities & Financial leases	4,08%	3.172.787,67	14.706.496,36	33.306.167,72	51.185.451,74
Suppliers etc. free liabilities		53.423.489,48	0,00	0,00	53.423.489,48
		<b>349.091.517,65</b>	<b>427.412.896,36</b>	<b>33.306.167,72</b>	<b>809.810.581,73</b>

## 31.3 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 total capital is calculated as equity in the balance sheet plus net debt.

The leverage ratio stood is depicted below:

	The Group		The Company	
<b>Leverage</b>	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
Borrowed funds	222.543.004,52	741.076.534,08	168.370.806,37	684.883.171,01
Less: Cash	251.584.195,30	126.483.148,41	134.500.088,67	11.729.895,39
<b>Net debt</b>	<b>-29.041.190,78</b>	<b>614.593.385,67</b>	<b>33.870.717,70</b>	<b>673.153.275,62</b>
Equity	1.183.431.505,53	825.947.099,01	561.210.664,42	102.599.033,04
	<b>(2,5%)</b>	<b>42,7%</b>	<b>5,7%</b>	<b>86,8%</b>

## 32. Significant Events in the fiscal year

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

In March 2014 the agreement with the Group «Authentic Brands Group LLC (ABG)» was finalized for undertaking the exclusive right to distribute wholesale and retail of “Juicy Couture” brand across Continental Europe, United Kingdom, Ireland and Cyprus. The Folli Follie Group intends to ensure the continuation of the significant presence of Juicy Couture retail market in Europe starting with the flagship store located on Regent Street in London. As part of this agreement, there are plans to expand the presence of Juicy Couture market in Europe.

## 33. Post Balance Sheets Events

In April 2013, the signed agreement regarding the sale of a 51% percentage of the travel trade industry which operates in exploitation of duty free shops in the Swiss Dufry AG was completed. Specifically, pursuant to the signed agreement, the Company completed the spinoff of the travel trade industry which was contributed to a subsidiary of the group. In December of the same year the remaining 49% was sold according to the aforementioned agreement with the company Dufry AG. A consequence of this transaction was the large reduction in the loans of the Company.

On 31/12/2013 the decision of the Vice-Prefect of the Central Segment of Athens with number of protocol 20200-31/12/2013 was registered to G.E.M.H (General Electronic Commercial Registry) with reg no 142433. The decision approved the merger absorption of SA with the names a ) North Landmark SA and b ) Shops Northern Greece SA by the Company Attica Department Stores SA, in accordance with the provisions of articles 69- 77a of Codified Law 2190/20 as it is valid in conjunction with Articles 1-5 L.2166/93. The above merger does not result in any change in the Financial Statements of the Company and the Group.

