



**“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 01.01.2017 TO 31.12.2017
PURSUANT TO LAW 3556/2007**

The attached financial statements for the period 01.01.2017-31.12.2017 were approved by the Company’s Board of Directors on April 25th, 2018 and were published by being posted in the internet, at www.ffgroup.com. They have been translated from the original statutory financial statements which have been prepared in Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will still prevail over this document.

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A. Statement of the Board of Directors

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

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

(i): The Group's Full Year 2017 Financial Report, which has been conducted in accordance with the International Accounting Standards in effect, gives a true and fair view of the assets, liabilities, equity and financial results of the Company and the Group as well as of the companies that are included in the consolidation taken as a whole, in accordance with § 3-4 of article 4 of Law 3556/2007.

(ii): The Group's Full Year 2017 report of the Board of Directors reflects in a true development, performance and position of Folli Follie Group in accordance with article 4 of Law 3556/2007.

Agios Stefanos, April 25th, 2018

The members of the Board of Directors:

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

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

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

B. Annual Report of the Board of directors for the fiscal period 01.01.-31.12.2017

Dear Shareholders,

The present Board of Directors Financial Report for the period 01.01.2017-31.12.2017 was prepared according to the provisions of §6 article 4 of L. 3556/2007, as amended by L. 4374/2016 as well as the relevant executive decisions issued by Hellenic Capital Market Commission board.

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

The present report includes, along with the Company's financial statements for the Full Fiscal Year 2017, other information and statements required by law and is divided into the following sections.

I. Review for the Full Year 2017

Consolidated results

P&L Statement	in € mil.	01/01-31/12/2017	01/01-31/12/2016	CNG%
<i>Sales Revenue</i>		1.419,27	1.337,28	6,13%
<i>Gross Profits</i>		633,77	612,30	3,51%
<i>Operating Profits (EBIT)</i>		260,57	262,27	-0,65%
<i>Profit before taxes, financing & investing results, depreciation and amortization</i>		294,87	291,86	1,03%

Specifically, **revenues (continued operations)** amounted to €1.419,3 million in 2017, from €1.337,3 million in 2016, increased by 6,1%. **EBITDA** reached €294,9 million, increased by 1%. Profit before taxes amounted to € 245,4 million in 2017, compared to € 253,5 million in 2016, decreased by 3.2%. **Net profits after tax & minority rights** are reported at €212 million, with the respective amount for 2016 was 222.5 million, a decrease of 4,7%.

FF GROUP operates in four core business segments:

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

The Group, except for the Greek market, which represents the 22,3% of its turnover, operates through its subsidiaries in European countries, in North America, in Middle East, in Africa and in Asia.

Details on the various operating segments:

a) Jewellery - Watches – Accessories

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

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

b) Department Stores

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

c) Retail – Wholesale

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

The Group's retail distribution network covers more than 38.000 m² in the three countries, Greece, Romania and Bulgaria.

This segment includes the following:

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

SALES PER SEGMENT (after eliminations)				
Continuing Operations				
<i>Amounts in € mil.</i>	2017	2016	% D	% in total
Jewellery-Watches-Accessories	1.036,4	977,8	6,0%	73,0%
Department Stores	199,8	181,4	10,1%	14,1%
Retail / Wholesale	183,1	178,1	2,8%	12,9%
Total	1.419,3	1.337,3	6,1%	100,0%

Sales per segment (post elimination)

- Revenues of the segment **"Jewellery-Watches-Accessories"** rose during the year 2017 by 6% to €1.036,4 million compared to €977,8 million in the corresponding year of 2016.
- Revenues in **"Department Stores"** increased during 2017 by 10,1% with revenues reaching €199,8 million from €181,4 million in the corresponding year 2016.
- Subsequently, the sector **"Retail and Wholesale"** reported for the year 2017 revenues of €183,1 million from €178,1 million in 2016, increased by 2,8%.

- Financial Position of the Group and ratios

FF GROUP			
Liquidity		31.12.2017	31.12.2016
General	Current Assets	6,93	6,20
	Current liabilities		
Direct	(Current Assets-Inventories)	4,83	4,18
	Current liabilities		
Cash	(Cash + Securities)	154,02%	118,97%
	Current liabilities		
Working Capital	(Receivables + Inventories)	1.112.235.762,99	1.023.210.854,03
	(Suppliers + Other Current Liabilities)		
Activity		31.12.2017	31.12.2016
Velocity of money	Net sales	0,68	0,74
	Current Assets		
Recovery	Average Receivables /	169,57	169,31
	Net sales		
Inventory turnover	Cost of goods	1,29	1,35
	Average stock		
days Inventory	Average stock	283,68	270,95
	Cost of goods		
Financial		31.12.2017	31.12.2016
Indebtedness	International Equity	30,84%	26,97%
	Total Equity		
Loans to Equity	International Equity	0,45	0,37
	Total equity		
Profitability		31.12.2017	31.12.2016
Gross profit	Gross profit	44,65%	45,79%
	Sales		
Return on Assets	Net Profit	7,81%	8,79%
	TOTAL ASSETS		
Return on Equity	Net Profit	11,30%	12,04%
	Total equity		

II. Significant events during 2017

External Environment

- World growth strengthened in 2017 to 3.8%, with a notable rebound in global trade, driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters.
- Among emerging market and developing economies, the rebound in export growth was particularly strong in emerging Asia, especially China.
- China's economy came back with renewed vigor and reached undoubtedly the government's GDP growth target for 2017, largely thanks to continued credit expansion and public investment and boosting confidence because of stronger domestic demand and particularly of consumption.
- Personal consumption is likely to remain strong overall, supported by growth in incomes. At the same time growth in online retail and service consumption is likely to continue.
- There is a clear intention to prioritize the quality of economic growth as private Chinese firms continued to drive a technological revolution that involves everything from e-commerce and mobile payments to artificial intelligence and driverless cars.
- The Eurozone economy was strong, against a backdrop of strong personal consumption brought by improving employment conditions, and an increase in exports in response to the recovery in the global economy.
- The UK economy is weakening somewhat. The main causes are Brexit-related uncertainty making companies cautious about investment, and the fact that rising consumer price inflation caused by a weak pound has slowed personal consumption.
- The Romanian economy grew strongly as unemployment had fallen to a record low, and the financial sector is improving. Economic growth surged to 7% in 2017—the highest in the EU. The strong growth has been fueled by domestic consumption, on the back of a multi-year fiscal expansion and minimum wage hikes.
- Regarding Greece, after almost ten years of recession and eight years in successive bailout and adjustment programs of unprecedented size, the Greek economy moved into recovery although challenges remain.
- The strong, above expectations, growth in the external environment and especially in Europe works beneficially, pulling the economy up through stronger inflows of tourism, increased demand for exports of goods, lower cost of capital and positive international energy cost conditions.
- With the elimination of the twin deficits, there is now a fiscal and macroeconomic balance, while the initiated structural reforms are gradually having a positive impact on growth.
- The current year will be, overall, a very important year as favorable prospects for tourism activity, reflected by a double-digit increase in early bookings for 2018, along with favorable growth trends in the euro area, are expected to offset the drag on growth from the additional fiscal effort and higher import spending that typically accompanies the recovery process.

Business Developments of the Group 2017

- **Introducing the new store concept Sports Loft (June 2018)**

Sport Loft store is the first multi-brand concept store and a regional point of reference, dedicated to performance athletes and all those who practice sport actively. Initially launched in Bucharest, the roll-out will continue in Greece. Parallel to the physical store roll-out Sports Loft e-commerce sites will be launched.

- **Folli Follie: #35Experiences by Folli Follie took place in Greece (July 2017)**

For the second consecutive year, after the successful Folli Follie Island Hopping project in 2016, Folli Follie celebrates its 35th anniversary together with the most popular international fashion influencers at the place where it all started, Greece!

- **Folli Follie: Introduces the New Concept Pop-Up Store in Selfridges & Co (August 2017)**

The new concept pop-up store is designed offers an unparalleled shopping experience for the modern woman to explore the extensive brand offering.

- **Folli Follie: Expands its presence in South Africa (September 2017)**

Folli Follie, the renowned lifestyle brand, is expanding its network in South Africa by launching two new Folli Follie New Concept Stores in Pretoria and Cape Town within the Menlyn Park and Canal Walk shopping centers respectively. The two new stores reflect the new phillips of Folli Follie stores, redefining the concept of fashion shopping.

- **Links of London is the official jewellery partner of 20th Century Fox's Murder on the Orient Express (November 2017)**

In timing with the film, Links of London introduces its Serpentine collection, where 1930's art deco is core to the design.

- **Folli Follie: New Pop-Up Store in Galeries Lafayette (November 2017)**

Folli Follie introduces a new, contemporary and interactive shopping destination inside the prestigious and iconic Paris department store, Galeries Lafayette.

- **Expansion of the FF Group Cosmetics activities (December 2017)**

As a result of FF Group's strategic focus on growth and development, the Group expands its Beauty & Cosmetics activity with the representation and distribution of all the COTY Luxury Cosmetics brands in the Greek market.

The expansion of FF Group's activities was established in the last quarter of 2017 by acquiring the representation and distribution of: Lancaster, Calvin Klein, Chloe, Tiffany & Co, Davidoff, Roberto Cavalli, Marc Jacobs, Bottega Veneta, Miu Miu, Balenciaga, Joop!, Cerruti.

Since the 1st of January 2018 the aforementioned expansion was reinforced for FF Cosmetics (100% FF Group's subsidiary) by including in its portfolio the brands Bourjois and Rimmel.

- General meeting of shareholders resolutions

Shareholders General Meeting dated June 30th, 2017

"FOLLI-FOLLIE COMMERCIAL MANUFACTURING SOCIETE ANONYME", under the trade name "FF GROUP" (hereinafter, the "**Company**") announces that, today this Friday the **30th June 2017**, Friday, at 12:00 pm, at the offices of the Company in Agios Stefanos, Attica, at the 23rd km. Athens - Lamia National Road, the shareholders of the Company convened into a General Meeting pursuant to timely and lawful announcement of the respective invitation on 09.06.2017.

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

1. Approval of the annual corporate and consolidated financial statements for the fiscal year 1st January 2016 - 31st December 2016, after having heard the reports of the Board of Directors on the realization of the above fiscal year and the Chartered Auditor-Accountant.
2. Resolution on the non-distribution of dividend to the shareholders.
3. Release of the members of the Board of Directors and the Chartered Auditor-Accountant from any liability to compensate for the fiscal year 2016.
4. Election of Mr. George Varthalitis, son of John, (SOEL nr. 10251) as an ordinary Chartered Auditor - Accountant and Mr. Ioannis Toliopoulos, son of Vassileios, (SOEL nr. 12381) as a deputy Chartered Auditor - Accountant for the fiscal year 2017, both members of the auditing company under the trade name "ECOVIS VNT Auditing S.A." (ELTE No. 045 and SOEL No. 174) and definition of their remuneration due for the same year.
5. Approval of all kinds of fees and compensations paid to the members of the Board of Directors during fiscal year 2016 and prior approval of all kinds of fees and compensations to be paid during fiscal year 2017.
6. Approval of provision of guarantees, facilities and (including share capital increases) in favor of affiliated companies of the group according to article 32 of Law 4308/2014 and authorization to the Board of Directors for the materialization of the above. Additionally, approval of the related agreements pursuant to article 23a of C.L. 2190/1920.
7. Approval of a program for buying owned shares by the Company and decision on the minimum price of acquisition at five (5) Euros and on the maximum price at fifty (50) Euros.
8. Issuance, for the purposes of refinancing existing lending, of common bond loan or convertible bond up to 300,000,000.00 Euros, pursuant to article 3a of C.L. 2190/1920 and article 8 of the L. 3156/2003 with bonds (convertible or not to ordinary registered shares of the Company) through cancelation of the preference (preemptive) subscription right of existing shareholders. The issuance of the mentioned bond will take place as soon as the market conditions are considered to be appropriate. Authorization to the Board of Directors (with the express right to further delegate these powers) for further negotiation and specification of the terms for the issuance of the bond, including but not limited to a) the duration of the bond, b) the amount of the loan, c) the number of the (convertible) bonds, d) the nominal price thereof, e) the conversion ratio, f) the sale price of the bonds, g) the other terms of the bond loan, and h) the time and method for exercising the stock option and the conversion right (as well as the provision of a guarantee by Group companies).

In the General Meeting were present or represented shareholders representing 75.61% (quorum) of the Company's share capital, namely 50,623,649 shares and voting rights out of a total of 66,948,210.

1st Item

50,420,729 shares voted in favor, i.e. 99.6% of the total shares there represented. 60,197 shares voted against, i.e. a percentage of 0.12% of the total shares there represented. 142,723 shares abstained, i.e. a percentage of 0.28% of the total shares there represented.

2nd Item

50,545,165 shares voted in favor, i.e. 99.84% of the total shares there represented. 78,484 shares abstained, i.e. a percentage of 0.16% of the total shares there represented.

3rd Item

50,352,146 shares voted in favor, i.e. 99.47% of the total shares there represented. 128,780 shares voted against, i.e. a percentage of 0.25% of the total shares there represented. 142,723 shares abstained, i.e. a percentage of 0.28% of the total shares there represented.

4th Item

41,571,095 shares voted in favor, i.e. 82.12% of the total shares there represented. 6,975,462 shares voted against, i.e. a percentage of 13.78% of the total shares there represented. 2,077,092 shares abstained, i.e. a percentage of 4.10% of the total shares there represented.

5th Item

36,399,924 shares voted in favor, i.e. 71.9% of the total shares there represented. 7,094,977 shares voted against, i.e. a percentage of 14.02% of the total shares there represented. 7,128,748 shares abstained, i.e. a percentage of 14.08% of the total shares there represented.

6th Item

49,594,397 shares voted in favor, i.e. 97.97% of the total shares there represented. 116,677 shares voted against, i.e. a percentage of 0.23% of the total shares there represented. 912,575 shares abstained, i.e. a percentage of 1.8% of the total shares there represented.

7th Item

49,422,864 shares voted in favor, i.e. 97.63% of the total shares there represented. 325,950 shares voted against, i.e. a percentage of 0.64% of the total shares there represented. 874,835 shares abstained, i.e. a percentage of 1.73% of the total shares there represented.

8th Item

44,542,189 shares voted in favor, i.e. 87.99% of the total shares there represented. 5,929,555 shares voted against, i.e. a percentage of 11.71% of the total shares there represented. 151,905 shares abstained, i.e. a percentage of 0.3% of the total shares there represented.

- Treasury shares

As of 31.12.2017 the Company held 584.083 treasury shares.

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

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

Main risks and uncertainties for 2017

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

IV. Risks associated with the macroeconomic environment

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

Market Risk

i) Interest Rate Risk:

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

ii) Foreign Exchange Risk:

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

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

iii) Price risk – Inflation:

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

Credit Risk

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

Liquidity risk

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

Inventory risk

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

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

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

V. Labour and environmental issues

On December 31, 2017 the Group employed 5,079 employees, over 4,996 employees on December 31, 2016. The corresponding figures for the Company are 1,142 versus 1,099. The Group employs (a) employees with permanent contracts, (b) wage workers, and (c) hourly employees. Additionally, a Labour union was formed in consolidated companies Attica Department Stores S.A. (About 180 members).

