Annual Financial Statements 2016

These financial statements have been translated from the original version in Hellenic. In the event that differences exist between this translation and the original Hellenic language financial statements, the Hellenic language financial statements will prevail over this document.

FRIGOGLASS S.A.I.C
Commercial Refrigerators
15, A. Metaxa Street
GR-145 64 Kifissia
Athens - Hellas

FRIGOGLASS S.A.I.C.
Commercial Refrigerators
Financial Statements for the period 1 January to 31 December 2016

It is confirmed that the present Annual Financial Statements **(pages 3 – 161)** are compiled according to the **L.3873/2010** and **L.3556/2007** and the decision 7/448/29.10.2007 of the Hellenic Capital Market Commission and are the ones approved by the Board of Directors of "Frigoglass S.A.I.C."
on the **25th of April 2017.**

The present Annual Financial Statements are available on the company's website www.frigoglass.com, where they will remain at the disposal of the investing public for at least 10 years from the date of its publication.

TABLE OF CONTENTS

		Pages
A)	Board of Directors Statement	3
B)	Board of Directors Report	4
C)	Independent Auditors Report	65
D)	Financial Statements for the period 1st January to 31 December **2016**	68
E)	Information according to article 10 of Law 3401/2005 (Announcements / Notifications that have been sent to the Daily Official List Announcements)	161

It is asserted that for the preparation of the Financial Statements the following are responsible:

The Chairman of the Board	**The Managing Director**
Haralambos David	Nikolaos Mamoulis
The Group Chief Financial Officer	**The Head of Finance**
Emmanouil Fafalios	Vasileios Stergiou

BOARD OF DIRECTORS STATEMENT
Regarding the Annual Financial Statements for the year 2016
According to the Law 3556/2007

According to the Law 3556/2007, we state and we assert that from what we know of:

1. The Annual Financial Statements of the Company and the Group of "Frigoglass S.A.I.C." for the year **01.01.2016 - 31.12.2016**, which were compiled according to the standing accounting standards, describe in a truthful way the assets and the liabilities, the equity and the results of the Group and the Company, as well as the subsidiary companies which are included in the consolidation as a total, according to what is stated in the Law 3556/2007.

2. The report of the Board of Directors for the year presents in a truthful way the information that is required based on the Law 3556/2007.

Kifissia, April 25, 2017

The Chairman of the Board	**The Managing Director**	**The Vice Chairman**
Haralambos David	Nikolaos Mamoulis	Ioannis Androutsopoulos

BOARD OF DIRECTORS REPORT

Concerning the Annual Financial Statements for the year
1st January – 31st December 2016
Kifissia, 25th April 2017

Dear Shareholders,

According to the laws 3873/2010 and 3556/2007 and the executive decisions of the Hellenic Capital Market Commission, we are submitting the present annual report of the Board of Directors referring to the Consolidated and the Parent Company financial data for the fiscal year of **2016.**

1) Introduction

Frigoglass (the 'Group') is the leading international producer of Ice-Cold Merchandisers (ICMs) and one of the foremost glass container producers in West Africa and the Middle East. Frigoglass is a strategic partner of the global beverage bottlers it serves. The Group's customer base includes most of the significant bottlers in The Coca-Cola System; a number of Pepsi bottlers; several of the world's leading breweries, including Heineken, Diageo, Carlsberg, SABMiller and AB InBev; and leading dairy companies, including Nestlé and Danone.
Frigoglass has a strong relationship with The Coca-Cola System through a long-term ICM supply arrangement with Coca-Cola HBC AG, one of the largest bottlers of non-alcoholic beverages in the world.
Additionally, Frigoglass has strong and long-standing relationships with many of its other key customers, many of which are served through both ICM Operations and Glass Operations. This allows Frigoglass to leverage its customer base across both operating segments. The Group's position as a long-standing partner to these customers and relationship with them across both ICM Operations and Glass Operations gives Frigoglass valuable insight into their strategic business and merchandizing needs.

In the ICM Operations, Frigoglass manufactures and sells commercial refrigeration products, as well as related parts and services. Frigoglass ICMs are strategic merchandizing tools for its customers, serving not only to chill their products, but also as retail space and merchandizing tools that encourage immediate consumption of customer products while enhancing Frigoglass customers' brands. Frigoglass works with its customers to provide high quality, bespoke ICM solutions that address their business needs for their various trade channels. Through this close collaboration, Frigoglass helps its customers to realize their strategic merchandizing plans, from conception and development of new, customized ICMs to offering a full portfolio of after-sale services. Frigoglass also helps its customers to achieve their sustainability goals and reduce their carbon footprint through its innovative, environmentally friendly ICM solutions, which consume substantially less energy than conventional ICMs. In the Glass Operations, Frigoglass manufactures and sells glass bottles and containers of high-quality and specification in an array of shapes, sizes, colors and weights to a variety of customers operating primarily in the soft drinks, beer and spirits industries as well as in the cosmetics and pharmaceutical industries. Frigoglass Glass Operations are more regionally focused, concentrating on sales in West Africa, MENA and South East Asia. In Nigeria, Frigoglass Glass Operations also produce plastic crates and metal crowns, allowing the Group to offer its customers a complete packaging solution for their products.

Frigoglass operates in both emerging and mature markets, which exhibit different beverage consumption, macroeconomic and demographic trends, thus offering diversity and creating a range of growth opportunities for its business. Emerging markets exhibit low ICM penetration levels, combined with favorable long-term macroeconomic and demographic trends. These factors provide substantial growth opportunities for Frigoglass and its customers as a result of increased beverage consumption. Despite a high level of ICM penetration and current challenging economic conditions, demand for Frigoglass products in mature markets is primarily driven by its customers' sustainability initiatives, such as carbon footprint reduction, lower energy consumption and demand for innovative and sophisticated products featuring better product performance, trade channel specific customization and high quality after-sale service offerings.

Frigoglass production facilities are located in eight countries: Greece, India, Indonesia, Nigeria, Romania, Russia, South Africa and the U.A.E.
In March 2014, the Group discontinued its manufacturing operations at Spartanburg, South Carolina, facility. This follows Frigoglass decision to change its operating model in the United States and focus on commercial activities of sales and marketing, distribution and servicing. The Group continues to serve the requirements of its North America customers from its network of existing manufacturing facilities.

Later in the year, the Group also integrated the Turkey-based manufacturing volume into its European flagship plant in Timisoara, Romania. As part of this process, Frigoglass' Silivri-based Turkish manufacturing plant ceased operations. The continued productivity improvements following the implementation of Lean manufacturing principles in our plant in Romania have made available sufficient capacity to absorb the volume from Turkey and meet any potential future demand.

In July 2016, the Group announced the discontinuation of its manufacturing operations in China. This development will enable the optimization of the production capacity in Asia, improve the company's fixed cost structure and strengthen its long-term competitiveness.

To strengthen this strategic geographic positioning and reach more key countries, Frigoglass also has stand-alone sales offices in Germany, Kenya, Norway, Poland, the United States, Turkey and the U.A.E. Frigoglass complements its ICM business with an extensive global network of after-sales service representatives which spans five continents serving beverage companies in approximately 77 countries.

2) Financial and Business Review

2.1) Financial Review

Consolidated Income Statement

The following table presents the consolidated income statements for fiscal years 2016, 2015 and 2014.

Frigoglass S.A.I.C
Income Statement
in € 000's

	Consolidated			% Change		% Of Net Trade Sales		
	Year ended							
	31.12.2016	31.12.2015	31.12.2014	2016	2015	2016	2015	2014
Net sales revenue	**413.203**	**453.881**	**487.046**	**-9,0%**	**-6,8%**	**100,0%**	**100,0%**	**100,0%**
Cost of goods sold	(351.764)	(386.887)	(404.380)	-9,1%	-4,3%	85,1%	85,2%	83,0%
Gross profit	**61.439**	**66.994**	**82.666**	**-8,3%**	**-19,0%**	**14,9%**	**14,8%**	**17,0%**
Administrative expenses	(23.342)	(27.367)	(29.178)	-14,7%	-6,2%	5,6%	6,0%	6,0%
Selling, distribution & marketing expenses	(27.293)	(24.301)	(26.969)	12,3%	-9,9%	6,6%	5,4%	5,5%
Research & development expenses	(4.085)	(4.434)	(4.138)	-7,9%	7,2%	1,0%	1,0%	0,8%
Other <losses> / gains	3.620	8.246	7.214	-56,1%	14,3%	0,9%	1,8%	1,5%
Operating Profit / <Loss>	**10.339**	**19.138**	**29.595**	**-46,0%**	**-35,3%**	**2,5%**	**4,2%**	**6,1%**
Finance <costs> / income	(17.257)	(37.253)	(34.716)	-53,7%	7,3%	4,2%	8,2%	7,1%
Profit / <Loss> before income tax & restructuring costs	**(6.918)**	**(18.115)**	**(5.121)**	**-62%**	**254%**	**1,7%**	**4,0%**	**1,1%**
Restructuring Costs	(22.338)	(16.757)	(36.059)	33,3%	-53,5%	5,4%	3,7%	7,4%
Profit / <Loss> before income tax	**(29.256)**	**(34.872)**	**(41.180)**	**-16,1%**	**-15,3%**	**7,1%**	**7,7%**	**8,5%**
Income tax expense	(19.516)	(23.443)	(10.948)	-16,8%	114,1%	4,7%	5,2%	2,2%
Profit / <Loss> after income tax expenses	**(48.772)**	**(58.315)**	**(52.128)**	**-16,4%**	**11,9%**	**11,8%**	**12,8%**	**10,7%**
Attributable to:								
Non controlling interest	8.958	3.771	4.374	137,5%	-13,8%	2,2%	0,8%	0,9%
Shareholders	**(57.730)**	**(62.086)**	**(56.502)**	**-7,0%**	**9,9%**	**14,0%**	**13,7%**	**11,6%**
Depreciation	29.784	33.666	33.370	-11,5%	0,9%	7,2%	7,4%	6,9%
Earnings / <Loss> before, finance, restructuring costs, tax, depreciation, amortization (EBITDA)	**40.123**	**52.804**	**62.965**	**-24,0%**	**-16,1%**	**9,7%**	**11,6%**	**12,9%**

Year Ended December 31, 2016

Net sales revenue declined by 9.0% to €413.2 million for the year ended 31 December 2016. This decline mainly reflects lower year-on-year sales in ICM Operations as well as lower sales in the glass container and plastic crates businesses in Nigeria.