## 34. Balance Sheet as of 31.12.2012 excluding the Travel Retail operations

## 34.1 For the Group

Statement of Financial Position Company 31.12.2012	Published 31.12.2012	Non - Continuing Operations (Travel Retail) 31.12.2012	Continuing Operations 31.12.2012
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible fixed assets	240.100.507,06	29.129.632,68	210.970.874,38
Investment Property	72.865.151,63		72.865.151,63
Intangible assets	99.605.695,21	85.221.841,93	14.383.853,28
Goodwill	252.770.555,37	160.797.933,16	91.972.622,21
Investments in subsidiaries	0,00	0,00	0,00
Investments in Associates	505.733,64	0,00	505.733,64
Investments available for sale	616.878,56	0,00	616.878,56
Deferred tax claims	22.631.222,89	0,00	22.631.222,89
Other long term assets	30.794.038,80	4.667.162,84	26.126.875,96
<b>Total non-current</b>	<b>719.889.783,16</b>	<b>279.816.570,61</b>	<b>440.073.212,55</b>
<b>Current assets</b>			
Inventories	377.616.142,19	52.622.507,12	324.993.635,07
Trade receivables	445.537.105,50	5.059.450,85	440.477.654,65
Other current assets	146.280.364,56	16.027.081,71	130.253.282,85
Derivatives	0,00	0,00	0,00
Other financial assets at fair value through profit	35.470,71	0,00	35.470,71
Cash & cash equivalent	126.483.148,41	10.000.000,00	116.483.148,41
<b>Total current assets</b>	<b>1.095.952.231,37</b>	<b>83.709.039,68</b>	<b>1.012.243.191,69</b>
<b>Total assets</b>	<b>1.815.842.014,53</b>	<b>363.525.610,29</b>	<b>1.452.316.404,24</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity of shareholders of the parent company</b>			
<b>Total Equity</b>	805.534.962,18	-26.817.719,56	832.352.681,74
	<b>805.534.962,18</b>	<b>-26.817.719,56</b>	<b>832.352.681,74</b>
Minority interests	20.412.136,83	0,00	20.412.136,83
<b>Total equity</b>	<b>825.947.099,01</b>	<b>-26.817.719,56</b>	<b>852.764.818,57</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term borrowings	428.829.361,00	106.143.589,00	322.685.772,00
Deferred tax liabilities	36.112.907,36	9.963.282,04	26.149.625,32
Employee benefit liabilities	7.416.433,38	5.655.166,00	1.761.267,38
Total long-term provisions	3.704.119,71	2.150.000,00	1.554.119,71
Other long-term liabilities	29.298.802,95	0,00	29.298.802,95
<b>Total long-term liabilities</b>	<b>505.361.624,40</b>	<b>123.912.037,04</b>	<b>381.449.587,36</b>
<b>Short-term liabilities</b>			
Short-term borrowings	312.247.173,08	228.856.411,00	83.390.762,08
Derivatives	0,00	0,00	0,00
Trade and other payables	152.291.571,36	36.848.970,89	115.442.600,47
Current Income tax	15.039.688,88		15.039.688,88
Current tax liabilities	4.895.329,86	725.910,92	4.169.418,94
Dividends payable	59.527,94	0,00	59.527,94
<b>Total short term liabilities</b>	<b>484.533.291,12</b>	<b>266.431.292,81</b>	<b>218.101.998,31</b>
<b>Total liabilities</b>	<b>989.894.915,52</b>	<b>390.343.329,85</b>	<b>599.551.585,67</b>
<b>Total equity &amp; liabilities</b>	<b>1.815.842.014,53</b>	<b>363.525.610,29</b>	<b>1.452.316.404,24</b>

## 34.2 For the Company

Statement of Financial Position Company 31.12.2012	Published 31.12.2012	Non - Continuing Operations (Travel Retail) 31.12.2012	Continuing Operations 31.12.2012
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible fixed assets	110.300.448,57	28.700.628,36	81.599.820,21
Investment Property	72.865.151,63	0,00	72.865.151,63
Intangible assets	89.322.851,05	85.128.249,15	4.194.601,90
Goodwill	200.171.794,84	160.797.933,16	39.373.861,68
Investments in subsidiaries	193.522.864,24	1.060.003,00	192.462.861,24
Investments in Associates	450.000,00	0,00	450.000,00
Investments available for sale	614.677,56	0,00	614.677,56
Deferred tax claims	18.513.623,29	0,00	18.513.623,29
Other long term assets	20.516.989,50	3.714.308,78	16.802.680,72
<b>Total non-current</b>	<b>706.278.400,68</b>	<b>279.401.122,45</b>	<b>426.877.278,23</b>
<b>Current assets</b>			
Inventories	91.545.137,04	48.103.870,28	43.441.266,76
Trade receivables	78.310.935,95	2.271.577,50	76.039.358,45
Other current assets	37.806.143,01	13.728.810,44	24.077.332,57
Derivatives	0,00	0,00	0,00
Other financial assets at fair value through profit	35.470,71	0,00	35.470,71
Cash & cash equivalent	11.729.895,39	10.000.000,00	1.729.895,39
<b>Total current assets</b>	<b>219.427.582,10</b>	<b>74.104.258,22</b>	<b>145.323.323,88</b>
<b>Total assets</b>	<b>925.705.982,78</b>	<b>353.505.380,67</b>	<b>572.200.602,11</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity of shareholders of the parent company</b>			
<b>Total Equity</b>	102.599.033,01	-31.410.470,09	134.009.503,10
	<b>102.599.033,01</b>	<b>-31.410.470,09</b>	<b>134.009.503,10</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term borrowings	400.008.208,00	0,00	400.008.208,00
Deferred tax liabilities	34.825.381,41	10.020.936,15	24.804.445,26
Employee benefit liabilities	6.009.001,83	5.373.843,00	635.158,83
Total long-term provisions	2.721.000,00	2.150.000,00	571.000,00
Other long-term liabilities	29.210.736,37	0,00	29.210.736,37
<b>Total long-term liabilities</b>	<b>472.774.327,61</b>	<b>17.544.779,15</b>	<b>455.229.548,46</b>
<b>Short-term liabilities</b>			
Short-term borrowings	284.874.963,01	335.000.000,00	-50.125.036,99
Derivatives	0,00	0,00	0,00
Trade and other payables	64.421.401,03	31.719.793,20	32.701.607,83
Current Income tax	4.158,80	0,00	4.158,80
Current tax liabilities	972.571,35	651.278,41	321.292,94
Dividends payable	59.527,94	0,00	59.527,94
<b>Total short term liabilities</b>	<b>350.332.622,13</b>	<b>367.371.071,61</b>	<b>-17.038.449,48</b>
<b>Total liabilities</b>	<b>823.106.949,74</b>	<b>384.915.850,76</b>	<b>438.191.098,98</b>
<b>Total equity &amp; liabilities</b>	<b>925.705.982,75</b>	<b>353.505.380,67</b>	<b>572.200.602,08</b>