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

VI. Transactions with Affiliates

The receivables and liabilities of the Group's affiliates, from and to the parent company, as well as the income and expenses of each company caused by their transactions with the parent company within 2017, according to IAS 24, are the following:

For the Group

	1/1- 31/12/2017		1/1- 31/12/2016	
	Executives	Other Related Parties	Executives	Other Related Parties
<u>Purchases of Goods</u>				
Folli Follie SA	0,00	35.945,00	0,00	0,00
Attica Department Stores SA	0,00	1.308.586,00	0,00	3.275.292,00
Total	0,00	1.344.531,00	0,00	3.275.292,00

<u>Sales of Services - Other Income</u>				
Folli Follie SA	0,00	0,00	0,00	0,00
Attica Department Stores SA	0,00	238.341,00	0,00	36.996,00
Total	0,00	238.341,00	0,00	36.996,00

<u>Get services - Other Expenses</u>				
Folli Follie SA	0,00	1.600,00	0,00	0,00
Attica Department Stores SA	0,00	88.086,00	0,00	73.161,00
Total	0,00	89.686,00	0,00	73.161,00

<u>Sales of Goods</u>				
Folli Follie SA	0,00	77.584,00	0,00	43.897,82
Attica Department Stores SA	0,00	33.741,00	0,00	2.887,00
FF Cosmetics SA	0,00	61.856,00	0,00	0,00
Total	0,00	173.181,00	0,00	46.784,82

<u>Transactions & Remuneration of board members & managers</u>				
Folli Follie SA	3.250.803,45	0,00	3.292.826,81	0,00
Attica Department Stores SA	470.880,52	0,00	358.985,33	0,00
Total	3.721.683,97	0,00	3.651.812,14	0,00

	31/12/2017		31/12/2016	
	Executives	Other Related Parties	Executives	Other Related Parties
<u>Receivables</u>				
Folli Follie SA	0,00	152.121,00	0,00	85.215,76
Attica Department Stores SA	0,00	1.367.175,00	0,00	305.419,00
Planaco SA	0,00	0,00	0,00	0,00
FF Cosmetics SA	0,00	94.960,00	0,00	0,00
Total	0,00	1.614.256,00	0,00	390.634,76

<u>Payables</u>				
Folli Follie SA	0,00	0,00	0,00	0,00
Attica Department Stores SA	0,00	0,00	0,00	169.825,00
Planaco SA	1.619,00	0,00	78.105,08	0,00
Total	1.619,00	0,00	78.105,08	169.825,00

For the Company

	1/1- 31/12/2017	1/1- 31/12/2016		1/1- 31/12/2017	1/1- 31/12/2016
<u>Sales of Goods</u>			<u>Sales of Services - Other Income</u>		
FOLLI-FOLLIE H.K. - Group	1.832.930,00	1.019.865,96	FOLLI-FOLLIE H.K. - Group	395,00	1.306,71
FOLLI-FOLLIE JAPAN LTD	148.789,00	170.783,07	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	32.972,00	12.552,08	FOLLI FOLLIE FRANCE SA	3.501,00	3.904,97
FOLLI FOLLIE SPAIN SA	38.508,00	114.540,09	FOLLI FOLLIE SPAIN SA	2.034,00	6.014,64
FF CYPRUS LTD	824.312,00	469.212,93	FF CYPRUS LTD	30.292,00	89.187,33
PLANACO SA	0,00	1.900,46	PLANACO SA	6.900,00	6.965,77
LINKS OF LONDON - Group	9.692.976,00	9.388.459,44	LINKS OF LONDON - Group	8.586,00	361.730,01
FF GROUP ROMANIA SRL	1.156.223,00	2.516.005,87	FF GROUP ROMANIA SRL	11.514,00	34.515,17
FF GROUP BULGARIA EOOD	278.607,00	674.240,45	FF GROUP BULGARIA EOOD	617,00	11.061,58
ΜΟΥΣΤΑΚΗΣ SA	0,00	468.837,15	ΜΟΥΣΤΑΚΗΣ SA	0,00	64.686,72
ΑΤΤΙΚΑ ΠΟΛΥΚΑΤΑΣΤΗΜΑΤΑ ΑΕ	9.429.722,00	8.526.492,14	ΑΤΤΙΚΑ ΠΟΛΥΚΑΤΑΣΤΗΜΑΤΑ ΑΕ	7.193,00	0,00
COLLECTIVE PATRON SA	0,00	159.125,47	COLLECTIVE PATRON SA	0,00	28.683,13
FF ΣΥΜΜΕΤΟΧΩΝ ΑΕ	1.883.876,00	1.568.113,30	FF ΣΥΜΜΕΤΟΧΩΝ ΑΕ	684.327,00	407.799,59
STENABY FINANCE LTD	0,00	0,00	STENABY FINANCE LTD	0,00	0,00
FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00	FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00
FF COSMETICS SA	167.165,00	784,40	FF COSMETICS SA	77.377,00	92.594,93
QIVOS SA (SALES MANAGER HELLAS LTD)	0,00	0,00	QIVOS SA (SALES MANAGER HELLAS LTD)	0,00	0,00
JUICY COUTURE EUROPE LTD UK	46.212,00	0,00	JUICY COUTURE EUROPE LTD UK	40.473,00	0,00
TOTAL	25.532.292,00	25.090.912,81	TOTAL	873.209,00	1.108.450,55

	1/1- 31/12/2017	1/1- 31/12/2016		1/1- 31/12/2017	1/1- 31/12/2016
<u>Purchase of Goods</u>			<u>Get Services - Other Expenses</u>		
FOLLI-FOLLIE H.K. - Group	6.091.621,00	4.907.706,95	FOLLI-FOLLIE H.K. - Group	22.839,00	1.336.465,18
FOLLI-FOLLIE JAPAN LTD	24,00	0,00	FOLLI-FOLLIE JAPAN LTD	0,00	264,00
FOLLI FOLLIE UK LTD	0,00	0,00	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	0,00	0,00	FOLLI FOLLIE FRANCE SA	0,00	0,00
FOLLI FOLLIE SPAIN SA	291.385,00	0,00	FOLLI FOLLIE SPAIN SA	291.046,00	0,00
FF CYPRUS LTD	0,00	0,00	FF CYPRUS LTD	73.592,00	64.347,36
PLANACO SA	0,00	0,00	PLANACO SA	510.350,00	5.622,51
LINKS OF LONDON - Group	951.352,00	1.103.633,43	LINKS OF LONDON - Group	1.459.200,00	155.299,91
FF GROUP ROMANIA SRL	870.904,00	1.522.802,84	FF GROUP ROMANIA SRL	0,00	15.564,28
FF GROUP BULGARIA EOOD	253.775,00	225.625,87	FF GROUP BULGARIA EOOD	3.528,00	0,00
ΜΟΥΣΤΑΚΗΣ SA	0,00	0,00	ΜΟΥΣΤΑΚΗΣ SA	0,00	0,00
ΑΤΤΙΚΑ ΠΟΛΥΚΑΤΑΣΤΗΜΑΤΑ ΑΕ	0,00	157.960,12	ΑΤΤΙΚΑ ΠΟΛΥΚΑΤΑΣΤΗΜΑΤΑ ΑΕ	232.252,00	135.130,62
COLLECTIVE PATRON SA	0,00	93.109,05	COLLECTIVE PATRON SA	0,00	0,00
FF ΣΥΜΜΕΤΟΧΩΝ ΑΕ	249.137,00	358.224,22	FF ΣΥΜΜΕΤΟΧΩΝ ΑΕ	0,00	0,00
STENABY FINANCE LTD	0,00	0,00	STENABY FINANCE LTD	0,00	0,00
FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00	FF GROUP FINANCE LUXEMBOURG SA	0,00	0,00
FF COSMETICS SA	77.715,00	40.691,93	FF COSMETICS SA	0,00	1.959,04
QIVOS SA (SALES MANAGER HELLAS LTD)	322.000,00	0,00	QIVOS SA (SALES MANAGER HELLAS LTD)	0,00	0,00
JUICY COUTURE EUROPE LTD UK	568.088,00	0,00	JUICY COUTURE EUROPE LTD UK	100,00	0,00
TOTAL	9.676.001,00	8.409.754,41	TOTAL	2.592.907,00	1.714.652,90

	31/12/2017	31/12/2016		31/12/2017	31/12/2016
<u>Receivables</u>			<u>Payables</u>		
FOLLI-FOLLIE H.K. - Group	63.665.668,00	37.225.134,22	FOLLI-FOLLIE H.K. - Group	2.103,00	580,63
FOLLI-FOLLIE JAPAN LTD	476.127,00	368.438,53	FOLLI-FOLLIE JAPAN LTD	500,00	521,28
FOLLI FOLLIE UK LTD	4.309,00	4.465,37	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	157.999,00	347.321,60	FOLLI FOLLIE FRANCE SA	0,00	0,00
FOLLI FOLLIE SPAIN SA	5.961.457,00	4.461.979,22	FOLLI FOLLIE SPAIN SA	520.977,00	786,50
FF CYPRUS LTD	2.133.122,00	1.836.974,80	FF CYPRUS LTD	137.939,00	64.347,36
PLANACO SA	7.482.603,00	6.957.210,22	PLANACO SA	0,00	0,00
LINKS OF LONDON - Group	65.428.077,00	55.110.936,23	LINKS OF LONDON - Group	477.508,00	4.275.464,06
FF GROUP ROMANIA SRL	14.658,00	1.449.249,44	FF GROUP ROMANIA SRL	11.700,00	24.989,86
FF GROUP BULGARIA EOOD	74.105,00	60.515,41	FF GROUP BULGARIA EOOD	0,00	0,00
ΜΟΥΣΤΑΚΗΣ SA	0,00	0,00	ΜΟΥΣΤΑΚΗΣ SA	0,00	0,00
ΑΤΤΙΚΑ DEPARTMENT STORES SA	12.550.473,00	13.145.805,68	ΑΤΤΙΚΑ DEPARTMENT STORES SA	96.489,00	69.851,13
COLLECTIVE PATRAS SA	0,00	0,00	COLLECTIVE PATRAS SA	0,00	0,00
FF HOLDINGS SA	7.415.282,00	7.312.863,22	FF HOLDINGS SA	1.143.376,00	931.686,35
STENABY FINANCE LTD	6.022,00	15.940,29	STENABY FINANCE LTD	0,00	0,00
FF GROUP FINANCE LUXEMBOURG SA	38.066,00	5.000,00	FF GROUP FINANCE LUXEMBOURG SA	238.275.329,00	229.854.932,64
FF GROUP FINANCE LUXEMBOURG II SA	0,00	0,00	FF GROUP FINANCE LUXEMBOURG II SA	177.679.157,00	0,00
FF COSMETICS SA	2.156.443,00	64.152,17	FF COSMETICS SA	0,00	46.890,09
QIVOS SA (SALES MANAGER HELLAS LTD)	0,00	0,00	QIVOS SA (SALES MANAGER HELLAS LTD)	136.287,00	0,00
JUICY COUTURE EUROPE LTD UK	3.900.261,00	0,00	JUICY COUTURE EUROPE LTD UK	0,00	0,00
TOTAL	171.464.672,00	128.365.986,40	TOTAL	418.481.365,00	235.270.049,90

VII. Corporate Social Responsibility

“We Care”

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

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

Culture/Sports Axis

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

In the past, the FF Group has sponsored several cultural events in Greece and abroad, events such as the first Kabuki Theater in Megaron-the Athens Concert Hall, Stefanos Korkolis’ concert in Herodeion and Dionysis Savopoulos’ concert in Benaki Museum in Athens.

Our philosophy regarding arts and culture is transferred globally: in October 2005, Folli Follie was honoured to support the Hong Kong closing concert of the Greek performer Nana Moushouri, who is a UNESCO Good Will Ambassador.

Moreover, in May 2007, during Mrs Dora Bakoyannis’, Minister of External Affairs visit in China, Folli Follie sponsored the renowned Greek singer, Alkistis Protopsalti’s concert, in the Forbidden City of Beijing.

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

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

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

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

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

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

In 2012 and 2013, Folli Follie honouring its Greek Heritage and aiming to stand by any initiative that promotes the modern face of Greece, sponsored the "Spetses Classic Yacht Race", which featured some of the most renowned classic yachts in Greece using as a backdrop the beautiful island of Spetses in Greece. Additionally, Folli Follie in 2013 was a proud supporter of Spetses Mini Marathon in Spetses, Greece, showcasing how sportsmanship and athletic lifestyle can be ideally combined with striking style. Another Corporate Responsibility initiative of the FF Group, and one that the company takes great pride in, is the Folli Follie sponsoring the Greek Delegation of the X Special Olympics World Winter Games in Pyeong Chang, Korea in 2013.

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

In 2017 FF Group sponsored the Legends 2004 vs Inter Forever charity football match, under its brands Folli Follie and Factory Outlet. The match took place on Wednesday, June 7, 2017, at the Pancretan Stadium of Heraklion, Crete. The European Champions of 2004 welcomed Inter Milan's superstars in a football night filled with memories and pride, in order to support the charity work of "Orama Elpidas".

Folli Follie was the major sponsor of the National Men's and Women's Beach Volley Championship that took place in Spetses from the 16th to the 18th of June 2017. Indicatively, the brand undertook the construction of the court, as well as the cost of the medals for the winners and participants.

Since 2017, FF Group, along with GEPAWORLD, is the official apparel sponsor of Greece national basketball team. The new outfits for the National Men's and Women's Basketball Teams were officially revealed, here, at the headquarters of FF Group, on June 19th, 2017, in the presence of National Team players Giannis Bourousis, Kostas Papanikolaou, Giannis and Thanasis Antetokounmpo.

Society Axis

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

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

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

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

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

In 2013 and 2014, Folli Follie Greece joined forces with the non-profit association I LIVE FOR ME and designed a limited-edition bracelet inspired by the association's logo, the butterfly. Folli Follie and I LIVE FOR ME found in the face of Tonia Sotiropoulou, a famous Greek model/ actress, the ideal ambassador for this initiative. Links of London is also an active participant of the FF Group's social responsibility programs focused on Greek

society and especially children. During 2008, the brand offered part of its "Friendship Bracelet" proceeds to the "Mazi gia to Paidi" non-profit organisation.

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

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

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

The close relationship that the FF Group has developed with Japan during the past 25 years led to actively demonstrating its support towards those affected by the devastating earthquake and subsequent tsunami that struck Japan on March 2011. Folli Follie brand donated 10% of global sales of the entire Heart4Heart Collection and Links of London 10% of the global sales of the classic Friendship Bracelet to support the Japanese Red Cross. In December 2012, the FF Group supported the reconstruction of the building of Merimna, which is a nonprofit organization with the main goal of caring for children and families who are facing a serious illness, loss or death. The FF Group takes great pride in the initiative of its employees based in Greece. During December 2013, an FF Group employee task force organized a three-day charity bazaar in which FF Group products were sold and the FF Group employees offered their services voluntarily. The FF Group Christmas Charity Bazaar led to raising 80,000€, all of which were offered to the organization "Mazi gia to Paidi", reaching out to thousands of children in need in Greece.

During October 2015 the FF Group's employees with the Management's support organized the gathering of food, clothes, shoes, blankets and hygiene items in order to offer relief to refugees and people that are in a difficult socio-economic condition, supporting the Ark of the World and the Municipality of Athens. Additionally, the Group supported this initiative with the offering of 2,500 pair of shoes and 90 boxes with clothes. During 2015, Factory Outlet helped the project of the Ark of the World and a visit to the center building of the organization in Athens, sealed a strong support relationship. Moreover, the Factory Outlet has undertaken entirely the completion of the Apiary in the border Ark of Pogoniani. The apiary has recently started operating and offering creative activities and opportunities for learning to the children that are hosted in the small village of Ioannina.

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

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

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

In 2017 FF Group supports for one year the association "Together for Children" and the operation of the "115 25 Counseling Helpline and Counseling Center", which has helped over 7,000 people last year.

Environment Axis

The FF Group is strongly activated towards the environmental protection and examines all countries' needs individually, focusing on programmes that offer concrete results and cover specific needs. In June 2008, the FF Group also delivered a number of works to Artemida village, Municipality of Zacharo, Prefecture of Ilia, Greece, as a contribution of social solidarity after the destructive wildfires that affected the wider area of western Peloponnese in August 2007.

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

Trends, Prospects and expected development of the Group

Greater China and Asia in overall, continue to be the key growth drivers of the Group, supported by strong demographics of a strengthening middle class. We continue with the expansion strategy for our own brands Folli Follie and Links of London in Asia supported by our strategic partner Fosun International. Simultaneously, online penetration in the channel mix is accelerating in all the segments of our operations. Investing in new technologies in order to achieve omni-channel while continue to leverage on our diversified geographic exposure and product portfolio will support our overall growth profile.

Our domestic activities were extremely resilient during the last two years; we achieved significant market share gains and we continued to invest into expanding our store network with new store concepts (Sport Loft) where the experience to attract customers plays a key role in sales growth. Regarding the prospects of the Greek market, they are positively correlated with those of the Greek economy (3rd bailout program successful completion). The online channel is constantly increasing its penetration in the market and we intend to expand it in all our operations.

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

Corporate Governance Statement

A) Corporate Governance Principles

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

B) Corporate Governance Code

Our company hereby states the adoption of the widely accepted Corporate Governance Code of the Hellenic Federation of Enterprises (SEV) for Listed Companies. This code can be found at the SEV's website, under the following address: The Company complies with the specific practices for listed companies provided by the Greek Code of Corporate Governance (EKED): http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf.

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

The term "Corporate Governance" describes the way in which companies are managed and controlled. Corporate governance is in particular a system of relations between the company's management, the Board of Directors (BoD), its shareholders and other stakeholders, constitutes the structure through which the objectives of the

company are approached and set, identifies the key risks that are faced during its operation identifies the means of achieving corporate goals, organizes the system of risk management and enables the monitoring of the management's performance during the procedure of the implementation of the above. and enable monitoring of performance management in the implementation process of the above.

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

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

Deviations from the Corporate Governance Code and justification

Board of Directors' role and competencies

- The Board of Directors has not proceeded to the establishment of a separate committee supervising the procedure of candidacy submission for election in the Board of Directors and preparing suggestions to the Board of Directors with regard to the rewards of the executive members and main top executives, given that the Company's policy in relation to these rewards is 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.
- The approval of the Board of Directors is not required to appoint one of its executive members to a company which is not affiliate or subsidiary.

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:

- Zaharias Mantzavinos, Non-executive member and Audit Committee Chairman
- Periklis Stamatiadis, Independent non-executive member
- Evangelos Koumanakos, Independent non-executive member

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

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

Remunerations

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

General Meeting

- No deviation was found.

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

General Meeting of shareholders

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

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

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

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

General Meeting basic authorities

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

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

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

Shareholders' rights and their exercise

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

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

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

VIII. Information on the Board of Directors' composition and operation

Board of Directors' composition

The Board of Directors, acting collectively, assumes the administration and management of corporate cases to the company's and its shareholders' benefit, ensuring the application of the corporate strategy and the fair and equivalent treatment of all shareholders. It generally decides on all issues regarding the company, except for

those that according to the Law or the Articles of Association, are vested in the competence of the shareholders' General Meeting.

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

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

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

Member of the Board of Directors:

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

Brief CVs of the BoD members:

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

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

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

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

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

Mr. Jiannong Qian was appointed non-executive member of the Board of Directors of FF Group since May 26th, 2011. He is a graduate of Economics from Shandong University and holds a postgraduate degree in Economics from a German university. Mr. Qian is Vice President of Fosun Group and President of Fosun Tourism & Commercial Group. Mr. Qian studied in Germany and held senior management positions in two German companies. He then joined China Nepstar as CEO and successfully IPOed the company in US, which made it the first Chinese retail company listed in US.