Net sales revenue from ICM Operations decreased by 8.4% to €289.9 million for the year ended 31 December 2016. Sales in our Eastern European business declined by 7% as beer industry specific challenges and the weak macroeconomic conditions in Russia adversely affected brewery customers' cooler investments in the period. Restrictions on packaging sizes and rising inflation leading to the reduction of consumer's purchasing power continued to put pressure on beer consumption. Western Europe had a solid top-line performance, up 16% year-on-year, reflecting increased ICOOL orders and strong execution of our commercial strategy for further penetration of Coca-Cola bottlers. In Africa and the Middle East, our sales decreased by 14% year-on-year mainly reflecting the challenging economic environment and adverse foreign exchange translation impact in Nigeria and South Africa. Sales in our Asian business declined by 15% year-on-year. The decline mainly reflects lower sales in India and Kazakhstan. Following the discontinuation of our manufacturing operations in China, our sales in that market were adversely affected in the second half of the year. Asia's manufacturing base transformation plan will improve our cost structure in this highly competitive territory.

Net sales revenue from Glass Operations decreased by 10.2% to €123.3 million for the year ended 31 December 2016, primarily reflecting the unfavorable currency impact driven by the devaluation of the Nigerian Naira and lower year-on-year demand in the Dubai-based operations. The weak consumer environment, due to the low global oil price, continues to put pressure on beverage consumption. In this environment, our Nigerian operations saw sales decreasing by 8.9% year-on-year driven by adverse currency movements and weaker demand for our complementary plastic crates business. Sales in the Dubai-based operations were also down year-on-year, to €30.9 million, as higher sales in United Arab Emirates and South Africa were more than offset by lower sales in Ethiopia, Ghana and Italy.

Cost of goods sold decreased by 9.1% to €351.8 million for the year ended 31 December 2016. The decline mainly reflects the effect of transactional foreign exchange fluctuations on the price of key raw materials required for our Nigerian glass business and lower sales. Cost of goods sold as a percentage of Group's net sales revenue improved by 10 basis points to 85.1% for the year ended December 31, 2016.

Administrative expenses decreased by 14.7% to €23.3 million for the year ended 31 December 2016, primarily reflecting lower employee related expenses and third-party fees. The ratio of administrative expenses to net sales revenue decreased to 5.6% from 6.0% for the year ended 31 December 2015.

Selling, distribution and marketing expenses increased by 12.3% to €27.3 million for the year ended 31 December 2016. This increase is primarily attributable to higher provision for trade debtors and warranty related expenses. As a percentage of net sales revenue, selling, distribution and marketing expenses increased to 6.6% from 5.4% for the year ended 31 December 2015.

Research and development expenses decreased by 7.9% to €4.1 million for the year ended 31 December 2016, mainly due to lower third party fees, travelling and payroll related expenses. As a percentage of net sales revenue, research and development expenses remained unchanged at 1.0% for the year ended 31 December 2016.

Other operating income decreased to €3.6 million for the year ended 31 December 2016, from €8.2 million for the year ended 31 December 2015. This decline mainly reflects one-off items positively impacting last year's other income.

Net finance cost decreased to €17.3 million for the year ended 31 December 2016, from €37.2 million for the year ended December 31, 2015. The lower year-on-year net finance cost mainly reflects the impact on US$ receivables and cash balance held in Nigeria. This was caused by Naira's devaluation.

Frigoglass incurred restructuring costs of €13.5 million mainly relating to the cessation of its manufacturing operations in China and €8.8 million expenses associated with the ongoing capital structure review process (please refer to Note 28 for further clarifications over non-recurring costs).

Income tax expense decreased by €3.9 million to €19.5 million for the year ended December 31, 2016, the decline mainly reflects deferred tax assets write-off last year.

Net losses attributable to shareholders amounted to €57.7 million for the year ended 31 December 2016, compared to a net loss of €62.1 million for the year ended 31 December 2015.

Year Ended December 31, 2015

Net sales revenue decreased by 6.8% to €453.9 million for the year ended 31 December 2015. This decline was mainly driven by lower sales in ICM Operations.

Net sales revenue from ICM Operations decreased by 6.8% to €316.6 million for the year ended 31 December 2015, reflecting lower demand by our customers due to the difficult trading conditions in some of our markets. In East Europe, net sales revenue declined by 17.0% to €113.8 million, mainly due to lower sales in Russia. The challenging macroeconomic environment, high consumer price inflation, declining consumer sentiment and reduced consumer purchasing power in the market continued to put pressure on beverage consumption, leading to cautious investments in Coolers by our customers. In this environment, net sales revenue in Russia declined in double digits. In West Europe, net sales revenue declined by 6.5% to €56.8 million following a lower volume outcome due to the production ramp-up of the new ICOOL range in our Romanian plant, primarily during the first half of the year. Net sales revenue in Asia business marginally decreased by 1.1% to €63.7 million, mainly reflecting lower sales in China. Net sales revenue in Africa and Middle East increased by 4.0% to €68.5 million, cycling a 6.6% decline in the prior year. Last year's net sales revenue was impacted by a one-month strike of metal union workers in South Africa. Net sales revenue in North America reached €13.9 million, from €11.6 million in the year ended 31 December 2014.

Net sales revenue from Glass Operations decreased by 6.9% to €137.2 million for the year ended 31 December 2015. This decline mainly reflects a more difficult trading environment in Nigeria. The erosion of consumer disposable income due to falling global oil prices, currency pressures and rising inflation adversely affected beverage consumption in Nigeria, primarily in the second half of the year.

Cost of goods sold decreased by 4.3% to €386.9 million for the year ended 31 December 2015, primarily due to the sales reduction, lower raw material prices and productivity improvements in the ICM Operations. Overall, cost of goods sold as a percentage of Group's net sales revenue increased to 85.2% from 83.0% in the year ended 31 December 2014, predominately reflecting volume decline in the Cooler business, resulting in lower fixed costs absorption, as well as a less favourable geographic mix due to the lower contribution of our European business and ICOOL's ramp-up related costs.

Administrative expenses decreased by 6.2% to €27.4 million for the year ended 31 December 2015, primarily reflecting lower employee related expenses. The ratio of administrative expenses to net sales revenue remained unchanged to 6.0% for the year ended 31 December 2015.

Selling, distribution and marketing expenses decreased by 9.9% to €24.3 million for the year ended 31 December 2015. This decrease is primarily attributable to lower employee related expenses, warranty expenses and third party fees. As a percentage

of net sales revenue, selling, distribution and marketing expenses decreased to 5.4% from 5.5% in the year ended 31 December 2014.

Research and development expenses increased by 7.2% to €4.4 million for the year ended 31 December 2015, mainly due to higher payroll related expenses. As a percentage of net sales revenue, research and development expenses increased to 1.0% from 0.8% in the year ended 31 December 2014.

Other operating income increased to €8.1 million for the year ended 31 December 2015, from €7.2 million in the year ended 31 December 2014.

Finance costs increased by €2.5 million to €37.3 million for the year ended December 31, 2015, negatively affected by a higher average net debt and foreign currency losses.

Frigoglass incurred provisions of €16.8 million in the year ended 31 December 2015 related to inventory write-offs following the launch of energy efficient coolers over the last couple of years and third-party cost related to Glass business disposal process (please refer to **Note 28** for further clarifications).

Income tax expense increased by €12.5 million to €23.4 million for the year ended 31 December 2015, negatively impacted by €8.8 million deferred tax asset write-off.

Net losses attributable to shareholders amounted to €62.1 million for the year ended 31 December 2015, compared to a net loss of €56.5 million the same period last year.

Consolidated Cash Flow Statement

The following table presents the consolidated statements of cash flow for fiscal years 2016, 2015 and 2014.

