



STATEMENT BY THE BOARD OF DIRECTORS

Agios Stefanos, December 21st, 2018. From the very first moment we assumed duties, our primary concern has been to take the necessary steps to strengthen FF Group's corporate governance framework, a necessary step to gradually restore confidence in the Group and to develop a financial restructuring plan.

The result of the efforts of the past few months has been:

- The election of a new Board of Directors and its staffing with persons with the appropriate know-how and experience to meet the demands and challenges that the Group faces. It must be noted that the current Board of Directors of FF Group has large number of directors, who meet the criteria of independence provided by the corporate governance legislation, compared to other companies.
- The strengthening of the procedures and framework of implementation of the Group's corporate governance rules, through the establishment of a new Audit Committee, the establishment of a Remuneration and Nominations Committee, the establishment of a Steering Committee acting as an advisory body to the Board of Directors and the appointment of an independent Chief Restructuring Officer.
- Alvarez & Marsal's task has already been strengthened by Robertsons Solicitors, one of Hong Kong's largest law firms specializing in corporate governance and criminal law, as the Company's advisor on the legal actions which will follow, in order to hold accountable any person responsible.
- The assignment to the auditing firm PwC of a special purpose audit of the corporate and consolidated financial statements for the year 2017, an assignment confirmed today by the General Assembly of Shareholders.
- The signing of a preliminary agreement (term sheet) on the proposed financial restructuring plan with a group of bondholders. It is noted that, based on the term sheet, a consent invitation has been addressed to the bondholders, in order to obtain the consent by the required percentage of creditors for the purpose of the restructuring agreement.

Regarding the preliminary agreement signed, it is important to note that this is a very important and essential step, but also the first step of a complex process that includes several stages and technical details that are being clarified and communicated as the process evolves. The final restructuring and consolidation plan will, of course, be submitted for approval to the General Assembly of Shareholders prior to its implementation.

As members of the Board of Directors, we have been working intensively since the first day of our engagement to ensure the viability of the Group, with employees, suppliers, associates, and of course its shareholders being our main concern. The roadmap to the next day is not easy. The term sheet with a group of the Company's creditors is an important development, as it creates a framework for reaching a rehabilitation agreement. Our goal is to do everything possible for the gradual turnaround of the Group and towards this end we work and strive every day.

This announcement is released by Folli Follie Commercial Manufacturing and Technical Société Anonyme in compliance with the Market Abuse Regulation (EU) 596/2014 (MAR) and the Rule Book of the Athens Exchange. It contains information that qualifies as inside information for the purposes of Article 7 of MAR. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for arranging the release of this announcement on behalf of the Company is Mantalena Kasidiaropoulou, Head Investor Relations.

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