In 2009, Mr. Qian started to manage tourism & commercial investments for Fosun. In the tourism sector, he has led the initial investment and the later privatization of Club Med; he has also led the development of the world's third Atlantis resort in Sanya, the investments in CITS and Thomas Cook.

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

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

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

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

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

Relations with shareholders

Communication with shareholders

-no deviation was found

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

A. Share Capital Structure

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

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

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

Shareholders representing 5% of the paid-up share capital of the Company, have the right to request the registration of additional items to be discussed in the General meeting, as long as the Board of Directors is notified at least 15 days before the General Meeting. The request should be accompanied with justification or a draft to be approved by the GM. The revised agenda is made public 13 days before the GM date and at the same time it is available in the company's website together with the justification or the draft submitted by the shareholders according to the provisions of article 27 §3. 2190/1920.

Upon request Shareholders representing 5% of the paid-up share capital of the Company the Board of Directors makes available to the shareholders according to the provisions of article 27 §3 2190/1920, at least six (6) days prior to the date of the General Meeting, drafts of decisions on matters included in the original or revised agenda if the relevant request is received by the Board of Directors at least seven (7) days before the date of the General Meeting.

Upon request of a shareholder, submitted to the Company at least five (5) full days before the General Meeting, the Board of Directors is required to provide the General Meeting with the requested information on the Company's affairs as far as they are useful for the actual an assessment of the items on the agenda. The board of directors may refuse to provide the information for substantive reasons, which shall be recorded in GM records. The board of directors may respond in a single application to shareholders' requests with the same content. No obligation to provide information exists when the relevant information is already available on the company's website, particularly in the form of questions and answers.

Upon request of shareholders representing one fifth (1/5) of the paid-up share capital submitted to the Company at least five (5) full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with information on the progress of the corporate affairs and the Company's assets. The board of directors may refuse to provide the information for substantive reasons, which shall be recorded in GM records.

Similar deadlines for the exercise of minority shareholders' rights also apply to reconvened shareholders' meeting. In all the above-mentioned cases, the shareholders, forming a request, must prove their shareholding status and the number of shares they hold in the exercise of the relevant right. Such proof shall also be the production of a certificate from the entity in which the relevant securities are held or the certification of the shareholding by direct electronic link between the entity and the Company.

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 number 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 31.12.2017, the following shareholders held more than 5% of total voting rights

Dimitrios G. Koutsolioutsos: 35,08%

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

Fidelity Investments: 9,5%

D. Holders of any shares with special control rights

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

E. Restrictions on voting rights

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

F. Agreements among the shareholders of the Company

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

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

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

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

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

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

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

Does not exist.

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

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

K. Dividend policy

Despite the positive results of the Group within the context of the prevalent market crisis and towards the further strengthening of the financial position of the company in conjunction with the intense investment plans in place the Board will propose at the Annual General Meeting, not to distribute to the shareholders dividend for the fiscal year 2016.

L. Significant events after the year end

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

Ag. Stefanos, April 25th, 2018

Chairman of the Board

Managing Director

Dimitrios Koutsolioutsos

Georgios Koutsolioutsos

Executive member

Emmanouil Zachariou

C. Independent certified auditors' accountants report

To the Shareholders of the Company
"FOLLI FOLLIE GROUP SA"

Audit Report on the Company and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company «FOLLI FOLLIE S.A.», which comprise the separate and consolidated Statement of Financial Position as at December 31, 2017, the separate and consolidated statements of comprehensive income/(loss), statement of changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company «FOLLI FOLLIE S.A.», and its subsidiaries (the Group) as at December 31st, 2017, their financial performance and the consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards, as adopted by the European Union and are in compliance with the statutory requirements of Codified Law 2190/1920.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated under Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report. We remained independent of the Company and its subsidiaries throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated under Greek Law, together with the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the separate and consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>1) Impairment of investments in subsidiaries (separate financial statements)</p> <p>On 31.12.2017, the value of investments in subsidiaries in the separate financial statements amounted to €219.681.017,38 (€209.892.157,35 on 31.12.2016) while the impairment loss for the year ended 31 December 2017 amounted to €18.000.000 (€ 15.000.000 on 31.12.2016)</p> <p>As described in note 6 investments in subsidiaries are recognized at historical cost and are tested for impairment at least annually if there are indications of impairment.</p> <p>This was considered a key audit matter because besides the importance of the amount of investments in subsidiaries the estimation of subsidiaries' recoverable amount involves high degree of subjectivity regarding the estimate of future cash flows, which depends on a number of factors, including expectations on quantities sold in future periods, cost estimates and the use of an appropriate discount rate.</p>	<p>Our work included, among others, the following procedures:</p> <ul style="list-style-type: none"> ■ We carried out discussions with the company's management related to the impairment assessment of investments in subsidiaries. ■ For those subsidiaries that indications for impairment existed, we evaluated the key assumptions of the model used by the management and we focused on the discount rate, the growth rate and the reasonableness of the business plans. ■ The inputs used to determine the assumptions in the model were examined and their reasonableness confirmed after comparison based on historical data and other company information. ■ We evaluated the adequacy and appropriateness of disclosures in note 6 of the financial statements.
<p>2) Recoverability of trade receivables</p> <p>On 31.12.2017, the company's and Group's trade receivables amount to € 89.451.263,41 (€82.670.411,55 on 31.12.2016) and to €663.959.020,70 (€654.740.733,02 on 31.12.2016) respectively. The accumulated impairment stands at €2.738.225,33 (€5.716,763,44 on 31.12.2016) for the company and to €6.319.560,01 (€8.880.529,49 on 31.12.2016) for the Group as mentioned in notes 10 and 23 of the financial statements.</p> <p>The Management evaluates the recoverability of the Company's and the Group's receivables and performs the required impairment so that the trade receivables are presented in their recoverable amount as stated in note 2.9 of the financial statements.</p>	<p>Our work included, among others, the following procedures:</p> <ul style="list-style-type: none"> ■ Understanding and reviewing credit control procedures as well as the examination of effectiveness of controls designed for credit granting to customers. ■ The assessment of the assumptions and methodology used by the management to determine the recoverability of the trade receivables or their classification as doubtful debt. ■ Review of the legal advisors' responses in order to identify any trade receivables that may not be recoverable in the future. ■ The examination of cash receipts after the balance sheet date,

The management evaluates the estimated impairment based on a review of the credit ability for each client, also considering its aging analysis. For customer balances that legal action has been taken, the assessment of the legal department is considered.

Given the importance of the issue and the level of judgment and estimates required by the company's management, we believe that assessing the impairment of trade receivables is one of the most important issues of our audit.

- The evaluation of the adequacy and appropriateness of disclosures in note 10 of the financial statements.

3) Revenue recognition

The company's and Group's revenue for the financial year ended on 31.12.2017 amounted to €147.078.095,98 (€ 146.088.508,88 for the financial year ended on 31.12.2016) and to 1.419.274.262,48 (€ 1.337.275.219,48 for the financial year ended on 31.12.2016) respectively.

Sales revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the Company and the relevant amounts can be measured reliably.

We believe that revenue recognition was one of the key audit matters, on the one hand due to the significance of the amount, and on the other hand due to the estimates and judgments made by the management for revenue recognition.

Revenue is reported in the financial statements in Note 2.19 (Accounting Policies and Methods) and in note 20 (Turnover) of the financial statements.

Our work included, among others, the following procedures:

- Understanding the policies and procedures that apply for the proper recognition of revenue.
- Audit the correct separation of financial years by examining the sales made close to the end of the reporting period and right after this, by correlating the invoices with the respective delivery notes.
- Analytical procedures to identify any unusual changes and transactions that require further research.
- Recalculation of discounts for a sample of clients, based on the contract terms and matching of the respective issued invoices and other supporting documents.
- The evaluation of the adequacy and appropriateness of disclosures in note 20 of the financial statements.

Other information

The management is responsible for the other information. The Other Information is included in the Board of Directors Report, being referred to in the "Report on Other Legal and Regulatory Requirements" and in the Statements of the Members of the Board of Directors but does not include the financial statements and the audit report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any kind of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of the management and those charged with governance for the separate and consolidated financial statements

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in the Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated in the Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the company and group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on other Legal and Regulatory Requirements

1. The Board of Directors Report

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

- a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2017.
- c) Based on the knowledge acquired during our audit on the Company and the Group «**FOLLI FOLLIE S.A.** » and its environment, we have not identified material inaccuracies in the Board of Directors Management Report.

2. Supplementary Report to the Audit Committee


Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, in accordance with Article 11 of the European Union Regulation (EU) 537/2014.

3. Provision of Non-Auditing Services

We have not provided any prohibited non-audit services per Article 5 of the European Union Regulation (EU) 537/2014 or any other permitted non-audit services.

4. Appointment of Auditor

We were appointed for the first time as Certified Auditors-Accountants of the Company by the decision of the Annual Ordinary General Meeting of Shareholders on 26/05/2015. Since then, our appointment has been continuously renewed for a total period of three years based on the annual decisions of the Ordinary General Meeting.

 **ECOVIS**[®]
VNT Auditing
Certified Public Accountants
Business Consultants S.A.
396 Mesogion Ave
Ag. Paraskevi 15341, Athens
SOEL Reg. No: 174
HAASOB Reg. No: 045

Athens, 26 April 2018
The Certified Chartered Accountant

George Varthalitis
SOEL Reg. No: 10251

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	
		31.12.2017	31.12.2016
Assets			
Non-current assets			
	Notes		
Tangible fixed assets	4	266.817.155,59	274.258.534,70
Investment Property	4	73.942.734,47	75.202.118,34
Intangible assets	5	26.694.180,26	36.624.817,44
Goodwill	5	95.397.528,79	95.397.528,78
Investments in subsidiaries	6	0,00	0,00
Investments in Associates		406.302,11	676.004,16
Investments available for sale	7	207.003.568,15	204.611.230,09
Other long term assets	8	9.479.153,20	94.537.948,19
Total non-current		679.740.622,57	781.308.181,70
Current assets			
Inventories	9	634.997.509,35	585.996.587,97
Trade receivables	10	663.959.020,70	654.740.733,02
Other current assets	10	330.519.463,12	213.076.078,99
Derivatives		7.506,76	1.168.353,50
Other financial assets at fair value through profit		19.584.587,17	15.704.931,02
Cash & cash equivalent	11	446.339.865,37	328.184.700,98
Total current assets		2.095.407.952,47	1.798.871.385,48
Total assets		2.775.148.575,04	2.580.179.567,18
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	12	20.084.463,00	20.084.463,00
Share Premium	12	81.730.417,03	81.855.417,03
Other reserves	12	284.584.917,99	272.990.062,87
Other equity	12	-79.863.125,65	113.968.233,92
Retained earnings	12	1.576.033.698,91	1.362.538.329,58
		1.882.570.371,28	1.851.436.506,40
Minority interests		36.661.174,70	32.926.311,46
Total equity		1.919.231.545,98	1.884.362.817,86
Liabilities			
Long-term liabilities			
Long-term borrowings	13	496.942.646,00	361.742.555,40
Deferred tax liabilities	19	22.358.138,05	21.086.022,34
Employee benefit liabilities		5.088.642,50	4.442.997,91
Total long-term provisions	15	3.531.107,96	1.847.874,13
Other long-term liabilities		25.478.106,32	16.651.444,03
Total long-term liabilities		553.398.640,83	405.770.893,81
Short-term liabilities			
Short-term borrowings	19	115.797.621,17	72.519.388,55
Derivatives		328.314,18	0,00
Trade and other payables	17	139.130.401,17	140.949.078,16
Current Income tax	18	39.816.742,80	66.009.515,46
Current tax liabilities	18	7.445.308,91	10.419.911,66
Dividends payable		0,00	147.961,68
Total short term liabilities		302.518.388,23	290.045.855,51
Total liabilities		855.917.029,06	695.816.749,32
Total equity & liabilities		2.775.148.575,04	2.580.179.567,18

1.2 Statement of Financial Position of the Company

		The Company	
		31.12.2017	31.12.2016
Assets			
Non-current assets			
	Notes		
Tangible fixed assets	<u>4</u>	46.685.920,09	47.596.164,90
Investment Property	<u>4</u>	73.942.734,47	75.150.146,14
Intangible assets	<u>5</u>	2.045.813,55	2.234.505,57
Goodwill	<u>5</u>	39.373.861,68	39.373.861,68
Investments in subsidiaries	<u>6</u>	219.681.017,38	209.892.157,35
Investments in Associates		1.900.000,00	1.725.000,00
Investments available for sale	<u>7</u>	153.347.701,15	146.394.049,59
Other long term assets	<u>8</u>	1.415.349,48	1.313.641,86
Total non-current		538.392.397,80	523.679.527,09
Current assets			
Inventories	<u>9</u>	46.457.928,54	40.019.303,51
Trade receivables	<u>10</u>	89.451.263,41	82.670.411,55
Other current assets	<u>10</u>	116.922.947,71	93.286.075,58
Derivatives		0,00	192.029,50
Other financial assets at fair value through profit		0,00	0,00
Cash & cash equivalent	<u>11</u>	154.563.427,79	29.494.616,60
Total current assets		407.395.567,45	245.662.436,74
Total assets		945.787.965,25	769.341.963,83
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	<u>12</u>	20.084.463,00	20.084.463,00
Share Premium	<u>12</u>	81.730.417,03	81.730.417,03
Other reserves	<u>12</u>	298.003.102,69	291.005.667,18
Other equity	<u>12</u>	-85.554.366,48	-85.554.366,48
Retained earnings	<u>12</u>	85.993.861,32	115.284.875,06
		400.257.477,56	422.551.055,79
Minority interests		0,00	0,00
Total equity		400.257.477,56	422.551.055,79
Liabilities			
Long-term liabilities			
Long-term borrowings	<u>13</u>	432.570.980,51	251.297.897,98
Deferred tax liabilities	<u>19</u>	21.188.326,90	21.375.203,35
Employee benefit liabilities		2.443.726,01	2.290.083,00
Total long-term provisions	<u>15</u>	1.589.330,59	1.623.241,09
Other long-term liabilities		1.011.000,01	3.011.000,01
Total long-term liabilities		458.803.364,02	279.597.425,43
Short-term liabilities			
Short-term borrowings	<u>19</u>	48.846.018,13	22.268.773,63
Derivatives		328.314,18	0,00
Trade and other payables	<u>17</u>	34.824.636,39	42.175.078,71
Current Income tax	<u>18</u>	0,00	0,00
Current tax liabilities	<u>18</u>	2.728.154,97	2.749.630,27
Dividends payable		0,00	0,00
Total short term liabilities		86.727.123,67	67.193.482,61
Total liabilities		545.530.487,69	346.790.908,04
Total equity & liabilities		945.787.965,25	769.341.963,83

2. Statement of Comprehensive Income for the Group and Company

2.1 The Group

		01.01. - 31.12.2017	01.01. - 31.12.2016
	Notes		
Turnover	<u>20</u>	1.419.274.262,48	1.337.275.219,48
Cost of goods		-785.509.052,41	-724.972.158,60
Gross Profit		633.765.210,07	612.303.060,88
Other operating income	<u>21</u>	15.348.360,04	16.359.491,13
Administration expenses	<u>22</u>	-71.701.159,92	-67.139.846,33
Selling expenses	<u>22</u>	-288.279.900,15	-282.081.565,65
Other operating expenses	<u>23</u>	-28.565.484,46	-17.173.291,51
Operating income		260.567.025,58	262.267.848,52
Financial income	<u>24</u>	11.740.546,17	12.588.131,66
Financial expenses	<u>24</u>	-29.837.228,92	-21.148.685,18
Investments in Associates		-432.152,90	-228.973,12
Profit/Loss (before the tax)		242.038.189,93	253.478.321,88
Income tax		-25.336.252,76	-26.883.647,17
Deferred Tax		119.047,26	315.377,46
Profit/Loss (after the tax)		216.820.984,43	226.910.052,17
Depreciation & amortization		34.301.291,42	29.588.757,39
Profit before taxes depreciation & amortisation		294.868.317,00	291.856.605,91
Other comprehensive income / (expenses): Recognised in Equity			
<i>Amounts not reclassified to income statement</i>			
Revaluation of liabilities for employee benefits		-88.882,90	-283.623,28
<i>Amounts may be reclassified to income statement in subsequent periods</i>			
Financial assets available for sale		10.530.239,32	9.207.546,90
Valuation of Assets		6.463.235,35	0,00
Valuation of financial instruments		0,00	-230.976,37
Deferred taxes non-participants in Profit		0,00	55.517,00
Foreign translation exchange differences		-193.831.361,57	45.539.685,20
Other comprehensive income, net of taxes		-176.926.769,80	54.288.149,45
Total comprehensive income after taxes		39.894.214,63	281.198.201,62
Profit is attributable to:			
Shareholders of the parent company		212.010.655,26	222.466.621,12
Non controlling interests		4.810.329,17	4.443.431,05
Total		216.820.984,43	226.910.052,17
Total comprehensive income			
Attributable to :			
Shareholders of the parent company		35.083.187,60	276.823.085,00
Non controlling interests		4.811.027,03	4.375.116,62
Total		39.894.214,63	281.198.201,62
Earnings / Losses per share			
Basic and diluted (in euros):		3,19466	3,35150