Frigoglass S.A.I.C

Cash Flow Statement

in € 000's

	Consolidated		
	Year ended		
	31.12.2016	**31.12.2015**	**31.12.2014**
Profit / <Loss> after tax	**(48.772)**	**(58.315)**	**(52.128)**
Adjustments for:			
Income tax expense	19.516	23.443	10.948
Depreciation	29.784	33.666	33.370
Provisions	15.909	19.191	26.512
Finance costs, net	17.257	37.253	34.716
Loss/<Profit> from disposal of property, plant & equipment	41	(101)	(8)
Changes in Working Capital:	-	-	
Decrease / (increase) of inventories	3.625	(13.662)	19.527
Decrease / (increase) of trade receivables	5.694	12.802	4.382
Decrease / (increase) of other receivables	2.910	(3.869)	(9.020)
Decrease / (increase) of other long term receivables	453	(380)	600
(Decrease) / increase of trade payables	(6.994)	(10.228)	(8.771)
(Decrease) / increase of other liabilities	2.805	(30.185)	(4.430)
Less:			
Income taxes paid	(13.947)	(12.697)	(6.386)
(a) Net cash generated from operating activities	**28.281**	**(3.082)**	**49.312**
Cash Flow from investing activities			
Purchase of property, plant and equipment	(11.044)	(32.453)	(23.351)
Purchase of intangible assets	(2.728)	(4.084)	(5.333)
Proceeds from disposal of property, plant & equipment	5.106	417	3.087
(b) Net cash generated from investing activities	**(8.666)**	**(36.120)**	**(25.597)**
Net cash generated from operating and investing activities (a) + (b)	**19.615**	**(39.202)**	**23.715**
Cash Flow from financing activities			
Proceeds from loans	146.012	143.543	125.081
<Repayments> of loans	(125.196)	(84.595)	(116.314)
Interest paid	(28.540)	(26.764)	(26.251)
Acquisition of subsidiary´s non-controlling interest	-	(3.724)	-
Dividends paid to shareholders	(3)	-	(28)
Dividends paid to non controlling interest	(167)	(647)	(318)
(c) Net cash generated from financing activities	**(7.894)**	**27.813**	**(17.830)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**11.721**	**(11.389)**	**5.885**
Cash and cash equivalents at the beginning of the year	**57.492**	**68.732**	**59.523**
Effects of changes in exchange rate	(11.687)	149	3.324
Cash and cash equivalents at the end of the year	**57.526**	**57.492**	**68.732**

Net cash from/(used in) operating activities

Net cash from operating activities amounted to €28.3 million, compared to net cash used in operating activities of €3.1 million for the year ended 31 December 2015. This increase is primarily attributable to an increase of €2.8 million in other liabilities, compared to a decrease of €30.2 million for the year ended 31 December 2015, reflecting lower realized foreign exchange losses. It also reflects a decrease in inventories of €3.6 million, compared to an increase of €13.7 million for the year ended 31 December 2015.

Net cash used in operating activities amounted to €3.1 million, compared to net cash from operating activities of €49.3 million in the year ended 31 December 2014. This decrease is primarily attributable to an increase of €13.7 million in inventory, compared to a decrease of €19.5 million in the year ended 31 December 2014. It also reflects a decrease in other liabilities of €30.2 million, compared to a decrease of €4.4 million in the year ended 31 December 2014.

Net cash from/(used in) investing activities

Net cash used in investing activities amounted to €8.7 million in the year ended 31 December 2016, compared to €36.1 million in the year ended 31 December 2015. This decrease mainly reflects lower capital expenditure and our focus on prioritizing investments, as well as €5.1 million proceed from the sale of an asset in Turkey.

Net cash used in investing activities amounted to €36.1 million in the year ended 31 December 2015, compared to €25.6 million in the year ended 31 December 2014. This increase mainly reflects the furnace rebuild in Nigeria to increase capacity and improve efficiency. Higher capital expenditure also reflects spending related to furnace maintenance in Dubai in the first quarter of 2015.

Net cash from/(used in) financing activities

Net cash used in financing activities amounted to €7.9 million in the year ended 31 December 2016, compared to net cash from financing activities of €27.8 million in the year ended 31 December 2015. This decrease is primarily attributable to lower net proceeds from bank loans in the year ended 31 December 2016.

Net cash from financing activities amounted to €27.8 million in the year ended 31 December 2015, compared to net cash used in financing activities of €17.8 million in the year ended 31 December 2014. This increase is primarily attributable to higher net proceeds from bank loans in the year ended 31 December 2015.

Net trade working capital

Net trade working capital as of December 31, 2016 amounted to €103.6 million, compared to €118.8 million as of December 31, 2015. This improvement mainly reflects €21.3 million lower trade receivables and €4.1 million lower inventory.

Net trade working capital as of December 31, 2015 amounted to €118.8 million, compared to €125.3 million as of December 31, 2014. This improvement mainly reflects €13.7 million lower trade receivables.

Capital Expenditures

Capital expenditures amounted to €13.8 million, of which €11.1 million related to the purchase of property, plant and equipment and €2.7 million related to the purchase of intangible assets, compared to €36.5 million in the year ended December 31, 2015, of which €32.4 million related to the purchase of property, plant and equipment and €4.1 million related to the purchase of intangible assets.

Capital expenditures amounted to €36.5 million, in the year ended 31 December 2015, compared to €28.7 million in the year ended December 31, 2014, of which €23.4 million related to the purchase of property, plant and equipment and €5.3 million related to the purchase of intangible assets.

References to specific Notes and other sections of this document

Details over Frigoglass principal sources of liquidity, material commitments and financing agreements, as well as material debt instruments and credit facilities are set out on to Note 13 “Non-Current & Current Borrowings”.

For Frigoglass critical accounting policies and judgments please refer to Notes 2 and 4.

The related party transactions are set out on Note 20 “Related Party transactions”.

For an overview of the Group’s management activities and responsibilities, please refer to section 4 “Corporate Governance Statement” of the Board of Directors Statement.

2.2) Parent Company Financial Data

The Parent Company’s Net Sales increased by € 2,7 million and reached the amount of € 27,4 million.

Gross Profit increased by € 1,06 million and reached the amount of € 1,9 million

Losses after tax increased by € 10,5 million and reached the amount of € 25,9 million

3) Business Outlook

We concluded our capital structure review and announced a transformational transaction on April 13, 2017, subject to certain conditions and implementation, which is expected to conclude by the end of July. The new capital structure is expected to provide additional liquidity and enable management to focus more on the implementation of a number of strategic customer related initiatives, as well as drive efficiencies across our business that will improve our performance.

We expect economic uncertainty to persist in some of our key markets in 2017, despite Russia showing signs of stabilization. In this highly challenging market environment, we focus on capitalizing on ICOOL's success to gain profitable market share within Coca-Cola bottlers in Europe. Setting up the Service business infrastructure to enter new markets and customers across Europe remains among our top priorities this year. In Africa, we are confident that Hybrid cooler will boost demand in the region and also expect new revenue streams from the expansion of the Integrated Service offering in Nigeria. In Asia, we are focusing on mitigating the impact from the discontinuation of China's manufacturing operations through new product developments and primarily by developing cost-competitive coolers, as well as filling gaps in our product portfolio in the mid-market segment.

In the Glass business, our primary Nigeria market is facing economic headwinds following the sharp devaluation of the Naira in June 2016. Our priority for 2017 is to partially absorb cost inflation driven by the devaluation of the Naira through various initiatives. In our Dubai-based operations, we continue to work towards improving furnace efficiency and securing recurring volume commitments with customers in Asia, Australia and other markets.

In 2017, capital expenditure is expected to increase to around €28m. Capital will be prioritised, ensuring protection of the long-term value of our assets and within the context of maintaining a sustainable capital structure.

4. <u>Corporate Governance Statement</u>

This statement was drawn up in accordance with article 43bb of Codified Law 2190/1920 and contains all the information required by the law.

4.1 Code of Corporate Governance

In the framework of its policy of adopting high corporate governance standards, Frigoglass SAIC (hereinafter "the **Company**" or "**Frigoglass**") has drafted and adopted its own code of corporate governance, which remains in force until today, by resolution of the Company's Board of Directors, dated 10/12/2014.

The purpose of the Company's Code of Corporate Governance (hereinafter "the **Code**") is to set out the best practices in corporate governance as implemented by the Company, in the pursuit of transparency in communication with its shareholders and ongoing improvement of the corporate framework for the Company's operations and competitiveness.

Furthermore, the Code is intended to lay down the methods by which the Company will operate and to establish administrative rules and procedures concering the relations between the administration, the Board of Directors, the shareholders of the Company and all other persons associated with and affected by the actions taken by the Company's bodies.

The Code is publicly available on the Company's website http://www.frigoglass.com/corporate-governance.

4.2 Practices of Corporate Governance additional to those provided by the Law

Apart from this Code and the Internal Regulation of Operation, adopted according to article 6, par. 1 of Law 3016/2002, the Company is further applying:

a) its code of business conduct and ethics (hereinafter "the **Code of Business Conduct and Ethics**"), and
b) its supplier code (hereinafter "the **Supplier Code**").

A. Code of Business Conduct and Ethics

The purpose of applying the Code of Business Conduct and Ethics is, *inter alia*, to shape a framework for business operations consistent with the principles and rules of morality and transparency, to ensure compliance with international commercial law and the law applicable in the states where the Company is active, to maintain high-level services and products, to improve the Company's profitability, to develop an environmentally friendly operating framework and to safeguard human rights through granting of equal

rights and avoiding discriminatory treatment of all parties associated with the Company.