**Agios Stefanos, March 28th 2014**

THE CHAIRMAN OF THE BOARD

**DIMITRIOS KOUTSOLIOUTSOS**

ID Card No. AK-031337

THE MANAGING DIRECTOR

**GEORGIOS KOUTSOLIOUTSOS**

ID Card No. AB-593469

DEPUTY CEO &amp; GENERAL MANAGER

**EMMANOUIL ZACHARIOU**

ID Card No. T005560

THE CHIEF FINANCIAL OFFICER

**FRAGISKOS GRATSONIS**

AB-017181

THE CHIEF ACCOUNTANT

**GEORGIOS ALAVANOS**

ID Card No. AI-518859

Lic. No. OEE 0008211 A' CLASS

**F****Information of article 10 of Law 3401/2005**

<b>Dates</b>	<b>Subjects</b>
<b>12/12/13</b>	Completion of sale of HDFS
<b>29/11/13</b>	Significant change in voting rights
<b>28/11/13</b>	Announcement 9M 2013 Financial results
<b>3/9/13</b>	Launching of a merger process for the subsidiaries of the Group
<b>30/8/13</b>	Announcement of new executives
<b>29/8/13</b>	Financial results for the 1st Half of 2013
<b>28/8/13</b>	Notification of the article 13 Greek Law 3340/2005
<b>11/7/13</b>	Changes in Directors
<b>28/6/13</b>	Notification of article 13 Greek Law 3340/2005
<b>14/6/13</b>	AGM Decisions
<b>12/6/13</b>	Plans of Amendment of the Company's Articles of Association
<b>4/6/13</b>	Change of company's name
<b>31/5/13</b>	Board of Directors formed into a body
<b>30/5/13</b>	Q1 2013 Financial Results
<b>24/5/13</b>	Invitation to the AGM
<b>23/4/13</b>	The transfer of 51% of HDFS was completed
<b>12/4/13</b>	Amendment of corporate name-completion of spin-off
<b>28/3/13</b>	FY 2012 Financial results
<b>28/3/13</b>	Financial Calendar 2013
<b>27/3/13</b>	Response to a question from the H.C.M.C
<b>12/3/13</b>	Announcement date of 12M 2012 financial results
<b>29/1/13</b>	Disposal of treasury shares

# CONDENSED FINANCIAL STATEMENTS OF 2013

FOLLI FOLLIE GROUP SA

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

23rd Km Athens - Lamia 145 65 Ag.Stefanos

Financial Data and Information for the Year

January 1st, 2013 - December 31st, 2013

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

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

**Company Information**

Supervisory Authority:

 MINISTRY OF DEVELOPMENT/  
General Secretariat of Commerce,  
www.follifolliegroup.com

Website address:

Financial Statements' approval date by the BoD

28 March 2014

Certified Auditor Accountant:

Chrisoula G.Tsakalogianni

Auditing Company:

BAKER TILLY HELLAS A.E

Type of Auditors' Report:

Unqualified

**Members of the Board Directors:**

Chairman - Executive Member

Vice President - Executive Member

Managing Director - Executive member

Deputy Managing Director &amp; General Manager, Executive Member

Executive Member

Non-Executive Member

Non-Executive Member

Non-Executive Member

Non-Executive Member

Non-Executive Member

Independent non-Executive Member

Independent non-Executive Member

Dimitris koutsolioutsos

Kati koutsolioutsos

George koutsolioutsos

Emmanouil Zachariou

Eirini Nioti

Jiannong Qian

Elias Koukoutsos

Elias Koukoutsos

Zacharias Mantzavinos

Ioannis Tsigounakis

Anna Maria Xirakosta

Epaminondas Dafermos

Georgios Aronis

**DATA FROM STATEMENT OF FINANCIAL POSITION**

(consolidated and non consolidated) amounts in €

	The Group		The Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>ASSETS</b>				
Property, Plant & Equipment	175.305.338,39	240.100.507,06	50.441.327,95	110.300.448,57
Investment Property	76.053.155,41	72.865.151,63	76.053.155,41	72.865.151,63
Intangible assets	103.811.569,21	352.376.250,58	43.009.365,37	289.494.645,89
Participations	14.479.383,27	505.733,64	200.867.864,24	193.972.864,24
Other non-current assets	177.609.455,00	54.042.140,25	164.967.167,27	39.645.290,35
Inventories	254.839.033,30	377.616.142,19	31.213.252,87	91.545.137,04
Trade Receivables	390.415.004,20	445.537.105,50	74.603.411,30	78.310.935,95
Other current assets	379.273.539,74	272.798.983,68	167.035.271,20	49.571.509,11
<b>TOTAL ASSETS</b>	<b>1.571.786.478,52</b>	<b>1.815.842.014,53</b>	<b>808.190.815,61</b>	<b>925.705.982,78</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Other components of equity	1.140.053.165,10	785.450.499,18	541.126.201,42	82.514.570,04
Total equity attributable to owners of the Parent (a)	1.160.137.628,10	805.534.962,18	561.210.664,42	102.599.033,04
Non controlling interests (b)	23.293.877,43	20.412.136,83	0,00	0,00
Total Equity (c) = (a)+(b)	1.183.431.505,53	825.947.099,01	561.210.664,42	102.599.033,04
Long-term borrowings	35.904.529,82	428.829.361,00	25.226.682,00	400.008.208,00
Provisions / Other long terms liabilities	28.508.022,69	76.532.263,40	25.141.375,52	72.766.119,61
Short-term borrowings	186.638.474,70	312.247.173,08	143.144.124,37	284.874.963,01
Other current liabilities	137.303.945,78	172.286.118,04	53.467.969,30	65.457.659,12
Total liabilities (d)	388.354.972,99	989.894.915,52	246.980.151,19	823.106.949,74
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>1.571.786.478,52</b>	<b>1.815.842.014,53</b>	<b>808.190.815,61</b>	<b>925.705.982,78</b>

**DATA FROM STATEMENT OF COMPREHENSIVE INCOME**

(consolidated and non consolidated) amounts in €

	The Group			The Group		
	01.01. - 31.12.2013	01.01. - 31.12.2013	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2012	01.01. - 31.12.2012
	Continuing operations	Non - Continuing operations	Total	Continuing operations	Non - Continuing operations	Total
Turnover	887.407.141,07	46.823.352,39	934.230.493,46	809.729.243,04	300.303.293,00	1.110.032.536,04
Gross Profit	446.787.625,84	23.895.403,44	470.683.029,28	405.088.564,25	151.772.470,00	556.861.034,25
Profit before tax, financial and investing results (EBIT)	166.606.156,52	6.794.375,12	173.400.531,64	108.232.945,86	77.548.511,00	185.781.456,86
Profit/Loss (before the tax)	393.672.613,68	3.939.932,47	397.612.546,15	61.336.597,09	69.557.854,47	130.894.451,56
Profit / Loss after tax (A)	343.011.782,87	4.491.875,25	347.503.658,12	26.062.300,63	69.557.854,47	95.620.155,10
Attributable to:						
Shareholders of the parent company	0,00	0,00	344.631.926,03	0,00	0,00	93.625.719,74
Non controlling interests	0,00	0,00	2.871.732,09	0,00	0,00	1.994.435,36
Total	0,00	0,00	347.503.658,12	0,00	0,00	95.620.155,10
Other comprehensive income / expenses net of tax (B)	-1.629.617,17	0,00	-1.629.617,17	-10.151.609,15	0,00	-10.151.609,15
Total comprehensive income net of tax (A) + (B)	341.382.165,70	4.491.875,25	345.874.040,95	15.910.691,48	69.557.854,47	85.468.545,95
Attributable to:						
Shareholders of the parent company	0,00	0,00	342.992.300,35	0,00	0,00	83.474.110,59
Non controlling interests	0,00	0,00	2.881.740,60	0,00	0,00	1.994.435,36
Total	0,00	0,00	345.874.040,95	0,00	0,00	85.468.545,95
Basic Earnings/losses (after tax) per share(expressed in €)	0,00	0,00	5,1534	0,00	0,00	1,4182
Profit before taxes, financing and investing results, depreciation and amortisation (EBITDA)	186.596.119,46	8.093.273,77	129.078.679,09	194.689.393,23	83.739.817,98	212.818.497,07