2.2 The Company

		01.01. - 31.12.2017	01.01. - 31.12.2016
	Notes		
Turnover	20	147.078.095,98	146.088.508,88
Cost of goods		-85.775.420,36	-85.695.327,78
Gross Profit		61.302.675,62	60.393.181,10
Other operating income	21	5.203.621,83	5.426.504,12
Administration expenses	22	-14.557.057,69	-15.201.944,64
Selling expenses	22	-60.098.663,86	-58.269.569,03
Other operating expenses	23	-5.890.794,16	-2.912.760,40
Operating income		-14.040.218,26	-10.564.588,85
Financial income	24	6.479.851,74	9.225.258,68
Financial expenses	24	-21.870.581,09	-23.952.637,29
Investments in Associates		0,00	0,00
Profit/Loss (before the tax)		-29.430.947,61	-25.291.967,46
Income tax		0,00	0,00
Deferred Tax		186.876,45	423.269,19
Profit/Loss (after the tax)		-29.244.071,16	-24.868.698,27
Depreciation & amortization		6.132.858,01	6.195.692,19
Profit before taxes depreciation &		-7.907.360,25	-4.368.896,66
Other comprehensive income / (expenses):			
Recognised in Equity			
<i>Amounts not reclassified to income statement</i>			
Revaluation of liabilities for employee benefits		-47.000,00	-95.919,00
<i>Amounts may be reclassified to income statement in subsequent periods</i>			
Financial assets available for sale		6.997.435,51	8.965.004,93
Valuation of Assets		0,00	0,00
Valuation of financial instruments		0,00	0,00
Deferred taxes non-participants in Profit		0,00	0,00
Foreign translation exchange differences		0,00	0,00
Other comprehensive income, net of taxes		6.950.435,51	8.869.085,93
Total comprehensive income after taxes		-22.293.635,65	-15.999.612,34
Profit is attributable to:			
Shareholders of the parent company		-29.244.071,16	-24.868.698,27
Non controlling interests		0,00	0,00
Total		-29.244.071,16	-24.868.698,27
Total comprehensive income			
Attributable to :			
Shareholders of the parent company		-22.293.635,65	-15.999.612,34
Non controlling interests		0,00	0,00
Total		-22.293.635,65	-15.999.612,34
Earnings / Losses per share			
Basic and diluted (in euros):			
		-0,44066	-0,37465

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

3.1 The Group

	Share Capital	Share Premium	Consolidation Differences	Fair Value Reserves	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total shareholders' equity	Minority Interests	Total Equity
Balance at 1.1.2016	20.084.463,00	81.730.417,03	-85.564.935,68	0,00	-12.152.481,84	276.981.106,83	1.140.207.546,99	154.682.093,23	1.575.968.209,56	29.720.774,10	1.605.688.983,66
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	222.466.621,12	0,00	222.466.621,12	4.443.431,05	226.910.052,17
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	-94.584,55	0,00	0,00	-94.584,55	0,00	-94.584,55
Valuation of investments available for sale	0,00	0,00	0,00	0,00	0,00	9.207.546,90	0,00	0,00	9.207.546,90	0,00	9.207.546,90
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	45.471.370,77	45.471.370,77	68.314,43	45.539.685,20
Actuarial loss / (gain)	0,00	0,00	0,00	0,00	0,00	-283.623,28	0,00	0,00	-283.623,28	0,00	-283.623,28
Other income not calculated in profit for the period	0,00	0,00	0,00	0,00	0,00	-136.391,82	0,00	0,00	-136.391,82	0,00	-136.391,82
Subsidiary's Capital increase Expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred tax in equity	0,00	0,00	0,00	0,00	0,00	55.517,00	0,00	0,00	55.517,00	0,00	55.517,00
Income tax relating to items of the total income	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total comprehensive income for the period,net of tax	0,00	0,00	0,00	0,00	0,00	8.748.464,25	222.466.621,12	45.471.370,77	276.686.456,14	4.511.745,48	281.198.201,62
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital Return	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-1.071.504,60	-1.071.504,60
Various Expenses/income in Equity	0,00	0,00	0,00	0,00	0,00	0,00	-3.299,35	0,00	-3.299,35	0,00	-3.299,35
Capital increase expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Minority interest resulted from Subsidiaries' rates change	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-240.000,00	-240.000,00
Dividends payable	0,00	0,00	0,00	0,00	0,00	0,00	-96.912,88	0,00	-96.912,88	0,00	-96.912,88
Acquisition of minority shareholding	0,00	0,00	0,00	0,00	0,00	144.416,30	0,00	0,00	144.416,30	0,00	144.416,30
Changes from Purchases of subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	1.260,00	0,00	0,00	650.624,22	-35.626,30	-621.554,40	-5.296,48	5.296,48	0,00
Liquidation of Participations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares	0,00	0,00	0,00	0,00	-1.257.066,89	0,00	0,00	0,00	-1.257.066,89	0,00	-1.257.066,89
Balance at 31st December 2016	20.084.463,00	81.730.417,03	-85.563.675,68	0,00	-13.409.548,73	286.524.611,60	1.362.538.329,58	199.531.909,60	1.851.436.506,40	32.926.311,46	1.884.362.817,86
Balance at 1.1.2017	20.084.463,00	81.730.417,03	-85.563.675,68	0,00	-13.409.548,73	286.524.611,60	1.362.538.329,58	199.531.909,60	1.851.436.506,40	32.926.311,46	1.884.362.817,86
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	212.010.655,26	0,00	212.010.655,26	4.810.329,17	216.820.984,43
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	6.463.235,35	0,00	0,00	6.463.235,35	0,00	6.463.235,35
Valuation of investments available for sale	0,00	0,00	0,00	0,00	0,00	10.530.239,32	0,00	0,00	10.530.239,32	0,00	10.530.239,32
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-193.831.361,57	-193.831.361,57	0,00	-193.831.361,57
Actuarial loss / (gain)	0,00	0,00	0,00	0,00	0,00	0,00	-88.882,90	0,00	-88.882,90	0,00	-88.882,90
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	0,00	0,00	0,00	0,00	0,00	0,00
Total comprehensive income for the period,net of tax	0,00	0,00	0,00	0,00	0,00	16.993.474,67	211.921.772,36	-193.831.361,57	35.083.885,46	4.810.329,17	39.894.214,63
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital Return	0,00	0,00	0,00	0,00	0,00	-1.160.796,65	0,00	0,00	-1.160.796,65	0,00	-1.160.796,65
Various Expenses/income in Equity	0,00	0,00	0,00	0,00	0,00	0,00	-13.212,32	0,00	-13.212,32	0,00	-13.212,32
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
Changes from Purchases of subsidiaries	0,00	0,00	0,00	0,00	0,00	-3.851.477,54	0,00	0,00	-3.851.477,54	0,00	-3.851.477,54
Transfers	0,00	0,00	0,00	0,00	0,00	-511.345,36	1.586.809,29	2,00	1.075.465,93	-1.075.465,93	0,00
Liquidation of Participations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31st December 2017	20.084.463,00	81.730.417,03	-85.563.675,68	0,00	-13.409.548,73	297.994.466,72	1.576.033.698,91	5.700.550,03	1.882.570.371,28	36.661.174,70	1.919.231.545,98

3.2 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
Balance at 1.1.2016	20.084.463,00	81.730.417,03	-85.554.366,48	0,00	-12.152.481,84	295.450.210,98	140.249.492,33	0,00	439.807.735,02	0,00	439.807.735,02
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	-24.868.698,27	0,00	-24.868.698,27	0,00	-24.868.698,27
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	8.965.004,93	0,00	0,00	8.965.004,93	0,00	8.965.004,93
Valuation of investments available for sale	0,00	0,00	0,00	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	0,00	0,00	0,00
Actuarial loss / (gain)	0,00	0,00	0,00	0,00	0,00	0,00	-95.919,00	0,00	-95.919,00	0,00	-95.919,00
Other income not calculated in profit for the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Subsidiary's Capital increase Expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred tax in equity	0,00	0,00	0,00	0,00	0,00	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	0,00	0,00	0,00	0,00	0,00	0,00
Total comprehensive income for the period,net of tax	0,00	0,00	0,00	0,00	0,00	8.965.004,93	-24.964.617,27	0,00	-15.999.612,34	0,00	-15.999.612,34
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital Return	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	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	0,00	0,00	0,00	0,00	0,00	0,00
Liquidation of Participations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares	0,00	0,00	0,00	0,00	-1.257.066,89	0,00	0,00	0,00	-1.257.066,89	0,00	-1.257.066,89
Balance at 31st December 2016	20.084.463,00	81.730.417,03	-85.554.366,48	0,00	-13.409.548,73	304.415.215,91	115.284.875,06	0,00	422.551.055,79	0,00	422.551.055,79
Balance at 1.1.2017	20.084.463,00	81.730.417,03	-85.554.366,48	0,00	-13.409.548,73	304.415.215,91	115.284.875,06	0,00	422.551.055,79	0,00	422.551.055,79
Earnings After taxes	0,00	0,00	0,00	0,00	0,00	0,00	-29.244.071,16	0,00	-29.244.071,16	0,00	-29.244.071,16
Valuation of financial assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Valuation of investments available for sale	0,00	0,00	0,00	0,00	0,00	6.997.435,51	0,00	0,00	6.997.435,51	0,00	6.997.435,51
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	-47.000,00	0,00	-47.000,00	0,00	-47.000,00
Other income not calculated in profit for the period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Subsidiary's Capital increase Expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred tax in equity	0,00	0,00	0,00	0,00	0,00	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	0,00	0,00	0,00	0,00	0,00	0,00
Total comprehensive income for the period,net of tax	0,00	0,00	0,00	0,00	0,00	6.997.435,51	-29.291.071,16	0,00	-22.293.635,65	0,00	-22.293.635,65
Capital increase	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital Return	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Various Expenses/income in Equity	0,00	0,00	0,00	0,00	0,00	0,00	57,42	0,00	57,42	0,00	57,42
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	0,00	0,00	0,00	0,00	0,00	0,00
Liquidation of Participations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase / Sale of own shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31st December 2017	20.084.463,00	81.730.417,03	-85.554.366,48	0,00	-13.409.548,73	311.412.651,42	85.993.861,32	0,00	400.257.477,56	0,00	400.257.477,56

4 Cash Flow Statement

2nd Alternate: Indirect method	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Cash Flows related to Operating Activities				
Net Profit before taxes (Continuing operations)	242.038.189,93	253.478.321,88	-29.430.947,61	-25.291.967,46
Adjustments				
Depreciation and Amortisation	34.301.291,42	29.588.757,39	6.132.858,01	6.195.692,19
Provisions	18.199.641,70	14.592.098,95	3.047.525,85	10.356.385,44
Exchange differences	-177.016.313,89	53.826.824,02	0,00	0,00
Results (income, expenses, gains and losses) from investing activities	-2.446.577,64	-9.252.550,63	-2.325.300,73	-7.111.897,57
Interest and related expenses	22.547.757,71	16.923.705,82	17.715.969,26	12.540.566,44
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-51.149.320,54	-107.116.582,02	-8.303.625,03	-3.006.326,26
Decrease/(increase) of Receivables	-48.301.020,46	-112.232.844,80	-29.010.485,31	-37.471.832,38
Increase/(decrease) of payable accounts (except Banks)	-1.927.998,07	62.313.918,15	-11.888.892,22	3.980.348,90
Minus				
Interest paid and similar expenses	-13.684.753,81	-9.621.749,00	-10.073.271,79	-3.544.406,14
Income Tax paid	-43.568.336,26	-52.393.541,27	0,00	0,00
Net cash inflows/(outflows) from Operating Activities (a)	<u>-21.007.439,91</u>	<u>140.106.358,49</u>	<u>-64.136.169,57</u>	<u>-43.353.436,84</u>
Investing Activities				
Purchases of subsidiaries, associates and other investments	-3.473.051,09	-4.771.975,10	-12.920.076,08	-4.100.010,50
Acquisition of minorities	0,00	-240.000,00	0,00	-240.000,00
Purchases of tangible and intangible assets	-33.013.113,73	-98.355.823,78	-2.475.864,75	-2.205.149,76
Proceeds from sale of tangible and intangible assets	0,00	1.547.218,26	0,00	1.449.568,98
Interest received	6.892.794,91	336.550,92	1.066.848,86	180.334,06
Dividends received	0,00	0,00	2.000.000,00	723.706,14
Proceeds from sale of financial assets	1.193.075,90	4.413.144,27	1.428.150,79	0,00
Decrease/(increase) of other long-term receivables	-891.624,36	-1.205.962,38	-101.707,62	-1.137.824,22
Net cash inflows/(outflows) from Investing Activities (b)	<u>-29.291.918,37</u>	<u>-98.276.847,81</u>	<u>-11.002.648,80</u>	<u>-5.329.375,30</u>
Financing Activities				
Proceeds from Loans	164.395.248,05	47.933.687,33	197.108.741,19	20.000.000,00
Proceeds from leases	5.220.071,27	-4.603.672,98	3.098.888,37	-1.848.857,08
Own Stock	0,00	-1.257.066,89	0,00	-1.257.066,89
Dividends paid / Return capital	-1.160.796,65	-1.168.457,88	0,00	0,00
Net cash inflows/(outflows) from Financing Activities (c)	<u>168.454.522,67</u>	<u>40.904.489,58</u>	<u>200.207.629,56</u>	<u>16.894.076,03</u>
Net increase / (decrease) in cash and cash equivalents	<u>118.155.164,39</u>	<u>82.734.000,26</u>	<u>125.068.811,19</u>	<u>-31.788.736,11</u>
(a) + (b) + (c)				
Cash and cash equivalents at beginning of the Year	328.184.700,98	245.450.700,72	29.494.616,60	61.283.352,71
Cash and cash equivalents at end of the Year	<u>446.339.865,37</u>	<u>328.184.700,98</u>	<u>154.563.427,79</u>	<u>29.494.616,60</u>

E. INFORMATION ABOUT THE GROUP

1. General Information

The company "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" under the distinctive title "FOLLI FOLLIE GROUP" is a Societe Anonyme registered in Greece, in the Registry of Societes Anonymes with number: 3027701000, placed in Agios Stefanos, Attica. The Company is active in the fields of jewellery manufacturing, department stores operation, as well as in apparel and footwear industry. These financial statements include the financial statements of «FOLLI FOLLIE GROUP» and its subsidiaries, (together referred to as Group), covering the period from January 1 2017 up to December 31 2017, approved by the Board of the Company on April 25th, 2018.

1.1 Group Structure

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

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

Company Name	Head Office	Direct % Participati on	Indirect % Participati on	Total	Consolidation Method
FOLLI FOLLIE FRANCE SA	FRANCE	100,00%		100,00%	Full
FOLLI FOLLIE SPAIN SA	SPAIN	100,00%		100,00%	Full
FOLLI FOLLIE UK LTD	UK	100,00%		100,00%	Full
FOLLI FOLLIE GROUP SOURCING LTD	HONG KONG	99,99%		99,99%	Full
FOLLI FOLLIE ASIA LTD	HONG KONG		99,99%	99,99%	Full
FOLLI FOLLIE TAIWAN LTD	TAIWAN		99,99%	99,99%	Full
FOLLI FOLLIE KOREA LTD	S.KOREA		99,99%	99,99%	Full
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE		99,99%	99,99%	Full
FOLLI FOLLIE MACAU LTD	MACAU		99,99%	99,99%	Full
FOLLI FOLLIE MALAYSIA LTD	MALAYSIA		99,99%	99,99%	Full
FOLLI FOLLIE THAILAND LTD	THAILAND		99,99%	99,99%	Full
FOLLI FOLLIE SHANGHAI (PILION LTD)	CHINA		99,99%	99,99%	Full
FF BUSINESS DEVELOP. & TECH. CONSULTING LTD	HONG KONG		99,99%	99,99%	Full
FF INTERNATIONAL HOLDINGS LTD	HONG KONG		99,99%	99,99%	Full
FF ORIGINS LTD	UK		99,99%	99,99%	Full
FOLLI FOLLIE SHENZHEN LTD	CHINA		99,99%	99,99%	Full
FOLLI FOLLIE GUAM LTD	GUAM		99,99%	99,99%	Full
FOLLI FOLLIE HAWAII LTD	HAWAII		99,99%	99,99%	Full
FOLLI FOLLIE HONG KONG INTERNATIONAL LTD	HONG KONG		99,99%	99,99%	Full
FOLLI FOLLIE JAPAN LTD	JAPAN		99,99%	99,99%	Full
FOLLI FOLLIE AUSTRALIA LTD	AUSTRALIA		99,99%	99,99%	Full
FF GROUP FINANCE LUXEMBOURG SA	LUXEMBURG	100,00%		100,00%	Full
FF GROUP FINANCE LUXEMBOURG II SA	LUXEMBURG	100,00%		100,00%	Full
STRENABY FINANCE LTD	UK	100,00%		100,00%	Full
FOLLI FOLLIE HOLDINGS SA	GREECE	100,00%		100,00%	Full
QIVOS SA (SALES MANAGER LTD)	GREECE	48,99%		48,99%	Full
JUICY COUTURE EUROPE LTD	UK	100,00%		100,00%	Full
ATTICA DEPARTMENT STORES	GREECE	32,51%	13,39%	45,90%	Full
LINKS (LONDON) LIMITED	UK	20,00%	80,00%	100,00%	Full
LINKS OF LONDON (INTERNATIONAL) LTD	UK		100,00%	100,00%	Full
LINKS OF LONDON COM LTD (UK)	UK		100,00%	100,00%	Full
LINKS OF LONDON INC (USA)	USA		100,00%	100,00%	Full
JUICY COUTURE IRELAND LTD	IRELAND		100,00%	100,00%	Full
LINKS OF LONDON (ASIA) LTD	CHINA		100,00%	100,00%	Full
LINKS OF LONDON JAPAN CO. LTD	JAPAN		100,00%	100,00%	Full
FF GROUP ROMANIA SRL	ROMANIA	100,00%		100,00%	Full
APPAREL ROMANIA SRL.	ROMANIA		49,00%	49,00%	Full
FF GROUP BULGARIA EOOD	BULGARIA	100,00%		100,00%	Full
FF CYPRUS LTD	CYPRUS	100,00%		100,00%	Full
WARLABY TRADING LTD	CYPRUS		100,00%	100,00%	Full
NARIACO INVESTMENTS LTD	CYPRUS		100,00%	100,00%	Full
PLANACO SA	GREECE	100,00%		100,00%	Full
FF COSMETICS	GREECE	100,00%		100,00%	Full
MARINA MITILINIS SA	GREECE	50,00%		50,00%	Equity Method
COSMOBRANDS SA	GREECE		23,00%	23,00%	Equity Method

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

The subsidiary company FF Australia LTD was established in the second semester of 2017 and it is a structured entity consolidated via the Full Consolidation Method.