The Code of Business Conduct and Ethics is available on the Company's website at the address http://www.frigoglass.com/corporate-governance.

B. The Supplier Code

Through the implementation of the Supplier Code, the Company seeks to create a business environment of cooperation with its suppliers governed by the principles of morality, transparency, protection of the environment and respect for human rights and the rules of health and safety. More specifically, the Company focuses on avoiding unfair competition and any involvement in situations of conflict of interest or bribery.

The Supplier Code is available on the Company's website at the address http://www.frigoglass.com/corporate-governance.

4.3. Main characteristics of the Company's systems of internal control and risk management in relation to the procedure of drafting the financial statements

The Company attaches considerable importance to the systems of internal control and risk management.

More specifically, the Company's Board of Directors (hereinafter the "**Board**") adopts procedures and implements policies which aim at establishing and maintaining systems that optimize the identification, evaluation, monitoring and management of risks that the Company may be facing, the effective management thereof, and contribute to the reliable provision of financial information.

In this framework, the Board carries out periodic reviews and is regularly briefed on the existence of any issues which may have significant financial and business consequences for the Company.

Furthermore, the Company's operational and functional units report to the Chief Executive Officer within a defined timetable and in compliance with specific instructions and guidelines. The general management receives monthly reports on the financial and operational situation from each business area and function. These reports and financial information are based on a standardized process and are discussed at the meetings of the Board of Directors to ensure adequate execution of Board decisions by the management team.

The Board reviews the Company's systems of internal control and risk management on an ongoing basis by:

- Setting the strategy of the business at both Company and divisional level and, within the framework of this, approving an annual budget and medium term projections. Central to this exercise is a review of the risks and opportunities that each business is facing and the steps being taken to manage these.

- Reviewing on a regular basis operational and financial performance and updated forecasts for the current year. Comparisons are made with budget and the prior year and appropriate action plans are put in place to optimize operational and financial performance.
- Retaining primary responsibility for acquisition and divestment policy, and the approval of major capital expenditure, major contracts and financing arrangements. Below Board level there are clearly defined management authorities for the approval of capital expenditure, major contracts, acquisitions, investments and divestments, together with an established framework for their appraisal, which includes a risk analysis and post-implementation plan and, where appropriate, a post-acquisition review.
- Performing a review of the Company's insurance and risk management programs.

Furthermore, the Company has in place systems and procedures of internal control and risk management in respect of financial reporting and the preparation of individual and consolidated financial statements.

The above systems and procedures include:

- The formulation, deployment and implementation of uniform accounting policies and procedures.
- Regular review of accounting policies to ensure that they are kept up to date and are communicated to the appropriate personnel.
- Procedures are in place to ensure that all transactions are recorded in accordance with International Financial Reporting Standards ("IFRSs").
- Company and divisional policies governing the maintenance of accounting records, transaction reporting and key financial control procedures.
- Monthly operational review meetings which include, as necessary, reviews of internal financial reporting issues and financial control monitoring.
- Ongoing training and development of financial reporting personnel.
- Closing procedures, including due dates, responsibilities, accounts' classifications and disclosures updates.
- Standard corporate reporting formats are utilized both for financial reporting and management reporting purposes.
- A web-based reporting application (HFM) is used within the Company both for financial reporting and management reporting purposes.
- Access to the above reporting application is restricted to the appropriate individuals of each of the Company's subsidiaries.
- Access controls are in place to maintain the integrity of the chart of accounts.
- Write-offs and reserves are clearly defined, consistently applied and monitored in accordance with the Company's policy.

- Fluctuation analysis of actual budget compaired to prior years is performed on a monthly basis to identify unusual transactions and monitor accuracy and completeness.
- Policies and procedures are in place for all critical processes such as key reconciliations, inventory counts, payments, segregation of duties etc.
- Annual Budget for the next year: the Company prepares a consolidated detailed annual budget as well as an individual annual budget per segment/subsidiary for each financial year that is reviewed and approved by the Board.
- Estimation for the curent year: the consolidated business plan for as well as the individual business plan per segment/subsidiary is updated at least 2 times per year.
- Detailed consolidated management accounts as well as the individual management accounts per segment/subsidiary are prepared monthly to cover each major area of business.
- The consolidation process is automated.

4.4. Information regarding the operating rules of the General Meeting of Shareholders and its basic powers, as well as a description of the shareholders rights and how they can exercise them

A. Operating rules and basic powers of the General Meeting of Shareholders

The General Meeting of shareholders (the **"General Meeting"**) is convened by the Board, which decides the items to be placed on the agenda, and mandatorily meets at the registered offices of the Company or in the region of another municipality within the prefecture of the Company's registered offices, or another municipality neighbouring the Company's registered offices, at least once in every corporate financial year and within the first ten (10) calendar days of the ninth month following the end of the corporate financial year. An Extraordinary General Meeting may be held whenever the Board deems that necessary.

The General Meeting is the Company's most supreme body and may decide on any matter affecting the Company. More specifically, the General Meeting is the only body competent to decide on:

(a) Any matter laid before it by the Board or by those entitled, under the provisions of the Law and the Company's Articles of Association, to convene a General Meeting.

(b) Amendments of the Articles of Association. Such amendments are those relating to increases or reductions of share capital, the winding up of the Company, a change to its nationality or extension of its duration, the merger with another company, its division (demerger), conversion or revival.

(c) The election of the members of the Board and the auditors and determination of their remuneration.

(d) Approval or amendment of the annual financial statements, as drawn up by the Board, and distribution of the Company's net profits.

(e) Approval by special roll-call vote of the Board's management and the release of the Board and auditors from any liability, following the voting of the annual financial statements.

(f) Hearing of the auditors, regarding the audit they have carried out on the Company's books and accounts.

(g) Issuance of a bond convertible into shares or a bond entitling the holder to a share in the Company's profits.

(h) Appointment of liquidators, in the event of the Company's dissolution.

(i) Taking legal action against members of the Board or the auditors, for infringement of their duties under the Law or the Company’s Articles of Association.

B. Shareholders’ rights and ways of exercising them

Every shareholder is entitled to attend the General Meeting - whether in person or by proxy - provided that he owns at least one share. Minors, wards of court and legal entities must be represented by their legal representatives. The documents of authorization need not be formal, notarized instruments, provided they are dated and have been signed by the issuing party.

Only those that appear as shareholders in the files of the Company’s securities depository body have the right to attend the General Meeting. In order for the shareholder capacity to be proven, a written certificate issued by the depository body shall be provided or this can electronically be verified, if the Company is electronically connected with the files of the depository body. The capacity of a shareholder shall exist at the beginning of the fifth day prior to the meeting and the aforementioned written certificate or the electronic verification must be provided to the Company at least three days prior to the meeting.

The other rights of the shareholders are set out in the Company’s articles of assocation and in Codified Law 2190/1920.

The Chairman of the Board, the Chief Executive Officer, the chairmen of each Board Committee, as well as the internal and external auditors of the Company are always available to answer shareholders’ questions.

4.5. Information regarding the composition and operating rules of the Board of Directors of the Company

A. Composition of the Board of Directors

The Board is responsible for dealing with the Company's affairs exclusively in the interests of the Company and its shareholders within the existing regulatory framework. The Board's key responsibilities are:

- Setting the Company's long-term goals.
- Making all strategic decisions.
- Making available all required resources for the achievement of the strategic goals of the Company.
- Appointing senior executive management.

The Board is appointed by the General Meeting of the Company and at the time of execution of this present consists of 9 members, 8 of which are non-executive and 4 of which are independent. The only executive member is the Chief Executive Officer. The members of the Board serve for a three (3) year term that can be prolonged until the Annual General Meeting to be held following the termination of their term. Their term shall in no case exceed four (4) years.

The experience of the members of the Board encompasses diverse professional backgrounds, representing a high level of business, international and financial knowledge contributing significantly to the successful operation of the Company. The Board is fully balanced as far as the number of independent and non-independent members is concerned.The independent, non-executive members contribute to the Board's decision-making with the provision of impartial opinions and resolutions , thus to ensure that the interests of the Company, the shareholders and the employees are protected, whereas the executive member is responsible for ensuring the implementation of the strategies and policies decided by the Board.

The table below lists the members of the Board, the dates of commencement and termination of office for each member, as well as the frequency of attendance of each member in the meetings held in 2016.

Title	Name	Executive / Non-Executive	Independance	Office Commencement	Office Termination	Board Member Attendance in 2016
Chairman	Haralambos (Harry) G. David	Non-Executive		26/5/2015	26/5/2018	14/15
Vice Chairman	Ioannis (John) Androutsopoulos	Non-Executive	Independent	26/5/2015	26/5/2018	15/15
Chief Executive Officer	Nikolaos Mamoulis	Executive		13/7/2015	26/5/2018	15/15
Member	Loucas Komis	Non-Executive		26/5/2015	26/5/2018	15/15
Member	George Leventis	Non-Executive		26/5/2015	26/5/2018	15/15
Member	Doros Constantinou	Non-Executive		26/5/2015	26/5/2018	15/15
Member	Evangelos Kaloussis	Non-Executive	Independent	26/5/2015	26/5/2018	15/15
Member	Vassilis Fourlis	Non-Executive	Independent	26/5/2015	26/5/2018	13/15
Member	Ioannis Kostopoulos	Non-Executive	Independent	11/3/2015	26/5/2018	15/15

According to the Company's Code of Business Conduct and Ethics the members of the Board must avoid any acts or omissions from which they they have, or may have, a direct or indirect interest and which conflict or may possibly conflict with the interests of the Company.