DATA FROM STATEMENT OF COMPREHENSIVE INCOME (consolidated and non consolidated) amounts in €						
	The Company		The Company		The Company	
	01.01. - 31.12.2013	01.01. - 31.12.2013	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2012	01.01. - 31.12.2012
	Continuing operations	Non - Continuing operations	Total	Continuing operations	Non - Continuing operations	Total
Turnover	130.209.211,93	46.537.164,10	176.746.376,03	121.987.046,81	285.950.404,20	407.937.451,01
Gross Profit	57.226.099,03	23.187.358,34	80.413.457,37	41.488.297,39	147.300.238,63	188.788.536,02
Profit before tax, financial and investing results (EBIT)	-5.572.575,13	6.800.585,92	1.228.010,79	-29.582.617,03	76.132.595,89	46.549.978,86
Profit/Loss (before the tax)	455.649.487,24	3.955.846,38	459.605.333,62	-71.493.037,30	68.201.859,43	-3.291.177,87
Profit / Loss after tax (A)	427.652.854,36	4.507.789,16	432.160.643,52	-79.823.072,49	68.201.859,43	-11.621.213,06
Attributable to :						
Shareholders of the parent company	0,00	0,00	432.160.643,52	0,00	0,00	-11.621.213,06
Non controlling interests	0,00	0,00	0,00	0,00	0,00	0,00
Total	0,00	0,00	432.160.643,52	0,00	0,00	-11.621.213,06
Other comprehensive income / expenses net of tax (B)	14.403.403,01	0,00	14.403.403,01	8.286.581,60	0,00	8.286.581,60
Total comprehensive income net of tax (A) + (B)	442.056.257,37	4.507.789,16	446.564.046,53	-71.536.490,89	68.201.859,43	-3.334.631,46
Attributable to :						
Shareholders of the parent company	0,00	0,00	446.564.046,53	0,00	0,00	-3.334.631,46
Non controlling interests	0,00	0,00	0,00	0,00	0,00	0,00
Total	0,00	0,00	446.564.046,53	0,00	0,00	-3.334.631,46
Basic Earnings/losses (after tax) per share(expressed in €)	0,00	0,00	6,4622	0,00	0,00	-0,1760
Proposed dividend €	0,00	0,00	0,00	0,00	0,00	0,00
Profit before taxes, financing and investing results , depreciation and amortisation (EBITDA)	450.501,90	8.059.933,79	8.510.435,69	-23.207.609,79	82.056.852,51	58.849.242,72