2 Important accounting policies of the Group

2.1 Framework for the preparation of the Financial Statements

The consolidated financial statements of the Group and the financial statements of the Company (hereafter "Financial Statements") have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as IFRS) which have been adopted by the European Union.

2.2 New standards and interpretation

(a) New standards, amendments to standards and interpretations adopted by the Company.

The accounting policies and calculations on the basis of which the financial statements were prepared are consistent with those policies and calculations that were used in the preparation of the annual financial statements for the year 2016, except for the following amendments, which were adopted by the Company on January 1, 2017. The following amendments did not have a material impact on the financial statements for the year ended December 31, 2017:

- **IAS 12 (Amendments) — «Recognition of deferred tax assets for unrealized losses».** The purpose of these amendments is to clarify the accounting treatment of deferred tax assets for unrealized losses on debt securities at fair value. For example, the amendments clarify the accounting treatment of deferred tax assets when an entity is not permitted to deduct the unrealized losses for tax purposes or when it has the intent and the ability to hold debt securities until the reversal of the unrealized losses.
- **IAS 7 (Amendments) «Disclosure Initiative».** The purpose of these amendments is to allow the users of the financial statements to evaluate the changes in liabilities that arising from financing activities. The amendments will require that the entities provide disclosures that allow investors to measure changes in liabilities arising from financial activities, including changes from cash flows and non-cash changes.
- The IASB issued a new round of annual IFRS upgrades (2014-2016), which is a collection of amendments to IFRSs. The improvement did not have a significant impact on the financial statements for the year ended December 31, 2017.
- IFRS 12 «Disclosure of participations in other entities». The amendments clarify that the disclosure notifications of IFRS 12, except for disclosures about the summary of financial information about subsidiaries, joint ventures and associates, they are applied for the involvement of an entity in a subsidiary, joint venture or associate classified as held for sale, as held for distribution or discontinued operations in accordance with IFRS 5.

(b) Standards that have been issued but are not applicable in the current accounting period and have not been earlier adopted

- **IFRS 9 «Financial Instruments - Classification and Measurement».** The Standard is effective for annual periods beginning on or after January 1, 2018, and an earlier application is permitted. The final version of IFRS 9 brings together the "financial instruments" phases and it replaces IAS 39 "Financial Instruments" and all the previous versions of IFRS 9. The Standard introduces new requirements for classification and measurement, impairment and hedge accounting.

- The Company and the Group will apply the new standard on the required date without adjusting the comparative information. It is estimated that it will not have a significant impact.
- **IFRS 15 «Revenue from Contracts with Customers».** The standard is applied for annual periods beginning on or after January 1, 2018. IFRS 15 establishes a five-step model to be applied to revenue arising from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The new model is based on the principle that the revenue is recognized when the control of a good or service is transferred to the customer. The Company and the Group plan to adopt the new standard on the required date by cumulatively adjusting the retained earnings. It is estimated that it will not have a significant impact.
- **IFRS 15 (Clarifications) «Revenue from Contracts with Customers».** The clarifications are applied for annual periods beginning on or after January 1, 2018 and an earlier application is permitted. The objective is to clarify the intentions of the IASB in developing the requirements of IFRS 15 "Revenue from Client Contracts", relating to: (a) the accounting treatment of performance obligations, where the wording of the principle of 'individually identifiable' (b) the estimates made in the decision on an originator or representative, including the assessment of whether a company is an originator or a representative, the application of the "control" principle and (c) licenses as well as additional clarifications on the accounting of intellectual property and rights. Clarifications provide additional practical facilities for companies that apply IFRS 15 fully retrospectively or choose to apply the modified retrospective approach. It is estimated that it will have no significant impact on the company and the Group.
- **IFRS 16 «Leases».** The standard is applied for annual periods beginning on or after January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to the contract, namely the client (the lessee) and the supplier (the lessor). The new standard requires tenants to recognize most leases in their financial statements. Lessees will have a single accounting framework for all leases, with some exceptions. The bookkeeping of the lessors remains virtually unchanged. It is estimated that it will have no significant impact on the company and the Group.
- **IFRS 10 (Amendment) «Consolidated Financial Statements» and IAS 28 «Investments in Associates and Joint Ventures»:** Sale or transfer of assets between an investor and the associate of the company or its joint venture. The amendments address a recognized inconsistency between the requirements of IFRS 10 and those requirements of IAS 28 to address the sale or transfer of assets between the investor and the associate of the company or its venture. The main consequence of the amendments is that a full profit or loss is recognized when the transaction includes a business (whether hosted in a subsidiary or not). A partial profit or loss is recognized when the transaction includes assets that do not constitute a business, even if these assets are held in a subsidiary. In December 2015 IASB postponed indefinitely the date of application of this modification, pending the results of his work to the equity method. These amendments have not yet been adopted by the European Union.
- **IFRS 2 (Amendments) «Clarifications of classification and measurement of share-based payment transactions»** The amendments are effective for annual periods beginning on or after January 1, 2018 and an early adoption is permitted. The amendments provide requirements for the accounting treatment (a) of the effects of vesting conditions and non-vesting conditions on the measurement of share-based payment and cash-settled transactions; (b) share-based payment obligations (c) the accounting treatment of changes in share-based payment terms and conditions that differentiates the classification of a transaction from settlement in cash in a transaction settled with equity instruments. The amendments have not yet been adopted by the European Union.
- **IAS 40 (Amendments) «Transfers of Investment Property».** The amendments are effective for annual periods beginning on or after January 1, 2018, while earlier application is permitted. The amendments specify when an entity transfers a property, including property under construction or

utilization, to or from investment property. The amendments state that a change in the use of a property takes place when the property meets or fails to be fulfilled, the definition of investment property and there is a clear indication of that change. Simply changing the management's intentions to use the property does not prove a change in its use. The amendments have not yet been adopted by the European Union.

- **IFRS 9 (Amendment) «Prepayment features with negative compensation».** The amendment is effective for annual periods beginning on or after January 1, 2019, while earlier application is permitted. The amendment specifies that the pre-paid financial assets that allow or require a party to either pay or receive reasonable compensation for the early termination of the contract (in the sense that the asset holder may incur a charge due to early repayment) may be measured at amortized cost or at fair value through the statement of other comprehensive income. The amendments have not yet been adopted by the European Union.
- **IAS 28 (Amendments) «Long-term Investments in Associates and Joint Ventures»:** The amendments are effective for annual periods beginning on or after January 1, 2019, while an earlier application is permitted. The amendments relate to whether the measurement (and, in particular, impairment) of long-term investments in associates and joint ventures, which are in fact part of the net investment in the associate or the joint venture, are governed by IFRS 9, IAS 28 or in a combination of the two standards. The amendments clarify that an entity applies IFRS 9 before applying IAS 28 to those long-term investments for which the equity method does not apply. When applying IFRS 9, an entity does not take into account any adjustments in the carrying amount of long-term participations that results from the application of IAS 28. The amendments have not yet been adopted by the European Union.
- **IFRIC Interpretation 22 "Foreign currency transactions and prepayments":** The interpretation is effective for annual periods beginning on or after 1 January 2018, while an earlier application is permitted. The interpretation clarifies the accounting treatment of transactions that involve the receipt or payment of an advance payment in foreign currency. This interpretation considers transactions in foreign currency where the entity recognizes non-monetary asset or non-financial obligation arising from the receipt or payment of an advance before the inception of the related asset, output or income. The Interpretation indicates that the transaction date for determining the exchange rate is the date of initial recognition of a non-cash advance or deferred revenue. If there are multiple payments or receipts, the entity must set the transaction date for each payment and advance payment. The interpretation has not yet been adopted by the European Union.
- **IFRIC Interpretation 23 "Uncertainty about income taxes":** The interpretation is effective for annual periods beginning on or after January 1, 2019, while an earlier application is permitted. The interpretation provides guidance on the treatment of uncertainty inherent in tax manipulations in accounting for income taxes. The interpretation provides additional clarification regarding the examination of uncertain tax considerations individually or jointly, the examination of fiscal assessments by the tax authorities, the appropriate method to reflect the uncertainty of the acceptance of the visa by the tax authorities and the examination of the consequences of changes in facts and circumstances. The interpretation has not yet been adopted by the European Union.
- **IAS 19: (Amendments) Modification, curtailment or settlement of a defined benefit plan:** amendments are effective for annual periods beginning on or after January 1, 2019, while an earlier application is permitted. The amendments require entities to provide updated actuarial assumptions used to determine the current employment cost and net interest on the balance of the annual reporting period after a change, a curtailment or a settlement of a defined benefit plan. The amendments also stipulate that the implementation of the requirements of the ceiling of the asset is affected from the accounting treatment of a change, curtailment or settlement of a defined benefit plan. The amendments have not yet been adopted by the European Union

- The IASB issued a new round of annual IFRS upgrades (2014-2016), which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2018 for IAS 28 "Interests in associates and joint ventures" for which earlier application is permitted.
- **IAS 28 "Investments in associates and joint ventures"**: The amendments clarify that the option to measure at fair value through profit or loss, an investment in an associate or a joint venture held by an entity that is an investment fund management company or a similar entity may be carried out separately for each investment in an associate or joint venture, during initial recognition.
- The IASB issued a new round of annual IFRS upgrades (2015-2017), which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2019, while earlier application is permitted. These upgrades have not yet been adopted by the European Union.
- **IFRS 3 "Business Mergers" and IFRS 11 "Joint Arrangements"**: the amendments to IFRS 3 specify that when an entity acquires control of a venturer that is a joint venture, the entity re-measures the holding previously held by that entity. The amendments to IFRS 11 specify that when an entity acquires joint control of a joint venture, the entity does not remeasure the holding previously held by that entity.
- **IAS 12 "Income Taxes"**: The amendments clarify that the tax implications of paying for financial instruments which are classified as equity should be recognized depending on where transactions or events of the past that created the distributable profits have been recognized.
- **IAS 23 "Borrowing costs"**: the amendments clarify paragraph 14 of the standard so that when a qualifying asset is ready for the use for which it is destined or for sale, and a part of a loan received specifically for that asset remains as an outstanding balance at that time, these borrowing costs should be included in the capital generated by general borrowing.

2.3 Consolidation

2.3.1 Subsidiaries

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

2.3.2 Associates

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

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

changes in the rate of participation in the equity of the associate are recognized in the carrying amount of the group's investment.

Changes stemming from profits or losses of associates are recognized in the consolidated income statement and changes that have been directly recognized in equity of associates are recognized in the consolidated equity of the group. Any changes recognized directly in equity and are not associated with the result, such as the distribution of dividends or other transactions with shareholders of the associate recognized against the carrying value of the participation. No effect on the net result or equity is recognized in these transactions.

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

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

2.3.3 Currency translations

(a) Operating currency and presentation currency

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

(b) Transactions and balances

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

2.4 Tangible Assets

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

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

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

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

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

When the tangible assets' accounting values exceed their recoverable value, the difference (devaluation) is initially recognised as a decrease in the fair value reserve (it case there is one linked with the asset in question)

which is reported in equity accounts. Every devaluation loss exceeding the reserve corresponding to a specific asset is directly recognised as expense in the income statement.

2.5 Investments in property

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

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

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

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

Group's real estate investments refer to two properties located at Piraeus Street and at the airport. The reasonable value of the investment properties of the Group, equal to approx. €75 mil., was estimated by an independent and chartered assessor at the beginning of 2010. The same value was also taken into account for the financial statements of the current fiscal year, given that there was no change in the conditions in relation to the valuation.

2.6 Intangible Assets

2.6.1 Trademarks and Licenses

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

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

2.6.2 Other Intangible Assets

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

2.6.3 Assets Impairments

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

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

2.7 Financial Assets

2.7.1 Initial Recognition

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

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

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

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

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

2.7.2 Financial Assets at fair value through results

Financial assets deriving their fair value through the income statement, include assets held primarily for commercial purposes valued by the group at fair price through income statement upon initial recognition. In addition, derivative financial assets which do not qualify for accounting hedge are classified in this category. Financial assets included in this category are valued at fair value through the results and cannot be reclassified to another category. The financial assets that have been classified in this in this category include shares listed on the Athens and Cyprus Stock Exchange and mutual fund shares.

2.7.3 Investments held until maturity

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

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

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

Fair Value

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

2.8 Inventories

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

2.9 Loans, receivables from business and other receivables

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

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

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

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

2.10 Cash equivalents

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

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

2.11 Share Capital

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

2.12 Financial Obligations

2.12.1 Initial Recognition

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

Financial liabilities are classified in the following categories:

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

2.12.2 Financial Obligations (other than loans)

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

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

2.12.3 Bank Loans

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

2.13 Accounting Income Tax

2.13.1 Current Income Tax

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

2.13.2 Deferred Income Tax

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

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

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

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

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

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

2.14 Retirement Benefits and Short-term Employee Benefits

2.14.1 Short-term Benefits

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

2.14.2 Benefits payable after leaving service

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

2.14.2.1 Defined Contribution

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

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

2.14.2.2 Defined Benefit Liabilities – Retirement Benefit due to service exit

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

Past service cost is recognized directly in profit or loss, unless the changes in pension plans are optional for the

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

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

2.15 Other Provisions

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

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

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

2.16 Contingent liabilities

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

2.17 Contingent assets

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

2.18 Leasing

2.18.1 Company Group as lessee

2.18.1.1 Finance Leases

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

2.18.1.2 Operational Leases

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

2.18.2 Group Company as Lessor

2.18.2.1 Operational Leases

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

2.19 Revenue Recognition

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

The recognition of revenue is as follows:

2.19.1 Sales of Goods

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

2.19.2 Services

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

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

2.19.3 Dividends

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

2.19.4 Interest Income

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

2.19.5 Income from Rents

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

3. Financial Information per segment

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

The sectors of Group are the following:

- Jewellery, Watches, Accessories:

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

- Department Stores:

This sector deals with the operation of the department stores.