The members of the Board receive remuneration which is approved by the Company's General Meeting, in accordance with the specific provisions of the Articles of Association and the Law.

The remuneration of the members of the Board is presented in the annual financial statement **(see Note 20)**.

Responsibilities of the Chairman, Chief Executive Officer (CEO), Secretary of the Board and Company Secretary

1) The Chairman of the Board is responsible, *inter alia*:
- For the management of the Board, setting the items for discussion, taking into account the affairs of the Company and the items proposed by the other members, thus ensuring its efficient operation.
- For the prompt provision of accurate and clear information to the Board, in collaboration with the Chief Executive Officer (CEO) and the Secretary of the Board.
- For ensuring effective communication between the Board and the shareholders, forwarding the views of important investors to the Board and ensuring that such views are properly understood by the Board.

2) The Chief Executive Officer (CEO) is responsible, *inter alia*:
- For operating the day-to-day business of the Company, within the limits of his competences as laid down by the Board.
- For ensuring the accurate implementation of the strategic decisions and procedures within the Company, as laid down by the Board.
- For the management and day-to-day cooperation with the senior administration of the Company.
- For providing directions and guidelines to the management team, ultimately aimed at training and developing staff capable of filling management positions in future.

3) The Secretary of the Board is responsible, *inter alia*:
- For ensuring the participation of newly appointed members in the induction and training procedures that have been adopted.
- For overall supervision of the Company's compliance with any statutory and regulatory requirements.
- For overseeing the convention and holding of Annual General Meetings, according to the Company's Articles of Associaiton.

4) The Company Secretary:

The Company Secretary is responsible for ensuring a good flow of information between the Board and its committees, as well as between the senior administration and the Board. The Company Secretary ensures the effective organization of the General Meetings of the shareholders and the overall effective communication between the latter and the Board, always ensuring the compliance of the Board with the requirements of the law and the Articles of Association.

B. Board Members' CVs

Haralambos (Harry) G. David
Chairman (non-executive)
Mr. Haralambos (Harry) David was elected Chairman of the Board of Directors in November 2006. He has been a member of the Board of Directors since 1999.

He graduated from Providence College, USA, in 1987. His career began as a certified investment advisor with Credit Suisse in New York. He then served in several executive positions within Leventis Group Companies. Today he holds a position on the Boards of A.G. Leventis PLC (Nigeria), the Nigerian Bottling Company, Beta Glass PLC (Nigeria), Ideal Group, Quest Energy and Pikwik (Nigeria) Ltd (a newly formed joint venture with Pick n Pay, South Africa).

Mr. David is a member of the General Council of the Greek Industries Federation (ΣΕΒ), a member of the Organizing Committee of the Athens Classic Marathon and member of the TATE Modern's Africa Acquisitions Committee.

He has served on the boards of Alpha Finance, ΔΕΗ (Hellenic Public Power Corp) and Emporiki Bank (Credit Agricole).

Ioannis (John) K. Androutsopoulos
Vice Chairman (independent non-executive)
Mr. John Androutsopoulos was appointed to the Board of Directors in July 1996.

His long career in the bottling and manufacturing sectors has included positions as Technical Manager of the Hellenic Bottling Company (1969-1985), General Manager of the Industrial Division of the 3E Group of companies (1986-1994), Chairman of the Board of Directors of Frigorex (1995), member of the Board of Directors of 3E Group of Companies (1995) and Managing Director of Frigoglass Company (1996-2001). He holds a master's degree in Electrical Engineering from Aachen Polytechnic where he also completed additional studies in Economics.

Loucas D. Komis
Member (non-executive)
Mr. Loucas D. Komis was appointed to the Board of Directors in July 1996.

Currently, he is also Chairman of the Board of Ideal Group S.A. and of the Board of Hellenic Recovery & Recycling Corporation (HE.R.R.Co), as well as Vice-Chairman of the Federation of Hellenic Food Industries (ΣΕΒΤ). During his career he worked for nine years in top management positions in the appliance manufacturing sector (IZOLA S.A.) and inthe Coca-Cola Hellenic Bottling Company S.A. (CCHBC), where he also served as an Executive Board Member for several years and remains an Advisor to the Chairman until today.

He holds degrees from Athens University (BSc Physics), the University of Ottawa (MSc Electrical Engineering) and McMaster University, Ontario, Canada (MBA).

George Leventis
Member (non-executive)
Mr. George Leventis joined the Board of Frigoglass as a non-executive member in April 2014.

Mr. Leventis is a member of the executive committee of a family office and has previously worked in the fund management business as an equities analyst and more recently in private equity.

He graduated with a degree in Modern History from Oxford University and holds a postgraduate Law degree from City University. He is an Investment Management Certificate holder.

Doros Constantinou
Member (non-executive)
Mr. Doros Constantinou was appointed to the Board of Directors in October 2011.

Mr. Constantinou graduated from the University of Piraeus in 1974 and holds a degree in Business Administration. Mr. Constantinou started his career in auditing with PricewaterhouseCoopers, where he worked for ten years. In 1985, Mr. Constantinou joined Hellenic Bottling Company, where he held several senior financial positions. In 1996, he was appointed to the position of Chief Financial Officer and remained in that position until August 2000. He was a key member of the management team that led the merger of Hellenic Bottling Company and Coca-Cola Beverages. In 2001, Mr. Constantinou became Managing Director of Frigoglass until August 2003 when he moved to Coca-Cola Hellenic as Chief Executive Officer until his departure in July 2011. In October 2011, Mr. Constantinou was appointed Executive Director of Frigoglass until May 2012.

Nikos Mamoulis
Chief Executive Officer (executive)
Mr. Nicos Mamoulis joined Frigoglass as Chief Financial Officer in October 2013 and was appointed Chief Executive Officer of Frigoglass in July 2015.

He has more than twenty-five years of experience in senior financial positions within different business sectors and a wealth of knowledge in finance and international markets. Before joining Frigoglass, Mr Mamoulis worked for Coca-Cola Hellenic for twelve years with his last position being that of the Group Financial Controller. Previous to that he also held the Chief Financial Officer position in Lafarge Heracles Group and the Boutaris Group. Mr Mamoulis is a graduate of the Athens University of Economics and Business.

Evangelos Kaloussis
Member (independent non-executive)
Mr. Evangelos Kaloussis was appointed to the Board of Frigoglass in June 2006.

He is Chairman of the Federation of Hellenic Food Industries (ΣΕΒΤ) since 2006 and Chairman of Terra Creta SA. He is also member of the Board of the Federation of Food & Drink Industry of the European Union (FoodDrinkEurope) since June 2015. He is member of the Board of Directors of Alpha Bank, Food Bank and Vice-Chairman of the Foundation for Economic and Industrial Research (IOBE).

During his professional career he assumed several top management positions at the multinational Nestlé Headquarters in Switzerland, France, Nigeria and South Africa and in Greece as President of Nestle Hellas SA and responsible for SouthEast Europe. He holds a Master's Degree in Electrical Engineering from the Federal Institute of Technology in Lausanne (CH) and in Business Administration from the University of Lausanne as well as a graduate degree from IMD Business School in Switzerland.

Vassilis Fourlis
Member (independent non-executive)
Mr. Vassilis Fourlis was appointed to the Board of Directors in October 2002.

He was born in 1960 in Athens. He holds a Master's Degree in Economic Development and Regional Planning from the University of California/Berkeley and a Master's Degree in International Business from Boston University/Brussels.

He is the Chairman of Fourlis Holdings S.A. and also serves on the Board of Directors of House Market S.A. (IKEA). He is also a member of the Board of the Hellenic Federation of Enterprises (ΣΕΒ) and that of the Hellenic Corporate Governance Council. In 2004 he was awarded the «KOUROS Entrepreneurship Prize" by the President of the Hellenic Republic.

Ioannis Costopoulos
Member (independent non-executive)
Mr. Ioannis Costopoulos was appointed to the Board of Directors in March 2015.

Mr. Ioannis Costopoulos is currently working for the company Société d'Etudes Techniques et Economiques S.A. (SETE S.A.), in Geneva, Switzerland and more specifically, on investment strategy and energy projects.

From 2007 to May, 2015 he served as the Chief Executive Officer of HELLENIC PETROLEUM S.A. Group, a leading regional Group on supply, refining and marketing of mineral oils.

From 2007 to 2015, he has served from time to time as Chairman of the Board of EKO and Hellenic Fuels – subsidiaries of ELPE Group – and as a member of the Board of Elpedison SpA, subsidiary of the group in electricity production and trading, in joint venture with Edison SpA.

He was an executive Board member of the HELLENIC PETROLEUM from 2004 to 2007, in charge of the Group's business development and international operations. He has also been a Board member of the Hellenic Federation of Enterprises (ΣΕΒ) and the Foundation for Economic & Industrial Research (IOBE).