CASH FLOW STATEMENT (consolidated and non consolidated) amounts in €				
	The Group		The Company	
	01.01. - 31.12.2013	01.01. - 31.12.2012	01.01. - 31.12.2013	01.01. - 31.12.2012
<b>2nd Alternate: Indirect method</b>				
<b>Cash Flows related to Operating Activities</b>				
Net Profit before taxes (Continuing operations)	393.672.613,68	61.336.597,09	455.649.487,24	-71.493.037,30
Net Profit before taxes (Non - Continuing operations)	3.939.932,47	69.557.854,47	3.955.846,38	68.201.859,43
Adjustments				
Depreciation and Amortisation	19.989.962,94	20.845.733,22	6.030.134,20	6.375.007,24
Provisions	18.430.406,18	8.602.157,59	17.878.538,53	163.235,03
Exchange differences	8.821.801,81	108.935,76	0,00	0,00
Results (income, expenses, gains and losses) from investing activities	-466.989.487,26	6.073.419,88	-469.342.429,25	12.775.066,34
Interest and related expenses	21.365.670,87	32.286.469,77	20.136.724,15	30.374.420,08
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	65.518.243,69	-50.523.797,91	13.794.406,39	8.191.369,41
Decrease/(increase) of Receivables	2.875.415,98	-81.813.548,76	-34.048.400,22	-15.634.732,61
Increase/(decrease) of payable accounts (except Banks)	-1.219.851,19	77.442.611,05	25.455.377,02	73.089.939,17
Minus				
Interest paid and similar expenses	-22.822.305,67	-29.878.588,58	-21.194.605,39	-27.966.538,89
Income Tax paid	-27.772.077,55	-23.981.320,97	-2.494.674,38	-498.540,41
Cash Flows from Non - Continuing operations	-5.382.585,61	3.150.109,45	-5.312.488,73	4.799.516,86
Net cash inflows/(outflows) from Operating Activities (a)	6.487.807,87	23.648.777,59	6.552.069,56	20.175.704,92
<b>Investing Activities</b>				
Purchases of subsidiaries, associates and other investments	-5.180.000,00	-599.700,00	-19.955.399,49	-61.708.835,40
Proceeds from the sale of Travel Retail activity	375.500.000,00	0,00	375.500.000,00	0,00
Adjustments related to the sale of Travel Retail activity	-52.842.309,00	0,00	-52.842.309,01	0,00
Purchases of tangible and intangible assets	-15.340.660,36	-19.626.494,79	-2.457.428,55	-4.170.790,99
Proceeds from sale of tangible and intangible assets	344.975,43	839.474,69	13.299,65	109.162,66
Interest received	1.728.131,90	1.764.703,17	244.830,86	128.931,19
Proceeds from sale of financial assets	-16.300.989,32	-13.252.003,02	-16.260.988,50	-12.895.567,81
Decrease/(increase) of other long-term receivables	1.976.833,93	-4.619.643,58	1.393.668,15	-4.261.412,73
Investing Activities from Non- Continuing operations	-863.848,72	-3.995.533,78	-861.453,23	-3.801.873,13
Net cash inflows/(outflows) from Investing Activities (b)	289.022.133,86	-39.489.197,31	284.774.219,08	-86.600.386,21
<b>Financing Activities</b>				
Proceeds from Loans	59.619.729,12	432.418.373,13	22.000.000,00	399.480.360,58
Proceeds from leases	0,00	940.000,00	0,00	0,00
Payment of Loans	-223.218.990,24	-420.810.836,22	-185.378.169,93	-339.169.629,30
Payments for leases	-18.800.207,56	-5.575.221,74	-17.168.499,27	-2.977.134,49
Own Stock	12.047.584,85	0,00	12.047.584,85	0,00
Expenses related to capital increase	0,00	-129.930,60	0,00	0,00
Dividends paid	-57.011,01	-20.367,54	-57.011,01	-20.367,54
Financing Activities from Non - Continuing operations	0,00	0,00	0,00	0,00
Net cash inflows/(outflows) from Financing Activities (c)	-170.408.894,84	6.822.017,03	-168.556.095,36	57.313.229,25
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	125.101.046,89	-9.018.402,69	122.770.193,28	-9.111.452,04
Cash and cash equivalents at beginning of the Year	126.483.148,41	135.501.551,10	11.729.895,39	20.841.347,43
Cash and cash equivalents at end of the Year	251.584.195,30	126.483.148,41	134.500.088,67	11.729.895,39

DATA FROM STATEMENT OF CHANGES IN EQUITY (consolidated and non consolidated) amounts in €				
	The Group		The Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Equity Opening Balance ( 01.01.2013 and 01.01.2012 respectively)	825.947.099,01	739.750.807,49	102.599.033,04	105.075.988,33
Total comprehensive income net of tax	345.874.041,67	86.326.222,12	446.564.046,53	-2.476.955,29
Minority interest resulted from Subsidiaries' rates change	0,00	0,00	0,00	0,00
Dividends payable	0,00	0,00	0,00	0,00
Other Movements	-437.219,99	-129.930,60	0,00	0,00
Sale of own shares	12.047.584,85	0,00	12.047.584,85	0,00
Equity Closing Balance ( 31.12.2013 and 31.12.2012 respectively)	1.183.431.505,54	825.947.099,01	561.210.664,42	102.599.033,04

## amounts in thousands.000

	The Group	The Company
A) Income	4.116,58	38.372,16
B) Expenses	3.185,50	13.926,45
C) Receivables	4.422,10	61.051,19
D) Payables	1.329,40	16.046,30
E) Directors' and members' of the Board of the Directors transactions and fees	3.733,49	2.999,76
F) Receivables from the Directors' and the members' of the BoD	41,68	0,00
G) Payables to the Directors' and the members' of the BoD	0,00	0,00