- Clothing - Footwear:

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

Other Activities:

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

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

Results per segment for the period ended at 31.12.17 and 31.12.16

<i>amounts in thousands.000</i>	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Total	Eliminations	Consolidated data
Reference period						
Sales to external customers	1.070.114	190.345	199.834	1.460.293	-41.018	1.419.274
Sales intersectoral	1.192	11.972	232	13.397	-13.397	0
Cost of sales	-581.577	-123.795	-119.438	-824.810	39.301	-785.509
Cost of sales sectors	-2.131	-425	-10.600	-13.156	13.156	0
Gross Margin	487.599	78.098	70.028	635.724	-1.959	633.765
Other operating income	6.695	5.097	5.931	17.722	-2.374	15.348
Selling Cost	-168.971	-65.376	-57.516	-291.862	3.582	-288.280
Selling expenses crosscutting	-238	-3		-241	241	0
Administration cost	-52.244	-13.510	-6.195	-71.949	248	-71.701
Other operating cost	-26.163	-1.967	-435	-28.565	0	-28.565
Segment operating earnings (EBIT)	246.677	2.338	11.813	260.828	-261	260.567

<i>amounts in thousands.000</i>	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Total	Eliminations	Consolidated data
Previous Reporting Period						
Sales to external customers	1.008.173	187.515	181.404	1.377.091	-39.816	1.337.275
Sales intersectoral	843	9.835	299	10.977	-10.977	0
Cost of sales	-533.713	-124.092	-107.683	-765.488	40.516	-724.972
Cost of sales sectors	-1.082	-352	-9.234	-10.668	10.668	0
Gross Margin	474.221	72.905	64.787	611.913	390	612.303
Other operating income	10.180	4.577	4.514	19.271	-2.911	16.359
Selling Cost	-172.195	-60.203	-52.312	-284.710	2.628	-282.082
Selling expenses crosscutting	-300	-9	0	-309	309	0
Administration cost	-49.937	-12.366	-4.906	-67.210	70	-67.140
Other operating cost	-15.214	-1.867	-593	-17.673	500	-17.173
Segment operating earnings (EBIT)	246.755	3.036	11.490	261.282	986	262.268

Balance Sheet of the Group as of 31.12.17

<i>Amounts in € thousand</i> 31.12.2017	Jewellery-Watch- Accessories	Clothing- Footwear	Department Stores	Total	Eliminations	Consolidated Data
Tangible & Intangible Assets	159.813	142.590	104.442	406.844	56.008	462.852
Inventories	524.629	48.156	67.431	640.217	-5.219	634.998
Trade & other receivables				767.240	-103.281	663.959
Cash & cash equivalent				446.340	0	446.340
				2.260.640	-52.492	2.208.148
Other assets non-allocated				1.418.909	-851.908	567.001
Total				3.679.549	-904.400	2.775.149
Trade & other payables	194.461	53.008	97.222	344.691	-205.561	139.130
Other liabilities non allocated				1.185.732	-468.944	716.787
Equity				2.149.127	-229.895	1.919.232
Total				3.679.549	-904.400	2.775.149

Geographical Segments

	<i>Greece</i>	<i>Rest of Europe</i>	<i>Asia</i>	<i>Total</i>
Sales	316.574.658,07	138.508.523,27	964.191.081,13	1.419.274.262,47
Non current Assets	505.026.929,65	19.340.044,95	155.373.647,97	679.740.622,57

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

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

ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 01.01-31.12.2017

(THE AMOUNTS IN ALL TABLES ARE EXPRESSED IN EURO)

The Group								
	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	Investment Property
<i>Cost</i>								
Balance at 1.1.2016	41.579.418,63	119.759.856,94	12.177.057,56	9.806.058,11	95.158.578,91	49.546.445,06	328.027.415,21	83.894.900,18
Additions	0,00	55.373.103,65	812.803,21	85.989,63	36.058.688,62	1.688.289,13	94.018.874,24	272.143,57
Disposals	0,00	-4.186.825,96	-184.560,38	-4.763.168,92	-4.877.944,58	0,00	-14.012.499,84	-17.730,00
New subsidiaries	0,00	0,00	0,00	0,00	410.853,74	0,00	410.853,74	0,00
Evaluation	3.790.897,44	4.014.111,94	0,00	0,00	0,00	0,00	7.805.009,38	268.033,08
Transfers	0,00	8.042.571,88	246.493,01	0,00	230.361,94	-9.238.135,93	-718.709,10	720.671,09
Exchange Differences	637.755,48	1.506.845,05	-1.113.975,24	9.910,62	-2.206.878,00	400.738,37	-765.603,72	0,00
Balance at 31.12.2016	46.008.071,55	184.509.663,50	11.937.818,16	5.138.789,44	124.773.660,63	42.397.336,63	414.765.339,91	85.138.017,92
Balance at 1.1.2017	46.008.071,55	184.509.663,50	11.937.818,16	5.138.789,44	124.773.660,63	42.397.336,63	414.765.339,91	85.138.017,92
Additions	0,00	16.954.006,72	521.516,32	204.878,52	14.015.858,36	1.076.967,49	32.773.227,41	229.206,09
Disposals	0,00	-5.064.413,25	-75.500,93	-177.034,41	-4.413.362,32	0,00	-9.730.310,91	0,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Evaluation	-6.021.542,90	7.640.931,22	0,00	0,00	0,00	0,00	1.619.388,32	0,00
Transfers	-0,39	96.425,83	5.655,88	25,31	45.188,97	-25.096,46	122.199,14	-122.199,54
Exchange Differences	-3.277.817,92	-6.548.838,40	1.077.223,41	-5.041,29	-443.195,40	-2.237.017,38	-11.434.686,98	0,00
Balance at 31.12.2017	36.708.710,34	197.587.775,62	13.466.712,84	5.161.617,57	133.978.150,24	41.212.190,28	428.115.156,89	85.245.024,47
<i>Accumulated amortisation</i>								
Balance at 1.1.2016	0,39	48.076.909,82	10.495.047,15	2.296.973,13	69.159.724,16	980.500,94	131.009.155,59	8.608.998,75
Amortisation charge	0,00	9.643.163,19	969.273,95	849.779,03	8.734.257,81	0,00	20.196.473,98	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.334.923,18
Depreciation of New Subsidiaries	0,00	0,00	0,00	0,00	394.480,59	0,00	394.480,59	0,00
Decrease of amortisation	0,00	-3.309.220,87	-145.318,70	-1.015.311,56	-3.386.122,66	0,00	-7.855.973,79	-8.022,35
Transfers	0,00	0,00	0,00	0,00	1.296,00	0,00	1.296,00	0,00
Exchange Differences	0,00	-51.042,93	-965.831,95	8.746,03	-2.573.541,82	343.043,51	-3.238.627,16	0,00
Balance at 31.12.2016	0,39	54.359.809,21	10.353.170,45	2.140.186,63	72.330.094,08	1.323.544,45	140.506.805,21	9.935.899,58
Balance at 1.1.2017	0,39	54.359.809,21	10.353.170,45	2.140.186,63	72.330.094,08	1.323.544,45	140.506.805,21	9.935.899,58
Amortisation charge	0,00	12.588.589,68	774.016,73	726.091,67	10.693.347,33	0,00	24.782.045,41	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.366.390,36
Depreciation of New Subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease of amortisation	-0,39	-4.354.546,00	-54.497,59	-102.436,97	-3.426.575,32	0,00	-7.938.056,27	0,00
Transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	3.069.722,54	319.848,89	4.564,65	553.070,87	0,00	3.947.206,95	0,00
Balance at 31.12.2017	0,00	65.663.575,43	11.392.538,48	2.768.405,98	80.149.936,96	1.323.544,45	161.298.001,30	11.302.289,94
<i>Net Book amount</i>								
31.12.2016	46.008.071,16	130.149.854,29	1.584.647,71	2.998.602,81	52.443.566,55	41.073.792,18	274.258.534,70	75.202.118,34
<i>Net Book Amount</i>								
31.12.2017	36.708.710,34	131.924.200,19	2.074.174,36	2.393.211,60	53.828.213,28	39.888.645,83	266.817.155,60	73.942.734,53

The Company								
	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	Investment Property
Cost								
Balance at 1.1.2016	12.243.777,69	47.300.170,14	1.423.854,01	2.403.607,25	23.094.875,19	4.250,00	86.470.534,28	86.202.772,66
Additions	0,00	439.079,28	13.313,99	5.280,49	912.128,25	159.937,42	1.529.739,43	220.171,37
Disposals	0,00	-70.450,22	-25.508,46	-1.867.503,71	-503.605,20	0,00	-2.467.067,59	-17.730,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Evaluation	1.960.884,76	4.014.111,94	0,00	0,00	0,00	0,00	5.974.996,70	268.033,08
Transfers	0,00	-583.053,67	0,00	0,00	22.320,00	-164.187,42	-724.921,09	720.671,09
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2016	14.204.662,45	51.099.857,47	1.411.659,54	541.384,03	23.525.718,24	0,00	90.783.281,73	87.393.918,20
Balance at 1.1.2017	14.204.662,45	51.099.857,47	1.411.659,54	541.384,03	23.525.718,24	0,00	90.783.281,73	87.393.918,20
Additions	0,00	1.076.744,78	4.141,85	0,00	1.770.644,31	19.405,41	2.870.936,35	229.206,09
Disposals	0,00	-104.463,71	-462,93	-25.000,00	-582.814,35	0,00	-712.740,99	0,00
New subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Evaluation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	71.187,34	0,00	0,00	0,00	0,00	71.187,34	-70.227,34
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2017	14.204.662,45	52.143.325,88	1.415.338,46	516.384,03	24.713.548,20	19.405,41	93.012.664,43	87.552.896,95
Accumulated amortisation								
Balance at 1.1.2016	0,00	20.392.406,81	1.134.441,66	1.207.887,22	17.806.032,41	0,00	40.540.768,10	10.916.871,23
Amortisation charge	0,00	2.003.445,76	70.573,34	76.916,81	1.967.565,40	0,00	4.118.501,31	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.334.923,18
Depreciation of New Subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease of amortisation	0,00	-70.450,22	-25.508,46	-874.997,94	-501.195,96	0,00	-1.472.152,58	-8.022,35
Transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2016	0,00	22.325.402,35	1.179.506,54	409.806,09	19.272.401,85	0,00	43.187.116,83	12.243.772,06
Balance at 1.1.2017	0,00	22.325.402,35	1.179.506,54	409.806,09	19.272.401,85	0,00	43.187.116,83	12.243.772,06
Amortisation charge	0,00	1.814.445,66	49.816,84	19.075,63	1.918.109,09	0,00	3.801.447,22	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.366.390,36
Depreciation of New Subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decrease of amortisation	0,00	-64.527,74	-462,93	-15.566,57	-581.262,41	0,00	-661.819,65	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 31.12.2016	0,00	24.075.320,27	1.228.860,45	413.315,15	20.609.248,53	0,00	46.326.744,40	13.610.162,42
Net Book amount 31.12.2016	14.204.662,45	28.774.455,12	232.153,00	131.577,94	4.253.316,39	0,00	47.596.164,90	75.150.146,14
Net Book Amount 31.12.2017	14.204.662,45	28.068.005,61	186.478,01	103.068,88	4.104.299,67	19.405,41	46.685.920,03	73.942.734,53

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

The Group					
	Software Progr.	Rental rights	Concessions, Licenses & Similar Rights	Total	Goodwil
<i>Cost</i>					
Balance at 1.1.2016	50.277.948,82	6.518.630,06	8.338.598,16	65.135.177,04	94.997.763,22
Additions	2.783.900,95	51.669,00	175.000,00	3.010.569,95	1.054.236,02
Disposals	-1.677.460,13	-798.908,10	-320.178,35	-2.796.546,58	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	-6.212,00	0,00	0,00	-6.212,00	0,00
Exchange Differences	1.334.680,53	-113.784,96	159.551,41	1.380.446,98	-364.008,46
Balance at 31.12.2016	52.712.858,17	5.657.606,00	8.352.971,22	66.723.435,39	95.687.990,78
Balance at 1.1.2017	52.712.858,17	5.657.606,00	8.352.971,22	66.723.435,39	95.687.990,78
Additions	1.789.616,18	378.681,32	0,00	2.168.297,50	0,00
Disposals	-600.646,32	-202.938,82	0,00	-803.585,14	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	-2.003.343,38	690.805,04	-935.899,22	-2.248.437,56	0,00
Balance at 31.12.2017	51.898.484,65	6.524.153,54	7.417.072,00	65.839.710,19	95.687.990,78
<i>Accumulated amortisation</i>					
Balance at 1.1.2016	18.180.350,79	3.062.692,00	1.144.637,89	22.387.680,68	290.462,00
Amortisation charge	6.325.608,25	668.677,73	1.063.074,25	8.057.360,23	0,00
Decrease of amortisation	-404.663,38	-123.488,45	0,00	-528.151,83	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	-1.296,00	0,00	0,00	-1.296,00	0,00
Exchange Differences	213.068,46	-87.868,43	57.824,84	183.024,87	0,00
Balance at 31.12.2016	24.313.068,12	3.520.012,85	2.265.536,98	30.098.617,95	290.462,00
Balance at 1.1.2017	24.313.068,12	3.520.012,85	2.265.536,98	30.098.617,95	290.462,00
Amortisation charge	6.900.719,11	1.135.268,44	116.868,10	8.152.855,65	0,00
Decrease of amortisation	-470.120,76	-8.974,46	0,00	-479.095,22	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	876.906,39	197.493,28	298.751,88	1.373.151,55	0,00
Balance at 31.12.2017	31.620.572,86	4.843.800,11	2.681.156,96	39.145.529,93	290.462,00
<i>Net Book amount</i>					
31.12.2016	28.399.790,05	2.137.593,15	6.087.434,24	36.624.817,44	95.397.528,78
<i>Net Book Amount</i>					
31.12.2017	20.277.911,79	1.680.353,43	4.735.915,04	26.694.180,26	95.397.528,78

The analysis of goodwill as of 31.12.2017 is as following:

- An amount of € 39.374 thousands is shown in the assets of the parent company, resulting from the absorption and refers to acquisition goodwill of the company ELMEC SPORT SA.
- An amount of € 1.054 thousands concerns the goodwill arising from the market in 2016 using the company Sales Manager Hellas EPE (CLOUDBIZ LTD)
- An amount of € 52.366 thousands concerns goodwill arising from the purchase of the company LINKS (LONDON) LIMITED by a subsidiary of the Group.

- An amount of € 2.635 thousands concerns goodwill arising from the purchase of the companies JUICY COUTURE EUROPE LTD and JUICY COUTURE IRELAND LTD by a subsidiary of the Group.

The Company					
	Software Progr.	Rental rights	Concessions, Licenses & Similar Rights	Total	Goodwil
<i>Cost</i>					
Balance at 1.1.2016	2.141.977,52	7.212.968,24	169.301,58	9.524.247,34	39.373.861,68
Additions	228.569,96	51.669,00	175.000,00	455.238,96	0,00
Disposals	-114,01	0,00	0,00	-114,01	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2016	2.370.433,47	7.264.637,24	344.301,58	9.979.372,29	39.373.861,68
Balance at 1.1.2017	2.370.433,47	7.264.637,24	344.301,58	9.979.372,29	39.373.861,68
Additions	574.128,95	213.225,00	0,00	787.353,95	0,00
Disposals	0,00	-20.000,00	0,00	-20.000,00	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2017	2.944.562,42	7.457.862,24	344.301,58	10.746.726,24	39.373.861,68
<i>Accumulated amortisation</i>					
Balance at 1.1.2016	2.076.549,77	4.858.530,71	67.632,25	7.002.712,73	0,00
Amortisation charge	89.292,59	632.703,87	20.271,24	742.267,70	0,00
Decrease of amortisation	-114,01	0,00	0,00	-114,01	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.2016	2.165.728,35	5.491.234,58	87.903,49	7.744.866,42	0,00
Balance at 1.1.2017	2.165.728,35	5.491.234,58	87.903,49	7.744.866,42	0,00
Amortisation charge	464.453,85	449.472,74	51.093,84	965.020,43	0,00
Decrease of amortisation	0,00	-8.974,46	0,00	-8.974,46	0,00
New Subsidiaries	0,00	0,00	0,00	0,00	0,00
Transfers	0,00	0,00	0,00	0,00	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00
Balance at 31.12.16	2.630.182,20	5.931.732,86	138.997,33	8.700.912,39	0,00
<i>Net Book amount</i>					
31.12.2016	204.705,12	1.773.402,66	256.398,09	2.234.505,87	39.373.861,68
<i>Net Book Amount</i>					
31.12.2017	314.380,22	1.526.128,78	205.304,25	2.045.813,85	39.373.861,68

6. Investments in related entities

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

Investments in subsidiaries	The Company	
	31.12.2017	31.12.2016
FOLLI-FOLLIE HONG KONG LTD	22.627.986,94	22.627.986,94
FOLLI-FOLLIE UK LTD	3.110.450,19	3.110.450,19
FOLLI-FOLLIE FRANCE SA	9.755.791,41	7.155.791,41
FOLLI-FOLLIE SPAIN SA	12.293.581,68	12.293.581,68
FOLLI-FOLLIE CYPRUS LTD	7.545.983,56	7.135.983,56
PLANACO SA	7.776.221,01	7.776.221,01
FOLLI FOLLIE HOLDINGS SA	111.560.774,99	109.417.124,51
FF GROUP FINANCE LUXEMBOURG SA	2.850.000,00	2.600.000,00
FF GROUP FINANCE LUXEMBOURG II SA	100.000,00	100.000,00
QIVOS SA (SALES MANAGER LTD)	1.126.267,70	1.125.000,00
STRENABY FINANCE LTD	13.435.496,45	13.030.922,10
FF GROUP ROMANIA SRL	8.545.971,25	8.545.971,25
FF GROUP BULGARIA EOOD	1.544.023,14	1.544.023,14
ΜΟΥΣΤΑΚΗΣ SA	0,00	943.650,44
FF COSMETICS SA - (SHISEIDO)	1.000.000,00	1.000.000,00
COLLECTIVE ΠΑΤΡΩΝ SA	0,00	1.200.000,00
LINKS OF LONDON LTD	20.261.000,00	20.261.000,00
ATTICA DPT STORES SA	4.326.947,56	5.024.451,12
JUICY COUTURE EUROPE LTD	9.820.521,50	0,00
AMORTIZATION PROVISION	-18.000.000,00	-15.000.000,00
Total	219.681.017,38	209.892.157,35

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

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

Due to the special market conditions (especially in the last two years), the other subsidiaries (Europe - Greece), are subject to an inspection for potential impairment once a year (namely on 31.12).

In 2017, there were indications for impairment of the subsidiaries. Consequently, provisions which amounted to € 3 million were formed. These impairments amounted to € 3 million, resulting in a reduction on the financial - investment results.

On March 31, 2017, the decision of the Deputy Regional Chief of Eastern Attica (no. 2318/2017 - 31/03/2017) was registered in the General Commercial Register (GEMI) under the registration number 960017, approving the merger of the Societe Anonyme with the following names:

- (a) FOLLI FOLLIE HOLDINGS SOCIETE ANONYME, with GEMI number: 003966601000 (Former Company Registration Number 46980/04 / B / 00/73 (2004)) and headquarters in Agios Stefanos Municipality of Dionysos (23 ° km National Road Athens-Lamia),
- (b) MOUSTAKIS SOCIETE ANONYME COMMERCIAL COMPANY, with GEMI number: 036112116000 (former Registry Number 9868/22 / B / 86/9) and headquarters in the Municipality of Patras (24, Agiou Nikolaou Street)
- (c) COLLECTIVE PATRON SOCIETE ANONYME COMMERCIAL COMPANY OF ARTICLES OF CLOTHING,

ROLLING, RELIEF ACCESSORIES AND JEWELRY (COLLECTIVE PATRON SOCIETE ANONYME) under the title COLLECTIVE SA with GEMI number: 121820701000 (former 70100/04 / B / 10/160) and headquarters in Agios Stefanos of Dionysos Municipality (23 ° km - National Road Athens - Lamia) by the procedure of merger by acquisition of the second one and third one from the first one, according to the provisions of articles 68 par. 2 - 77a of Codified Law 2190/1920, in combination with the provisions of articles 1-5 of Law 2166/1993.