From 1992 he served in positions of senior management such as: CEO of Diageo – Metaxa (1992-1997), CEO of Johnson & Johnson Hellas S.A. and Regional Director of Johnson & Johnson Central and Eastern Europe (1998 – 2000) and CEO of Petrola Hellas S.A.I.C. (2001 – 2003).

From 1987 to 1992, he has served in senior positions of the international company of management consultant Booz Allen & Hamilton based in London, in the fields of strategy development and business restructuring.

He holds a BSc Honours in Economics from the University of Southampton, U.K. and an MBA from the University of Chicago, U.S.A.

He is also a Board member of Fourlis Holdings S.A., and of Austriacard AG, a company specializing in digital security and information management, based in Vienna.

C. Operation of the Board of Directors

The Board shall meet at the registered offices of the Company whenever so required by the law or the needs of the Company. The Board held fifteen (15) meetings in 2016.
The items on the agenda of the Board meetings are notified to its members beforehand, enabling all members who are unable to attend to comment on the items to be discussed.

The Board is in quorum and meets validly when half (1/2) of the directors plus one are present or represented, provided that no fewer than three (3) directors are present in person.

Decisions of the Board shall be duly taken by an absolute majority of the directors who are present (in person) and represented, except for occassions where the Articles of Association provide for an increased majority. In case of personal affairs the Board resolves with a secret vote by ballot. Each director has one vote, whereas when he represents an absent director, he has two (2) votes. Exceptionally, in the case of articles 10(3) and 9(2) of the Company's Articles of Association, the decisions of the Board shall be taken unanimously by the members who are present and represented.

The Board must evaluate at regular intervals the effectiveness of the performance of its duties, as well as that of its committees. This procedure is overseen by the Chairman of the Board and the chairman of the relevant committee, and where an improvement is necessary for any reason whatsoever, the taking of relevant measures shall directly be decided.

4.6. Information regarding the composition and operating rules of the other management, administrative or supervisory bodies or committees of the Company

A. Audit Committee

According to article 37 of Law 3693/2008 the Company has established and operates an Audit Committee ("the **Audit Committee"**) which is, *inter alia*, responsible for monitoring:

- the process for provision of financial information;
- the effective operation of the internal audit and risk management systems;
- the course of the mandatory audit of individual and consolidated financial statements;
- matters relating to the existence and safeguarding of the impartiality and independence of the legal auditor or audit office, particularly in relation to the provision to the Company of other services by the legal auditor or audit office.

The Audit Committee is also responsible for the submission of proposals to the Board regarding any change to the chart of authorities and the organizational chart of the Company.
The members of the Audit Committee have been appointed by the General Meeting of the Company as per the provisions of law 3693/2008 and are the following:

Chairman: John Androutsopoulos – Non-executive/ Independent
Member: Loucas Komis – Non-executive
Member: Doros Constantinou – Non-executive

The above members have substantial past experience in senior financial positions and other comparable experience in corporate activities.

Mr. Androutsopoulos fulfils the requirements provided by law regarding the requisite knowledge of accounting and auditing.
The Audit Committee shall meet whenever this is deemed necessary and in no circumstances less than four times a year. It must also hold at least two meetings attended by the Company's regular auditor, without the presence of the members of the administration.
The Audit Committee meets validly when at least two of its members are present, of whom one must be its Chairman. The Audit Committee held a total of five (5) meetings in 2016. The said meetings were scheduled in such a way so as to coincide with the publication of the Company's financial information.
The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2015 annual financial statements and the 2016 half-year financial information. In this respect the Audit Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure the adequacy, clarity and completeness of the financial

statements and the financial information, and the content of results announcements prior to their submission to the Board. The Audit Committee also considered reports from PwC on their annual audit of 2015 and their review of the 2016 half year Board of Directors report that forms part of the statutory reporting obligations of the Company.

Moreover, in 2016, the Audit Committee has:

- Reviewed the results of the audits undertaken by Internal Audit and considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made.
- Reviewed and approved the 2017 Internal Audit program, including the proposed audit approach, coverage and allocation of resources.
- Reviewed the effectiveness of Internal Audit, taking into account the views of the Board and senior management on matters such as independence, proficiency, resourcing, and audit strategy, planning and methodology.
- Reviewed regular reports on control issues of major level significance, as well as details of any remedial action being taken. It considered reports from Internal Audit and PwC on the Company's systems of internal control and reported to the Board on the results of its review.

B. Internal Audit Department

The main duties and obligations of the Internal Audit Department include:

- Monitoring the accurate implementation of and compliance with the Company's Articles of Association, Internal Regulation of Operation and directives, and in general any applicable legislation.
- Reporting cases of conflict of interests between members of the Board or managers and the interests of the Company.
- Submitting written reports to the Board at least once each quarter on any important findings of the internal audits it has conducted.
- Attending the General Meetings.
- Cooperating with state supervisory authorities and facilitating them in their work.

The internal auditor acts according to the International Standards for the Professional Practice of Internal Auditing and the policies and procedures of the Company and reports to the Audit Committee.

C. Human Resources and Remuneration Committee

The role of the human resources and remuneration committee ("the **Human Resources and Remuneration Committee**") is to establish the principles governing the Company's human resources policies which guide management's decision-making and actions.
More specifically, its duties are to:

- Oversee the management's succession planning policy
- Establish the principles governing the Company's Corporate Social Responsibility policy
- Establish the Compensation and Benefits Strategy
- Submit to the Board proposals for executive Board members remuneration

The Human Resources and Remuneration Committee, which is appointed by the Board, is comprised of the following 3 non-executive Board members:
Chairman: Loucas Komis – Non-executive
Member: Haralambos (Harry) G. David – Non-executive
Member: Evaggelos Kaloussis – Non-executive/ Independent

The Chief Executive Officer and HR Director shall normally attend all meetings of said Committee, except when discussions are conducted concerning matters affecting them personally.
The Human Resources and Remuneration Committee held 4 meetings in 2016.

D. Investment Committee

The duties of the investment commitee (“the **Investment Committee**“) are to recommend to the Board the Company’s strategy and business developmant initiatives, as well as to evaluate and suggest to the Board new proposals for investments and/or Company expansion according to the defined strategy of the Company.
Moreover, the Investment Committee is also responsible for evaluating and suggesting to the Board opportunities for business development and expansion through acquisitions and/ or strategic partnerships.
The Investment Committee, which is appointed by the Board, comprises 4 members, two of whom are non-executive, and is formed as follows:

Chairman: Haralambos (Harry) G. David – Non-executive
Member: Nikolaos Mamoulis – Executive
Member: Loucas Komis – Non-executive
Member: Fafalios Manolis – Executive

The Investment Committee held 2 meetings in 2016.

4.7. Communication with Shareholders

Frigoglass recognizes the importance of the effective and timely communication with shareholders and the wider investment community. The Company maintains an active website www.frigoglass.com which is open to the investment community and to its own shareholders; the site features this Code, as well as a description of the Company’s corporate governance, management structure, ownership status and all other information useful or necessary to shareholders and investors. Finally, Frigoglass also communicates with the investment community through its participation in a number of conferences and meetings held in Greece and abroad and the schedule of conference calls.

5) Main Risks and uncertainties

The financial statements have been prepared in accordance with the going concern basis of accounting. The use of this basis of accounting takes into consideration the Group's current and forecasted financing position.

During the year ended 31 December 2016, the Group reported losses after taxes amounting to €48,8 million mainly as a result of the deterioration of its operating results and the recognition of a loss in the amount of €22,3 million relating to non–recurring costs, as a result of the closure of the manufacturing operations in China and advisory fees for the ongoing capital structure review process. As at the year-end date the Liabilities of the Group exceed its Assets by € 95,8 million. The Group has cash and cash equivalents of €57m, of which an amount of €17,8m is subject to fund transfer restrictions in Nigeria. In addition, the equity position of the Company (also referred to herein as "SAIC") has become lower than the 1/10 of the share capital, and consequently the requirements of the local legislation (article 48 of the Companies Act 2190/1920) are applicable.

In May 2013, Frigoglass Finance B.V. issued €250m Senior Notes due on 15 May 2018 (the "Notes"), at a fixed coupon of 8.25% per annum and at an issue price of 100% to refinance existing Group facilities. In addition, the Group also entered into two bilateral revolving credit facilities (the "RCFs"), each in an amount of €25 million, and a three year maturity. The Notes and the RCFs are fully and unconditionally guaranteed on a senior unsecured basis by Frigoglass S.A.I.C. ("SAIC") (other than with respect to one of the RCFs), Frigoinvest Holdings B.V. (the direct parent company of the Issuer of the Notes) and by certain other subsidiaries of the Group (refer to Note 13). The Notes are subject to incurrence covenants while for the RCFs, the Group is required to comply with, among other things, debt service and leverage financial covenants. On 18 March 2014, the Group entered into an amendment to the RCFs to reset the financial covenants to new levels. On 31 March 2016, the lenders under the RCFs entered into an agreement with the Issuer pursuant to which they agreed to extend the maturity of the RCFs up to 31 March 2017 and to waive all breaches and to make certain other amendments to the terms of the RCFs, subject to certain conditions being met (including the provision of the Term Loan Facility by the Company's largest shareholder, Boval SA ("Boval")) also up to 31 March 2017. In connection with the amendment and extension of the RCFs, Frigoglass agreed to repay and cancel €12 million of indebtedness outstanding under each RCF by 31 December 2016.