Agiros Stefanos, March 28th, 2014

THE CHAIRMAN OF THE BOARD  
**DIMITRIOS KOUTSOLIOUTOS**  
ID Card No. AK-031337

THE CHIEF EXECUTIVE OFFICER  
**GEORGIOS KOUTSOLIOUTOS**  
ID Card No. AB-593469

Deputy ceo & General MANAGER  
**EMMANOUIL ZACHARIOU**  
ID Card No. T005560

THE CHIEF FINANCIAL OFFICER  
**FRAGISKOS GRATONIS**  
AB-017181

THE CHIEF ACCOUNTANT  
**GEORGIOS ALAVANOS**  
ID Card No. AI-518859  
Lic. No. OEE 0008211 A' CLASS

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

To the Board of Directors  
 FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME

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

### **Procedures:**

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

### **Findings:**

- i. The amounts shown as disbursements in the accompanying "Report on funds raised by the increase in share capital in cash," the books and records of the Company, the period they relate.
- ii. The contents of the report include the minimum information provided for this purpose by the regulatory framework of the Athens Stock Exchange and the legal framework of the capital and is consistent with those mentioned in the relevant Prospectus and the relevant resolutions and statements of relevant bodies Company.

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

This report is addressed solely to the Board of Directors, in compliance with the requirements of the normative framework of the Athens Stock Exchange and the legal framework of the capital. Hence this Report may not be used for other purposes is limited only to the items specified above and does not extend to the financial statements prepared by the Company for the period from 01/01/2013 until 31/12/2013 for which we issued separate audit report.

**BAKER TILLY HELLAS**  
**Certified Public Accountants S.A**  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 28 March 2013  
The Certified Public Accountant  
**Chrisa G. Tsakalogianni**  
SOEL Reg.: 23811

# Report For Funds Raised

“FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME.”  
 REG. NO.: 14216/06/B/86/06  
 23RD KM OF ATHENS – LAMIA NAT/NAL HIGHWAY 145 65, AG. STEFANOS, ATTICA

Disclosed in accordance with the decision of the Board of Directors of the ATHEX on 30/06/2011 with No. 15985 Protopresbyter that the increase in share capital in cash and abolition of the preferential right of existing shareholders, in favor of companies "FOSUN International Limited "and" Pramerica - Fosun China Opportunity Fund, LP ", which took place according to the 26/05/2011 decision of the Extraordinary General Meeting of Shareholders and under Case No. 1/590/24.06.2011 Board of the SEC approving the prospectus, net funds raised EUR 82 million (EUR 84.588.000 less issue costs of EUR 2.588 thousand).

Of the increase of share capital issued 6.360.000 new ordinary shares. Certification of payment of the share capital by the Board of Directors held on 14/06/2011.

The funds raised in connection with the prospectus, available until 31/12/2013, as follows:

No.	METHOD OF DISPOSAL OF FUNDS RAISED	FUNDS RAISED TO SUPPLY	METHOD OF DISPOSAL OF FUNDS RAISED					TOTAL DISBURSEMENTS UNTIL 31.12.11	REMAINING FOR DISTRIBUTION 31.12.11
			JUNE 2011 - AUGUST 2011	JUNE 2011 - DECEMBER 2011	JUNE 2011 - DECEMBER 2012	JUNE 2011 JUNE 2013	TOTAL		
1.	REDUCTION OF BANK LOANS	35.000.000,00	35.000.000,00				35.000.000,00	35.000.000,00	0,00
2.	EXPANSIONS OF STORE NETWORK OF THE COMPANY IN GREECE	11.000.000,00				11.000.000,00	11.000.000,00	5.316.000,00	5.684.000,00
3.	IMPROVEMENT-BUILDING RENOVATION IN ROMANIA	3.000.000,00				3.000.000,00	3.000.000,00		3.000.000,00
4.	EXPANSIONS OF STORE NETWORK IN ASIA AND EUROPE	6.000.000,00			6.000.000,00		6.000.000,00	6.000.000,00	0,00
5.	WORKING CAPITAL	27.000.000,00			27.000.000,00		27.000.000,00	27.000.000,00	0,00
6.	ISSUE EXPENSES	2.588.000,00		2.588.000,00			2.588.000,00	283.618,00	2.304.382,00
	<b>Total</b>	<b>84.588.000,00</b>	<b>35.000.000,00</b>	<b>2.588.000,00</b>	<b>33.000.000,00</b>	<b>14.000.000,00</b>	<b>84.588.000,00</b>	<b>73.599.618,00</b>	<b>10.988.382,00</b>