7. Investments available for sale

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

The Group					
	Dufry	Collar &Booster Hedg. Instr.	Eurobank	Other	Total
Balance 01.01.2016	136.361.753,58	57.196.058,14	668.157,36	927.230,99	195.153.200,07
Movements - Currency Diff.	0,00	0,00	0,00	27.808,39	27.808,39
Valued at 01.01.16-31.12.16	9.244.532,85	465.217,58	-253.771,31	-25.757,49	9.430.221,63
Balance 31.12.2016	145.606.286,43	57.661.275,72	414.386,05	929.281,89	204.611.230,09
Movements - Currency Diff.	0,00	-1.014.621,80	0,00	1.688,70	-1.012.933,10
Sales	0,00	0,00	0,00	-528.219,39	-528.219,39
Valued at 01.01.17-31.12.17	6.851.124,01	-3.020.161,01	131.704,10	-29.176,55	3.933.490,55
Balance 31.12.2017	152.457.410,44	53.626.492,91	546.090,15	373.574,65	207.003.568,15
The Company					
	Dufry	Eurobank	Διάφορα χρεόγραφα	Σύνολο	
Balance 01.01.2016	136.361.753,58	668.157,36	399.133,72	137.429.044,66	
Additions	0,00	0,00	0,00	0,00	0,00
Valued at 01.01.16-31.12.16	9.244.532,85	-253.771,31	-25.756,61	8.965.004,93	
Balance 31.12.2016	145.606.286,43	414.386,05	373.377,11	146.394.049,59	
Valued at 01.01.17-31.12.17	6.851.124,01	131.704,10	-29.176,55	6.953.651,56	
Balance 31.12.2017	152.457.410,44	546.090,15	344.200,56	153.347.701,15	

Group's investments available for sale concern the shares (listed on the Athens Stock Exchange) which were valued at current closing prices on December 31, 2017 (Level 1), as well as shares not listed on the Athens Stock Exchange, valued at acquisition cost and tested on each balance sheet date for possible impairments through other total comprehensive income.

8. Other long-term Assets

Other long term assets	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<i>Bills and checks receivable</i>	268.518,98	175.798,99	268.518,98	175.798,99
<i>Rental deposits</i>	11.552.005,48	16.343.876,46	1.146.082,80	1.137.842,87
<i>Other non current assets</i>	-2.341.371,26	78.018.272,74	747,70	0,00
Total	9.479.153,20	94.537.948,19	1.415.349,48	1.313.641,86

9. Inventories

Inventories	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<i>Merchandise</i>	640.424.341,33	591.463.991,75	49.044.874,67	43.288.807,16
<i>Products - Raw Materials & Consumables</i>	98.675,76	117.356,25	0,00	0,00
<i>Packing materials</i>	143.289,89	149.298,55	0,00	0,00
<i>Less: Provisions for obsolescence</i>	-5.668.797,63	-5.734.058,58	-2.586.946,13	-3.269.503,65
Total	634.997.509,35	585.996.587,97	46.457.928,54	40.019.303,51

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

10. Trade Receivables and other Current Assets

Trade receivables	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<i>Trade receivables (customers via open balances)</i>	642.061.717,11	626.849.384,54	69.886.837,63	57.060.908,68
<i>Cheques/promissory notes receivables</i>	21.897.303,59	27.891.348,48	19.564.425,78	25.609.502,87
Total	663.959.020,70	654.740.733,02	89.451.263,41	82.670.411,55

The analysis of impairment of trade receivables is as follows

Company

	31/12/2017	31/12/2016
Balance of provisions for bad debts	5.716.763,44	5.586.993,00
Plus: Period Expenses	503.211,87	218.866,53
Minus: Impairments	<u>3.481.749,98</u>	<u>89.096,09</u>
Balance of provisions for bad debts	2.738.225,33	5.716.763,44

Group

	31/12/2017	31/12/2016
Balance of provisions for bad debts	8.880.529,49	6.241.825,00
Plus: Period Expenses	7.589.768,00	3.293.536,00
Minus: Impairments	<u>10.150.737,48</u>	<u>654.831,51</u>
Balance of provisions for bad debts	6.319.560,01	8.880.529,49

The provision for bad and doubtful receivables has arisen from the individual examination of the ability to repay the balance for each client, taking into account its aging. For customers' balances that require legal action, the legal counsel's assessment was taken into account.

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

Adulthood Commercial Requirements	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Receivables that are not past due	252.602.699,58	179.992.790,33	46.254.266,58	45.185.870,08
Past due receivables but not impaired				
<i>Up to 90 days</i>	331.049.638,71	392.480.106,02	17.984.272,15	10.061.770,81
<i>91-180 days</i>	14.509.976,22	15.938.650,42	3.053.356,90	3.096.360,98
<i>181-270 days</i>	26.807.298,05	22.877.472,20	7.633.392,46	7.811.225,01
<i>271-360 days</i>	22.036.956,60	21.328.593,81	10.381.413,46	10.551.162,40
<i>More than 360 days</i>	16.952.451,54	22.123.120,24	4.144.561,86	5.964.022,27
Total	411.356.321,12	474.747.942,69	43.196.996,83	37.484.541,47
Total requirements	663.959.020,70	654.740.733,02	89.451.263,41	82.670.411,55

Other current assets	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<i>Trade receivables (customers via credit cards)</i>	20.456.170,45	18.164.308,64	2.338.383,87	1.973.472,19
<i>Short-term Loan Claims</i>	58.596.261,01	3.601.993,22	78.437.034,48	70.793.756,02
<i>Receivables from public sector</i>	6.009.097,80	8.034.735,31	1.112.458,08	2.882.172,48
<i>Advances to suppliers</i>	224.142.146,51	130.725.574,15	27.350.368,81	8.557.306,82
<i>Personel advances</i>	163.540,40	92.507,31	110.342,34	83.768,98
<i>Purchases under settlement</i>	2.167.763,19	2.309.718,22	224.279,09	209.681,36
<i>Other receivables</i>	13.344.841,28	40.317.191,19	6.227.982,43	7.268.873,26
<i>Prepaid expenses</i>	5.486.076,90	9.623.675,64	999.017,57	1.414.276,13
<i>Accrued income</i>	153.565,58	206.375,31	123.081,04	102.768,34
Total	330.519.463,12	213.076.078,99	116.922.947,71	93.286.075,58

The account "Advances to suppliers" primarily refers to advances given to production units towards the "reliable performance" commitment, the competitive prices of large annual orders and the assurance of privilege discounts when it comes to inventories purchases and the acquisition of the equipment to be established in subsidiaries' points of sales within the region of South Eastern Asia.

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

11. Cash and cash equivalent

Cash & cash equivalent	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<i>Cash on hand</i>	5.290.177,77	11.268.490,60	506.495,62	386.714,61
<i>Cash at bank</i>	441.049.687,60	316.916.210,38	154.056.932,17	29.107.901,99
Total	446.339.865,37	328.184.700,98	154.563.427,79	29.494.616,60

12. Equity Shareholders and parent company

Equity of shareholders of the parent company	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Share Premium	81.730.417,03	81.855.417,03	81.730.417,03	81.730.417,03
Own shares	-13.409.548,73	-13.409.548,73	-13.409.548,73	-13.409.548,73
Other reserves	297.994.466,72	286.399.611,60	311.412.651,42	304.415.215,91
Currency translated differences	5.700.550,03	199.531.909,60	0,00	0,00
Differences due Consolidation	-85.563.675,68	-85.563.675,68	-85.554.366,48	-85.554.366,48
Retained earnings	1.576.033.698,91	1.362.538.329,58	85.993.861,32	115.284.875,06
Total	1.882.570.371,28	1.851.436.506,40	400.257.477,56	422.551.055,79

13. Borrowings

Borrowings	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Borrowed funds				
Bond Loans	479.032.184,85	283.996.229,93	415.800.333,66	231.669.369,21
Bank Loans	111.789.259,93	123.126.820,36	47.059.829,17	20.241.578,22
Leases	21.918.822,39	27.138.893,66	18.556.835,81	21.655.724,18
Total	612.740.267,17	434.261.943,95	481.416.998,64	273.566.671,61
Long-term borrowings	496.942.646,00	361.742.555,40	432.570.980,51	251.297.897,98
Short-term borrowings	115.797.621,17	72.519.388,55	48.846.018,13	22.268.773,63
Total	612.740.267,17	434.261.943,95	481.416.998,64	273.566.671,61
Bond Loans				
More than 5 years	0,00	0,00	0,00	0,00
From 1 to 5 years	472.506.275,73	279.329.892,79	415.800.333,66	231.669.369,21
Up to 1 year	6.525.909,12	4.666.337,14	0,00	0,00
Total	479.032.184,85	283.996.229,93	415.800.333,66	231.669.369,21
Bank Loans				
More than 5 years	0,00	0,00	0,00	0,00
From 1 to 5 years	5.392.560,89	59.013.132,25	0,00	0,00
Up to 1 year	106.396.699,04	64.113.688,11	47.059.829,17	20.241.578,22
Total	111.789.259,93	123.126.820,36	47.059.829,17	20.241.578,22
Leases				
More than 5 years	9.512.647,83	11.711.542,46	9.512.647,83	11.711.542,46
From 1 to 5 years	9.531.161,55	11.687.987,90	7.257.999,02	7.916.986,31
Up to 1 year	2.875.013,01	3.739.363,30	1.786.188,96	2.027.195,41
Total	21.918.822,39	27.138.893,66	18.556.835,81	21.655.724,18

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

	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Amounts recognized in income statement				
Current service cost	633.248	322.816	182.691	171.415
Interest on obligation	109.602	78.724	40.088	54.003
Normal output in the income statement	742.850	401.540	222.779	225.418
Cost cuts / settlement / termination of service	635.528	643.872	384.891	493.394
Total expense in the income statement	1.378.378	1.045.412	607.670	718.812
Change in present value of obligation				
Present value of obligation at beginning of period	4.442.998	5.040.581	2.290.083	2.179.175
Current service cost	633.248	322.816	182.691	171.415
Interest on obligation	109.602	78.724	40.088	54.003
Benefits paid by the employer	(821.616)	(970.835)	(501.027)	(703.823)
Cost cuts / settlement / termination of service	635.528	643.872	384.891	493.394
Προσαρμογή στην υποχρέωση *	0	(955.783)	0	0
Cost of service during the period	-	-	-	-
Actuarial loss / (gain) recognized in Equity	88.883	283.623	47.000	95.919
Present value of obligation at end of period	5.088.643	4.442.998	2.443.726	2.290.083
Actuarial assumptions				
Discount rate			1,66%	1,77%
Future salary increases			0,00%	0,00%
Inflation rate			1,75%	1,75%
Duration of Liabilities			16,78	17,80

15. Long term liabilities

Total long-term provisions	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Provisions for additional taxes	1.030.209,17	289.015,64	211.000,00	211.000,00
Provisions for exposure & expenses	2.500.898,79	1.558.858,49	1.378.330,59	1.412.241,09
Total	3.531.107,96	1.847.874,13	1.589.330,59	1.623.241,09

Unaudited fiscal years:

Company Name	Unaudited Tax Years
FOLLI FOLLIE SA	2012-2017(*)
FOLLI FOLLIE UK LTD	2012-2017
FOLLI FOLLIE FRANCE SA	2012-2017
FOLLI FOLLIE SPAIN SA	2012-2017
FF CYPRUS	2012-2017
PLANACO SA	2012-2017(*)
FOLLI FOLLIE JAPAN LTD	2015-2017
FOLLI FOLLIE GROUP SOURCING LTD	2016-2017
FOLLI FOLLIE ASIA LTD	2016-2017
FOLLI FOLLIE TAIWAN LTD	2015-2017
FOLLI FOLLIE KOREA LTD	2016-2017
FOLLI FOLLIE SINGAPORE LTD	2016-2017
FOLLI FOLLIE MACAU LTD	2016-2017
FOLLI FOLLIE GUAM LTD	2012-2017
FOLLI FOLLIE HAWAII LTD	2012-2017
FOLLI FOLLIE HONG KONG INTERNATIONAL LTD	2016-2017
FOLLI FOLLIE MALAYSIA LTD	2015-2017
FOLLI FOLLIE THAILAND LTD	2016-2017
FOLLI FOLLIE SHANGAI (PILION LTD)	2016-2017
FOLLI FOLLIE SHENZHEN LTD	2016-2017
FOLLI FOLLIE BUSINESS DEVEL.&TECH.CON.S. LTD	2016-2017
FF INTERNATIONAL HOLDINGS LTD	2016-2017
FOLLI FOLLIE ORIGINS LTD	2016-2017
FOLLI FOLLIE AUSTRALIA LTD	-
FOLLI FOLLIE HOLDINGS SA	2012-2017(*)
LINKS (LONDON) LIMITED	2012-2017
LINKS OF LONDON (INTERNATIONAL) LTD	2012-2017
LINKS OF LONDON COM LTD (UK)	2012-2017
LINKS OF LONDON INC (USA)	2012-2017
LINKS OF LONDON (ASIA) LTD	2012-2017
LINKS OF LONDON JAPAN CO LTD	2012-2017
FF GROUP ROMANIA SRL	2012-2017
FF GROUP BULGARIA FOOD	2012-2017
ATTICA DPT STORES SA	2012-2017(*)
JUICY COUTURE EUROPE LTD	2015-2017
JUICY COUTURE IRELAND LTD	2015-2017
FF GROUP FINANCE LUXEMBOURG SA	2015-2017
FF GROUP FINANCE LUXEMBOURG II SA	2017
STRENABY FINANCE LTD	2015-2017
APPAREL ROMANIA SRL	2015-2017
WARLABY TRADING LTD	2016-2017
QIVOS A.E. (prev. SALES MANAGER HELLAS)	2012-2017
NARIACO INVESTMENTS LTD	2016-2017
FF COSMETICS SA	2012-2017(*)

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

For the tax audit of the period 2014-2016, the Company and its subsidiaries comply with the relevant criteria for inclusion in the tax audit of Certified Auditors provided for by Article 65A § 1 of Law 4174/2013 and No. POL. 1124/2015 received a Tax Compliance Report without reservation.

The tax audit for the year 2017 is ongoing and no additional tax liabilities that have been recorded in the financial statements are about to incur.

On 31/12/2017, the periods until 31/12/2011 were considered as tax finalized, under the provisions of § 1 of article 36 of POL 41174/2013 as notified by POL. 1208/2017.

In order for the years 2012 and 2013 to be considered as tax finalized, the provisions of § 1 of Article 6 of POL. 1159/2011 should be met, whereas for the periods 2014 and beyond, the provisions which should be met are described in POL. 1124/2015.

This audit can be performed within the period covered by the right of the Tax Administration to issue tax assessment acts.

During the third quarter of the period 2017, a tax audit by the relevant Tax Authority for the fiscal year 2012, was notified to the parent company. The audit is in progress and it was not completed until the date of approval of the annual financial statements.

However, we note that the fiscal year 2012 has been audited by the statutory auditor in accordance with the provisions of § 5 of article 82 of Law 2238/1994 and a tax compliance report has been issued without reservations. Additionally, according to the provisions of § 1 and 4 of article 5 of the CL 1159/2011 and the decision of the State Council 1738 / 27.6.17, the tax period is considered as tax finalized.