In accordance with relevant IFRS pronouncements, the Notes were re-classified as current liabilities as of 31 December 2016 on the basis that the payment and covenant obligations under the RCFs have triggered an event of default under the Notes due to the fact that the waivers obtained as at the balance sheet dates did not cover a period of 12 months after the year end date. The impact of this reclassification is that the Group's current liabilities exceed its current assets by €241m and therefore may result in a working capital shortfall should the below described debt restructuring plan not be completed timely.

On 31 March 2016, the Group's major shareholder committed to provide the Group with a €30 million term loan facility (the "Term Loan Facility") maturing also on 31 March 2017, on terms substantially similar to the RCFs and subject to shareholder approval at the AGM. The shareholders approved the Term Loan Facility at the AGM which was convened on 22 April 2016. An amount of €20m was drawn in May 2016 and an additional amount of €10m was drawn in July 2016.

Further to the above the Group early in 2016 engaged several advisers and began a comprehensive review of its business and financing arrangements in order to optimize the capital structure of the Group and to ensure that an adequate level of financial liquidity is achieved and maintained.

On 12 April 2017 the Group entered into a legally binding agreement (the "Lock up Agreement") on the key terms of the restructuring of its indebteness (the "Restructuring"), with its key stakeholders, including its largest shareholder, Boval, an ad-hoc committee representing approximately 39% of the holders of the Notes, and Frigoglass' core lending banks CITIBANK, HSBC, Alpha Bank and Eurobank (the "Core banks").

The key transaction highlights are:

(1) Frigoglass's main shareholder, Boval, is contributing a total of €60 million in equity to the transaction, of which €30 million in new cash and €30 million through full equitisation of the Boval Term Loan Facility. Boval's €60 million equity contribution will be undertaken as part of a pre-emptive rights issue, in which existing shareholders will be offered the opportunity to subscribe to new shares of the Company. Following the implementation of the Restructuring, Boval is expected to remain the Company's largest shareholder.

(2) €40 million will be provided in the form of new first lien secured funding by the Core Banks and the holders of the Notes who elect to participate in this new first lien senior secured funding. All noteholders and the Core Banks have the option to participate in the first lien new money debt pro-rata to their holdings of existing debt to the aggregate of existing debt. The Core Banks and the Ad-Hoc Committee have agreed to participate in such new first lien secured funding, *pro rata* to their exposure (approximately 32%) to the Group, on 20 March 2017 and have agreed to underwrite the full amount of the new first lien secured funding on behalf of noteholders that do not elect to participate. All noteholders and the Core Banks are also entitled to exchange for each Euro 1.000 of first lien new money debt, Euro 2.000 of principal amount of existing debt with an equivalent amount of new first lien debt (Roll up).

(3) Remaining Existing notes (after giving effect to the Roll up, if any) to be exchanged for 50% in Second Lien Notes and for Shares in the Company.

Remaining existing facilities (after giving effect to Roll up, if any) to be exchanged for 82,5% in Second Lien facilities and for 17.5% in parent shares. The repayment or equitisation of Senior Notes and Core Bank debt will reflect a €45 million discount to be allocated on a pro rata basis.

For more details in relation to the terms of the First lien New Money and Second Lien notes and facilities refer to note 13.

Following the restructuring the group will achieve the following (in nominal values):

Significant Deleveraging: Following the implementation of the Restructuring, the Group's outstanding gross indebtedness will be reduced by €136 – 142 million (prior to the incurrence of the €40 million new first lien secured funding). The Restructuring will result in the equitisation of 100% of the €30 million under the Boval Term Loan Facility and, depending on the participation of existing shareholders in a pre-emptive rights issue and the participation of Noteholders in the new first lien secured funding, the repayment (from the rights issue proceeds) or equitisation of up to 42% (€105 million) of the €250 million outstanding principal amount of Senior Notes and up to 13% (€11 million) of the €82 million bank debt provided by the Core Banks.

Improved Liquidity: The Group will benefit from €70 million of additional liquidity to fund its business needs, as well as Restructuring-related expenses. €30 million in new cash will be contributed by Boval as equity through the rights issue and €40 million will be provided in the form of new first lien secured funding by the Core Banks and the holders of the Senior Notes (the "Noteholders") who elect to participate in this new first lien senior secured funding.

Reduced Interest Cost: Significant reduction of its annual interest cost to approximately €13 million (excluding any interest on the new first lien secured funding) through reduction of indebtedness and lower interest cost on the Group's remaining indebtedness. Subject to completion of the Restructuring, interest on the Senior Notes, the Core Banks' facilities and the Boval Term Loan Facility will accrue as if the Restructuring had been completed as from March 15, 2017 and any accrued interest will be paid in cash on closing. No cash interest payments will be made until closing.

Significant Extension of Maturity Profile: The maturity profiles of almost all of the Group's indebtedness will be extended and committed for around 5 years.

The Group intends to implement the transaction through a UK Scheme of Arrangement ("UK Scheme") with respect to the Notes. In addition, Frigoglass Finance B.V. will solicit consents from the Noteholders to facilitate the implementation of the Restructuring through the UK Scheme. The Company will contact the relevant stakeholders with respect to the next steps and instructions for required approvals and consents in due course. The Restructuring is expected to

close by the end of July 2017. A total consent fee of 60bps will be payable on closing of the Restructuring to creditors who consent within applicable time periods.

The Restructuring transactions are inter-conditional and remain subject to certain conditions, including, but not limited to:

- the approvals of the requisite majorities of outstanding Senior Notes;
- approval of the relevant courts for the UK Scheme; and
- approval of the General Meeting of the Company and Greek authorities with respect to the issuance of the new shares.

If the restructuring process as described above is not completed by the end of July 2017, the Group is likely to default on its obligations and the board of the Company and/or other Group companies may be required to initiate insolvency protection proceedings for the Company or such other Group companies as may be relevant. In addition, restrictive covenants in the Group's indebtedness obligations resulting from the restructuring process may have the impact of limiting the Group's operations and financial flexibility and adversely impact the Group's future performance, financial results and financial condition. Furthermore adverse publicity relating to the restructuring process or the financial condition of the Group may adversely affect the Group's client and supplier relationships and/or the market perception of the Group's business.

The Directors recognize that the combination of the circumstances described above represents a material uncertainty which raises significant doubt about the ability of the Group to continue as a going concern in the foreseeable future. Nonetheless, on the basis that the above initiatives are successfully completed as outlined above, the Group’s financial footing and ability to continue in operation will be significantly strengthened.

Thus, the Directors have a reasonable expectation that the Group will be able to successfully navigate the present uncertainties it faces and continue in operation.
Accordingly, the financial statements have been prepared on a going concern basis.

The Group’s financial forecasts and projections, assuming that the restructuring plan is implemented as described above, for the next 12 months indicate that the Group will be able to meet its obligations as they fall due, however, this assessment is subject to a number of downside risks as described in the "Main Risks and Uncertainties” section of the Directors’ Report and in note 3 to the Group’s financial statements, particularly if such downside risks were to materialize in combination.

The macroeconomic and financial environment in Greece remains fragile.
The continued instability of the Greek banking sector, the continuation of capital. controls restricting the movement of funds out of Greece and the ongoing need for austerity measures may further impact consumers' disposable which may adversely affect the Group's operations in Greece. Our 2016 revenues for Greece amounted to 2,9% of consolidated net sales revenues and our 2016 non-current assets for the territory amounted to 7,7% of the consolidated non-current assets. We are continuously monitoring developments in Greece. As at 31 December 2016, cash and cash equivalents of € 1,1 million were subject to capital controls.

Furthermore, in mid-June 2016 the Naira was devalued against the euro, resulting in foreign currency losses of Euro 47.6 which was recognized within other comprehensive income. In spite of the devaluation, as a result of further pressures in the economy, the official naira rate may not be reflecting the supply and demand rate for the currency, which may result in further volatility in the local currency.

We are continuously monitoring and assessing the situation and we are taking timely actions to secure the smooth operation of our business in this challenging environment and to minimize any adverse impact of a potential currency devaluation on the Group's performance.

Economic conditions may affect consumer demand for beverages and, consequently, this may affect our customers and so reduce the demand for our products.

Changes in general economic conditions directly impact consumer confidence and consumer spending, as well as the general business climate and levels of business investment, all of which may directly affect our customers and their demand for our products. Concerns over geopolitical issues, and the availability and cost of financing have contributed to increased volatility and diminished expectations for the economy and global markets going forward. These factors, combined with declining global business, consumer confidence, and rising unemployment, have precipitated an economic slowdown. Continued weakness in consumer confidence and declining income and asset values in many areas, as well as other adverse factors related to the current weak global economic conditions have resulted, and may continue to result, in reduced spending on our customers' products and, thereby, reduced or postponed demand for our products. Despite the fact that our ICMs generate sales growth for our customers, ICMs constitute capital expenditure, and in periods of economic slowdown, our customers may reduce their capital expenditure, including ICM purchases, in their effort to reduce costs. Generalized or localized downturns in our key geographical areas could also have a material adverse effect on the performance of our business.

We are dependent on a small number of significant customers.

We derive a significant amount of our revenues from a small number of large multinational customers each year.