No.	METHOD OF DISPOSAL OF FUNDS RAISED	TOTAL DISBURSEMENTS UNTIL 30.06.12	REMAINING FOR DISTRIBUTION 30.06.12	TOTAL DISBURSEMENTS UNTIL 31.12.12	REMAINING FOR DISTRIBUTION 31.12.12	TOTAL DISBURSEMENTS UNTIL 30.06.13	REMAINING FOR DISTRIBUTION 30.06.13	TOTAL DISBURSEMENTS UNTIL 31.12.13	REMAINING FOR DISTRIBUTION 31.12.13
1.	REDUCTION OF BANK LOANS	35.000.000,00	0,00	35.000.000,00	0,00	35.000.000,00	0,00	35.000.000,00	0,00
2.	EXPANSIONS OF STORE NETWORK OF THE COMPANY IN GREECE	7.791.000,00	3.209.000,00	7.791.000,00	3.209.000,00	8.504.000,00	2.496.000,00	8.644.000,00	2.356.000,00
3.	IMPROVEMENT-BUILDING RENOVATION IN ROMANIA	0,00	3.000.000,00	0,00	3.000.000,00	0,00	3.000.000,00	0,00	3.000.000,00
4.	EXPANSIONS OF STORE NETWORK IN ASIA AND EUROPE	6.000.000,00	0,00	6.000.000,00	0,00	6.000.000,00	0,00	6.000.000,00	0,00
5.	WORKING CAPITAL	27.000.000,00	0,00	27.000.000,00	0,00	27.000.000,00	0,00	27.000.000,00	0,00
6.	ISSUE EXPENSES	1.235.233,00	1.352.767,00	2.588.000,00	0,00	2.588.000,00	0,00	2.588.000,00	0,00
	<b>Total</b>	<b>77.026.233,00</b>	<b>7.561.767,00</b>	<b>78.379.000,00</b>	<b>6.209.000,00</b>	<b>79.092.000,00</b>	<b>5.496.000,00</b>	<b>79.232.000,00</b>	<b>5.356.000,00</b>

**Note:**

1. The above table distribution of the disbursements until 31/12/2013, amounted to EUR 79,232,000.00.
2. The remaining to be disposed of 31/12/2012 EUR 5,356,000.00 shall be deposited in short term deposits and included in the item "Cash and cash equivalents"
3. After decision of the company, there was a prolongation of the disposable funds until 30/06/2014

**Ag. Stefanos, 28 March 2014**

THE CHAIRMAN OF THE BOARD

**Dimitrios Koutsolioutsos**

THE CHIEF EXECUTIVE OFFICER

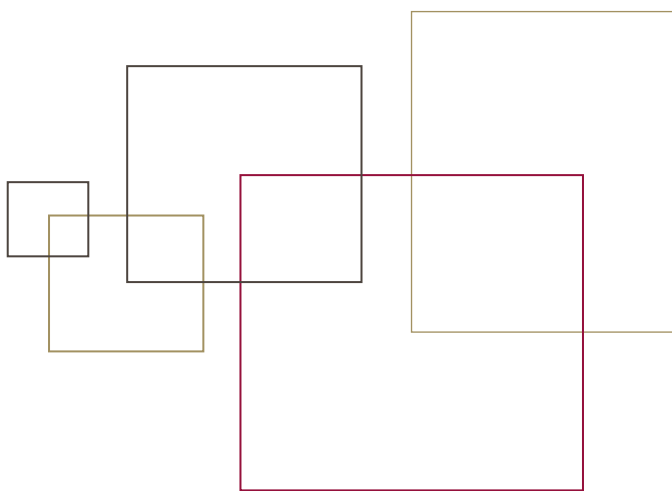
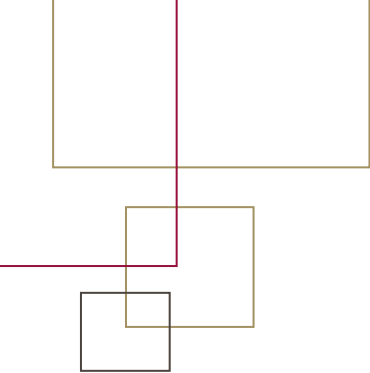
**Georgios Koutsolioutsos**

DEPUTY CEO &amp; GENERAL MANAGER

**Emmanouil Zachariou**

THE CHIEF ACCOUNTANT

**Georgios Alavanos**





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**FF**  
GROUP

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