16. Other Long-Term Liabilities

Other long-term liabilities	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Other liabilities	25.478.106,32	16.651.444,03	1.011.000,01	3.011.000,01
Total	25.478.106,32	16.651.444,03	1.011.000,01	3.011.000,01

17. Trade and other Liabilities

Trade and other payables	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Suppliers	90.045.223,05	50.987.721,57	15.125.806,86	18.450.766,27
Cheques / promissory notes payables	6.523.143,63	5.230.019,64	5.841.851,10	4.785.858,11
Advances from customers	11.763.754,05	15.136.268,56	9.471.883,42	14.542.692,13
Personnel payroll payable	694.953,57	331.858,87	74.819,01	55.207,49
Other creditors payable	2.345.205,76	7.146.008,68	1.629.993,51	1.121.380,61
Social security contribution	3.651.495,91	3.276.829,60	1.501.239,83	1.438.545,89
Other liabilities	15.194.013,70	45.331.549,63	73.413,85	66.576,58
Accrued expenses	8.637.558,01	13.251.959,03	991.218,92	1.457.189,05
Deferred revenue	275.053,49	256.862,58	114.409,89	256.862,58
Total	139.130.401,17	140.949.078,16	34.824.636,39	42.175.078,71

18. Current income tax and current tax liabilities

Current Income tax	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Income tax	39.736.871,60	66.009.515,46	0,00	0,00
Total	39.816.742,80	66.009.515,46	0,00	0,00

Current tax liabilities	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
V.A.T.	5.284.042,17	8.113.815,09	1.731.318,49	1.746.677,97
Other taxes	2.161.266,74	2.306.096,57	996.836,48	1.002.952,30
Total	7.445.308,91	10.419.911,66	2.728.154,97	2.749.630,27

19. Deferred Income Tax

	The Group				The Company			
	31.12.2017		31.12.2016		31.12.2017		31.12.2016	
Deferred tax Claims-liabilities	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation
Current assets								
Tangible fixed assets	0,00	27.078.527,30	0,00	16.792.812,85	0,00	22.363.396,71	0,00	16.359.873,39
Intangible assets	0,00	1.449.417,73	0,00	189.361,11	0,00	1.170.457,46	105.996,89	0,00
Non-current assets								
Long Term Liabil. - Provisions	3.224.812,66	0,00	0,00	4.357.149,95	2.588.126,26	0,00	0,00	4.906.091,85
Losses	293.741,31	0,00	456.961,57	0,00	0,00	0,00	0,00	0,00
Short. Term Liabil. - Accruals	0,00	-2.651.253,01	0,00	203.660,00	0,00	242.598,99	0,00	215.235,00
Total	3.518.553,97	25.876.692,02	456.961,57	21.542.983,91	2.588.126,26	23.776.453,16	105.996,89	21.481.200,24
Matching	-3.518.553,97	-3.518.553,97	-456.961,57	-456.961,57	-2.588.126,26	-2.588.126,26	-105.996,89	-105.996,89
Total	0,00	22.358.138,05	0,00	21.086.022,34	0,00	21.188.326,90	0,00	21.375.203,35

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

20. Revenues

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

Turnover	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Sales of Merchandise	1.398.590.920,77	1.321.038.489,37	131.256.642,76	131.405.573,51
Sales of Products	6.660.161,12	6.082.677,22	6.660.161,12	6.082.677,22
Sales of other goods	476.861,05	244.353,70	493.248,14	324.391,53
Sales of services	13.546.319,54	9.909.699,19	8.668.043,96	8.275.866,62
Total	1.419.274.262,48	1.337.275.219,48	147.078.095,98	146.088.508,88

21. Other Income

Other operating income	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Income from Marketing	572.040,45	494.221,20	572.040,45	795.041,60
Other income	8.892.303,19	5.668.684,21	2.762.374,62	2.821.338,14
Received grants	187.163,75	42.071,98	0,00	39.666,98
Rental income	1.060.476,33	1.075.110,87	1.049.084,60	1.001.336,60
Foreign exchange gains	2.821.539,63	6.629.111,78	166.531,24	608.088,77
Other operating & extraordinary income	1.306.463,79	2.115.332,47	179.075,57	3.351,44
Prior year income	508.372,90	334.958,62	474.515,35	157.680,59
Total	15.348.360,04	16.359.491,13	5.203.621,83	5.426.504,12

22. Administrative and Selling Expenses

Administration expenses	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Total Fees & staff	29.056.440,25	30.551.000,22	7.068.235,53	7.050.544,67
Legal-professional-other fees	7.709.798,86	6.627.728,35	3.607.304,28	3.224.227,23
Credit card commissions	0,00	0,00	0,00	87,82
Postage & telecommunication	595.053,72	763.949,72	121.872,13	124.218,62
Rent expenses	4.003.548,79	557.099,12	40.173,76	355.742,32
Car rentals & car leases	194.038,04	227.815,45	152.743,15	163.932,88
Insurance	567.014,51	597.795,21	124.786,81	131.031,04
Repairs & Maintenance	1.646.278,45	1.088.893,80	252.097,44	297.827,41
Utilities & cleaning	683.939,63	772.337,74	336.481,68	466.561,89
Other taxes (not income tax)	1.404.324,43	2.026.931,15	698.416,18	913.135,21
Transportation expenses - Logistics	1.731.864,32	2.841.450,96	429.882,52	407.540,42
Advertising & promotional expenses	3.158.698,51	6.334.816,06	366.593,63	236.293,58
Fairs & exhibition expenses	51.260,66	363.782,20	27.925,53	70.322,57
Stationery & consumables	309.814,66	1.093.602,29	26.247,54	21.736,00
Other expenses	8.007.281,07	2.880.797,24	379.690,83	331.019,29
Depreciation & amortization	12.185.117,72	9.520.932,50	924.606,68	867.784,20
Provision for retirement	395.890,02	878.807,55	0,00	539.939,49
Other Provisions	796,28	12.106,77	0,00	0,00
Total	71.701.159,92	67.139.846,33	14.557.057,69	15.201.944,64

Selling expenses	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Total Fees & staff	90.066.957,87	91.378.255,47	22.545.510,42	22.111.621,36
Legal-professional-other fees	11.278.075,75	20.434.777,08	1.756.655,30	3.343.685,30
Credit card commissions	5.616.545,81	5.466.710,21	1.629.416,99	2.033.101,54
Postage & telecommunication	1.499.204,51	1.606.497,40	727.216,90	665.002,10
Rent expenses	80.288.906,53	78.132.551,92	8.211.992,52	7.805.145,84
Car rentals & car leases	288.221,14	269.698,99	208.237,68	197.048,16
Insurance	1.452.296,70	1.629.852,40	871.599,45	1.002.613,61
Repairs & Maintenance	3.675.182,95	3.190.383,24	847.496,85	747.244,52
Utilities & cleaning	6.826.042,23	6.217.144,11	1.742.105,33	1.949.287,55
Other taxes (not income tax)	1.653.315,64	1.111.026,61	840.403,25	445.082,83
Transportation expenses - Logistics	7.021.470,17	8.105.132,95	3.487.034,78	3.784.719,84
Advertising & promotional expenses	40.479.001,90	31.606.190,01	8.035.965,71	6.448.083,62
Fairs & exhibition expenses	27.559,86	518.186,31	13.760,41	517.088,04
Stationery & consumables	2.156.332,50	2.833.798,34	59.400,87	47.093,01
Other expenses	12.853.899,27	8.194.979,42	3.219.440,24	1.707.140,50
Depreciation & amortization	22.011.485,35	19.971.272,13	5.194.631,11	5.307.346,85
Provision for retirement	894.025,57	608.510,33	707.796,05	158.264,36
Other Provisions	191.376,40	806.598,73	0,00	0,00
Total	288.279.900,15	282.081.565,65	60.098.663,86	58.269.569,03

23. Other Expenses

Other operating expenses	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Penalties & fines	165.362,82	64.059,77	15.082,43	56.233,58
Duties and taxes on deficits	34.492,71	16.859,99	0,00	0,00
Impairment of assets	0,00	413.566,75	0,00	0,00
Stock loss & damage	2.148.399,16	13.104.781,07	1.865.000,00	2.315.000,00
Loss from claims not susceptible of collection	7.589.768,00	230.996,06	451.117,08	218.866,53
Provisions for exposure & expenses	6.979.386,27	0,00	0,00	0,00
Foreign exchange losses	9.607.565,99	1.298.597,07	3.191.035,58	198.053,53
Prior years' expenses	396.527,61	148.956,79	368.559,07	111.211,40
Other expenses	1.643.981,90	1.895.474,01	0,00	13.395,36
Total	28.565.484,46	17.173.291,51	5.890.794,16	2.912.760,40

24. Financial Income - Expenses

Financial income	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Gain on sale of investments	0,00	0,00	0,00	0,00
Gains from forex instruments	72.927,17	311.613,13	0,00	288.870,94
Gains from invest. At fair value revaluation	1.299.413,08	112.594,80	0,00	0,00
Gains from derivatives	2.000.000,00	1.179.218,40	2.000.000,00	750.000,00
Dividends from investments fair value	0,00	8,08	0,00	0,00
Dividends from other investments	0,00	0,00	2.000.000,00	79.856,70
Interest on reserves	4.115.650,95	229.378,39	10.368,62	141.702,32
Other interests	412.244,06	455.575,54	35.677,44	38.631,74
Profits from sale/valuation of assets	1.475.411,01	9.288.827,98	1.413.002,88	7.443.059,69
Other financial income	2.364.899,90	1.010.915,34	1.020.802,80	483.137,29
Total	11.740.546,17	12.588.131,66	6.479.851,74	9.225.258,68
Financial expenses	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Losses from foreign exchange products	0,00	187.326,58	0,00	187.326,58
Loss on valuation of investment at fair value	3.020.161,01	0,00	3.000.000,00	0,00
Losses on valuation of other assets	25.127,94	0,00	23.612,72	0,00
Losses on derivatives	1.274.212,43	0,00	328.314,18	0,00
Losses from the disposal/valuation of assets	1.487.434,88	2.479.421,34	62.358,12	755.087,05
Other financial expenses	1.482.534,95	1.514.872,32	740.326,81	407.838,85
Impairment of investments	0,00	0,00	0,00	9.000.000,00
Interest expenses (Loans)	19.537.213,49	13.739.311,24	15.944.325,84	11.863.624,93
Interest expenses (Leases)	855.325,89	887.562,94	723.513,79	676.941,51
Other interests	64.579,42	316.323,04	0,00	0,00
Bank commission & taxes	2.090.638,91	2.023.867,72	1.048.129,63	1.061.818,37
Total	29.837.228,92	21.148.685,18	21.870.581,09	23.952.637,29

25. Income Tax

	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Profit/Loss (before the tax)	242.038.189,93	253.478.321,88	-29.430.947,61	-25.291.967,46
Current tax rate	29,00%	29,00%	29,00%	29,00%
Tax related	70.191.075,08	73.508.713,35	-8.534.974,81	-7.334.670,56
Irreversible deviations from tax basis	6.976.311,25	3.309.036,77	6.077.928,25	3.003.519,51
Deleted deferred taxes	-1.097.345,90	9.116.702,40	2.270.170,11	3.907.881,86
Effect of different subsidiaries' tax rate	-50.852.834,93	-59.366.182,81		
Total	25.217.205,50	26.568.269,71	-186.876,45	-423.269,19

26. Earnings per share

Earnings per Share	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net profit for the period	216.820.984,43	226.910.052,17	-29.244.071,16	-24.868.698,27
Attributable to :				
Shareholders of the parent company	212.010.655,26	222.466.621,12	-29.244.071,16	-24.868.698,27
Non controlling interests	4.810.329,17	4.443.431,05	0,00	0,00
Weighted average number of shares	66.364.127,00	66.378.312,19	66.364.127,00	66.378.312,19
Basic earnings per share	3,1947	3,3515	-0,4407	-0,3747

27. Related party transactions (according IAS 24)

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

Transactions between parent and subsidiary		
	01.01. - 31.12.2017	01.01. - 31.12.2016
Sales of goods	25.532.292,00	25.090.912,81
Sales Services-other income	873.209,00	1.108.450,55
Purchases	9.676.001,00	8.409.754,41
Reception - other expenses	2.592.907,00	1.714.652,90

Parent co transactions with other related parties		
	01.01. - 31.12.2017	01.01. - 31.12.2016
Sales of goods	77.584,00	43.897,82
Sales Services - Other Income	0,00	0,00
Purchases	35.945,00	0,00
Reception - other expenses	1.600,00	0,00

Transactions and Fees with managers		
	01.01. - 31.12.2017	01.01. - 31.12.2016
The Company	3.250.803,45	3.292.826,81
The Group	3.721.683,97	3.651.812,14

Group's transactions with other related parties		
	01.01. - 31.12.2017	01.01. - 31.12.2016
Sales of goods	173.181,00	46.784,82
Sales Services - Other Income	238.341,00	36.996,00
Purchases	1.344.531,00	3.275.292,00
Reception - other expenses	89.686,00	73.161,00

Balance as at the end of the period		
	31.12.2017	31.12.2016
The Company		
From subsidiaries		
Requirements	171.464.672,00	128.365.986,40
Obligations	418.481.365,00	235.270.049,90
From other related parties		
Requirements	152.121,00	85.215,76
Obligations	0,00	0,00
by executives		
Requirements	0,00	0,00
Obligations	0,00	0,00
The Group		
From other related parties		
Requirements	1.614.256,00	390.634,76
Obligations	0,00	169.825,00
by executives		
Requirements	0,00	0,00
Obligations	1.619,00	78.105,08

28. Probable obligations and unavoidable commitments

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

The Company has guaranteed loans to its subsidiaries, amounting to € 323 million, approximately.

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

29. Number of employed personnel

At 31.12.2017 the Group employed 5,079 employees versus 4,996 employees on 31.12.2016. The according figures for the Company are 1,142 versus 1,099 employees.

Total Fees & staff	The Group		The Company	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Wages and salaries	98.582.719,02	104.531.208,75	24.243.822,58	24.087.483,31
Employer contributions	17.668.126,26	15.392.252,20	5.816.483,10	5.697.940,57
Released for reimbursement	549.628,44	407.312,02	4.780,53	9.775,39
Other benefits	3.379.687,14	2.687.978,80	605.422,48	456.462,84
Total	120.180.160,86	123.018.751,77	30.670.508,69	30.251.662,11

30. Management of financial Risk

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

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

Date	EUR / USD	EUR / GBP	EUR / RON	EUR / BGN	EUR / CHF
31.12.2017	1,1993	0,8872	4,6585	1,9558	1,17020
31.12.2016	1,0541	0,8562	4,5390	1,9558	1,07390
Av. Rate 01.01.- 31.12.17	1,1297	0,8767	4,5688	1,9558	1,11170
Av. Rate 01.01.- 31.12.16	1,1069	0,8195	4,4907	1,9558	1,09010

On 31 December 2017 the net income and shareholders' equity would have been € 8.674 thousands higher (for the company € 2.079 thousand), if the EUR was weaker against USD by 10% and they would have been € 7.097 thousand (for the Company €4533 thousand) lower, if the EUR was stronger of the USD by 10%.

30.2 Liquidity Risk

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

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

Credit risk

It is the risk of default on the part of the counterparty. Retail sales are made in cash through debit and/or credit cards, while in terms of wholesale sales, the Group, based on internal procedures, credits its customers by examining the customer's credit liability.

Most of the wholesale sales are made in well-known department stores in the countries in which it operates and in a network of selected franchisees. Additionally, the Company and the Group form provisions for doubtful customers. Finally, according to the Group's policy, part of the receivables from customers is secured. The exposure to credit risk at the date of the Statement of Financial Position was:

in 000's €	Book Value	
	2017	2016
Trade Receivables	661.873	654.741
Cash & Cash Equivalents	446.340	328.185

The exposure to credit risk for the Group's trade receivables at the date of the statement of financial position in Greece and the rest of the Group was:

in 000's €	Book Value	
	2017	2016
Company	87.365	82.670
Others	574.508	572.071

Liquidity Risk

Despite the volatile macroeconomic and financial environment in Greece, the Group maintains high liquidity due to its capital structure and the retail nature of most of its sales.

The Group seeks to further strengthen its liquidity with the overall management of its inventory and with the containment of its costs. With respect to liquidity risk, the management team is handling liquidity needs by carefully monitoring planned payments for long-term liabilities and cash outflows from its daily activity. Liquidity needs are monitored in different time zones (daily, weekly, monthly).

The maturities of financial liabilities are set out in the table below.

in 000's €			
2017	up to 1 year	1 to 5 years	over 5 years
Bonds	6.526	472.506	0
Bank Loans	106.396	5.393	0
Leasing	2.875	9.531	9.513
Total	115.797	487.430	9.513

2016	up to 1 year	1 to 5 years	over 5 years
Bonds	4.666	279.330	0
Bank Loans	64.114	59.013	0
Leasing	3.739	11.688	11.712
Total	72.519	350.031	11.712

30.3 Asset Management

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

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

The leverage ratio is depicted below:

Leverage Ratio	The Group		The Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Borrowed funds	612.740.267,17	434.261.943,95	481.416.998,64	273.566.671,61
Less: Cash	446.339.865,37	328.184.700,98	154.563.427,79	29.494.616,60
Net debt	166.400.401,80	106.077.242,97	326.853.570,85	244.072.055,01
Equity	1.919.231.545,98	1.884.362.817,86	400.257.477,56	422.551.055,79
	8,0%	5,3%	45,0%	36,6%

31. Significant Period Events

"FOLLI FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME" has completed the issuance of the bond in Swiss franc, through its subsidiary "FF Group Finance Luxembourg II SA", based in Luxembourg.

The issuance concerns a debenture and unrated (unrated senior unsecured) bond, with a duration of 4 years amounting to 150 mio Swiss francs. The bond has a fixed coupon of 3.25% and the issuance price is 100%.

32. Post Balance Sheets Events

On 31.12.2017, there were no events significantly affecting the financial figures which occurred after 31.12.2017 which could have material impact on the financial position and results of the Group.

Agios Stefanos, April 25th, 2018

THE CHAIRMAN OF THE BOARD

Dimitrios Koutsolioutsos
ID Card No. AK-031337

THE MANAGING DIRECTOR

Georgios Koutsolioutsos
ID Card No. AB-593469

THE EXECUTIVE MEMBER

Emmanouil Zachariou
ID Card No. T005560

THE CHIEF FINANCIAL OFFICER

Fragiskos Gratsonis
AB-017181

THE CHIEF ACCOUNTANT

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

F. Information of article 10 of Law 3401/2005

Date	Subject
12/04/2017	2016 Annual Financial Results
09/05/2017	Private placement of 1,15m shares of the Chairman of the BoD
08/06/2017	Announcement of the first quarter 2017 Financial Results
09/06/2017	Invitation to the General Meeting 30.06.2017
30/06/2017	AGM Decisions 30.06.2017
11/10/2017	Bond Issue Announcement
06/11/2017	Swiss bond trading admission
29/11/2017	Announcement about a transfer of shares by the Chairman of the BoD with no change in voting rights.
30/11/2017	Release of 9-months 2017 Financial Results