For 2016 our five largest customers accounted for approximately 57% of our net sales revenue in the ICM Operations and approximately 60% of our net sales revenue in the Glass Operations.

For 2015, our five largest customers accounted for approximately 52% and 64% of our net sales revenue in our ICM Operations and Glass Operations, respectively. The loss of any large customer, a decline in the volume of sales to these customers or the deterioration of their financial condition could adversely affect our business, results of operations, financial condition and cash flows. In addition, certain of our sales agreements with our customers are renewed on an annual basis. We cannot assure you that we will successfully be able to renew such agreements on a timely basis, or on terms reasonably acceptable to us or at all. Failure to renew or extend our sales agreements with our customers, for any reason, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are unable to implement our planned improvements successfully and achieve operational efficiencies, our growth and profitability could be harmed.

As part of our business strategy, we consistently seek to control costs, improve our efficiency and cash flows while maintaining and improving the quality of our

products. We are currently implementing several efficiency improvement programs aimed at further enhancing our long term profitability and cash flow generation. These programs include (i) reducing costs by simplifying our product portfolio, (ii) reducing inventory levels, (iii) implementing lean manufacturing processes while reinforcing product quality and (iv) generating value from our recent strategic investments. If the implementation of these programs is not successful and the targeted cost savings and other improvements cannot be realized, our results of operations could be adversely affected. Even if we achieve the expected benefits, they may not be achieved within the anticipated time frame. The cost savings and inventory reductions anticipated are based on estimates and assumptions that are inherently uncertain, although considered reasonable by us, and may be subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond our control.

Our profitability could be affected by the availability and cost of raw materials.

The raw materials that we use or that are contained in the components and materials that we use have historically been available in adequate supply from multiple suppliers. For certain raw materials, however, there may be temporary shortages due to production delays, transportation or other factors. In such an event, no assurance can be given that we would be able to secure our raw materials from sources other than our current suppliers on terms as favourable as our current terms. Any such shortages, as well as material increases in the cost of any of the principal raw materials that we use, including the cost to transport materials to our production facilities, could have a material adverse effect on our business, financial condition and results of operations. The primary raw materials relevant to our ICM Operations are steel, copper, plastics and aluminium which accounted for approximately 18%, 6%, 7% and 4% of our total costs of raw materials, respectively, for the year ended 31 December 2016.

We generally purchase steel under one-year contracts with prices that are fixed in advance, although in some cases, the contracts may provide for interim indexation adjustments. However, from time to time, we may also purchase steel under multi-year contracts or purchase larger volumes to stock at our warehouses or with our suppliers in order to take advantage of favourable fluctuations in steel prices. When such multi-year contracts are renewed, our steel costs under such contracts will be subject to prevailing global/regional steel prices at the time of renewal, which may be different from historical prices. While we do not generally purchase copper and aluminium directly as raw materials for our products, copper and aluminium are contained in certain components and other materials that we use in our ICM Operations, the prices of which are directly or indirectly related to the prices of copper and aluminium on the London Metal Exchange, which has historically been subject to significant price volatility.

To better manage our exposures to commodity price fluctuations, we hedge some of our commodity exposures to copper and aluminium through commodities derivative

financial instruments. To the extent that our hedging is not successful in fixing commodity prices that are favourable in comparison to market prices at the time of purchase, we would experience a negative impact on our profit margins compared to the margins we would have realized if these price commitments were not in place, which may adversely affect our results of operations, financial condition and cash flows in future periods.

Our Glass Operations also require significant amounts of raw materials, particularly soda ash (natural or synthetic), cullet (recycled glass), glass sand and limestone, which respectively accounted for approximately 29%, 9%, 5%, and 2% of our total costs of raw materials for the year-end. Any significant increase in the price of the raw materials we use to manufacture glass could have a material negative impact on our business, financial condition and results of operations.

Increases in the cost of energy could affect the profitability of our Glass Operations.

The manufacturing process of our Glass Operations depends on the constant operation of our furnaces due to the long time required for the furnaces to reach the right temperature to melt glass. Consequently, our glass manufacturing plants in Nigeria and UAE (Jebel Ali) depend on a continuous power supply and require a significant amount of electricity, natural gas, fuel oil and other energy sources to operate. Substantial increases in the price of natural gas and other energy sources could have a material adverse impact on our results of operation or financial condition.

Although we are generally able to pass on increased energy costs to our customers through price increases, increased energy costs that cannot be passed on to our customers through price increases impact our operating costs and could have a material adverse impact on our results of operations, financial condition and cash flows. In particular, since our contracts with customers are typically negotiated on an annual basis, we may be prevented from passing on increased costs to customers during the time lag between changes in prices under our contracts with our energy providers and changes in prices under our contracts with our customers.

We face intense competition in many of the markets in which we operate.

Our ICM Operations are subject to intense competition from regional competitors in specific markets. We generally compete based on product design, quality of products, product support services, product features, maintenance costs and price. Competition in the ICM market varies in intensity and nature depending on geographical region. Increased levels of competition result in pricing pressures, which can have an adverse impact on our margins and in turn may adversely impact our results of operations, financial condition and cash flows in future periods. In addition to competing with other large, well-established manufacturers in the glass container industry, we also compete with manufacturers of other forms of rigid

packaging, principally plastic containers and aluminium cans, on the basis of quality, price, service and consumer preference. We also compete with manufacturers of non-rigid packaging alternatives, including flexible pouches and aseptic cartons. We believe that the use of glass containers for alcoholic and non-alcoholic beverages in emerging markets is primarily subject to costs.

Large customers have substantial leverage over suppliers and exert downward pressure on prices.

Several large international sellers, including certain of our customers, account for a significant share of the beverage market. The main end-product producers in these markets outweigh the size of their bottling and ICM suppliers, including us. The price competition encouraged by customers has reduced margins and strained financial results in the industry, despite increases in productivity. There can be no assurance that we will not be pressured in the future by our customers to accept further cuts in prices, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with developing new products and technologies, which could lead to delays in new product launches and involve substantial costs.

We aim to improve the performance, usefulness, design and other physical attributes of our existing products, as well as to develop new products to meet our customers' needs. To remain competitive, we must develop new and innovative products on an ongoing basis. We invest in the research and development of new products, including environmentally friendly and energy-efficient ICM platforms and lightweight glass bottles. As a result, our business is subject to risks associated with developing new products and technologies, including unexpected technical problems. Any of these factors could result in the delay or abandonment of the development of a new technology or product. We cannot guarantee that we will be able to implement new technologies, or that we will be able to launch new products successfully. Our failure to develop successful new products may impact our relationships with our customers and cause existing as well as potential customers to choose to purchase used equipment or competitors' products, rather than invest in new products manufactured by us, which could have a material adverse effect on our business, financial condition and results of operations.

Disruptions to our supply or distribution infrastructure could adversely affect our business.

We depend on effective supply and distribution networks to obtain necessary inputs for our production processes and to deliver our products to our customers. Damage or disruption to such supply or distribution capabilities due to weather, natural disaster, fire, loss of water or power supply, terrorism, political instability, military conflict, pandemics, strikes, the financial and/or operational instability of key suppliers, distributors, warehousing and transportation providers or brokers, or

other reasons, could impair our ability to manufacture or sell our products. Although the risk of such disruptions is particularly acute in our operations in Africa, MENA and Asia, where distribution infrastructure may be relatively undeveloped, our operations in Europe and North America are also subject to such risks.

We face various political, economic, legal, regulatory and other risks and uncertainties associated with conducting business in multiple countries.

With operations worldwide, including in emerging markets, our business and results of operations are subject to various risks inherent in international operations over which we have no control. These risks include:

- the instability of foreign economies and governments, which can cause investment in capital projects by our potential clients to be withdrawn or delayed, reducing or eliminating the viability of some markets for our services;
- risks of war, uprisings, riots, terrorism and civil disturbance, which can make it unsafe to continue operations, adversely affect both budgets and schedules and expose us to losses;
- the risk of piracy, which may result in the delay or termination of customer contracts in affected areas; the seizure, expropriation, nationalization or detention of assets or the renegotiation or nullification of existing contracts;
- foreign exchange restrictions, import/export quotas, sanctions and other laws and policies affecting taxation, trade and investment;
- restrictions on currency repatriation or the imposition of new laws or regulations that preclude or restrict the conversion and free flow of currencies;
- unfavourable changes in tax or other laws, including the imposition of new laws or regulations that restrict our operations or increase our cost of operations;
- disruption or delay of licensing or leasing activities;
- work stoppages and sudden or unexpected increases in wages; and
- the availability of suitable personnel and equipment, which can be affected by government policy, or changes in policy, which limits the importation of qualified crew members or specialized equipment in areas where local resources are insufficient.

We are exposed to these risks in all of our operations to some degree, and such exposure could be material to our financial condition and results of operations particularly in emerging markets where the political and legal environment is less stable.

We are subject to extensive applicable governmental regulations, including environmental and licensing regulation, and to increasing pressure to adhere to internationally recognized standards of social and environmental responsibility, which are likely to result in an increase in our costs and liabilities.

Our operations and properties, as well as our products, are subject to extensive international, EU, U.S., national, provincial and local laws, regulations and standards relating to environmental, health and safety protection. These laws, regulations and standards govern, among other things: emissions of air pollutants and greenhouses gases; water supply and use; water discharges; waste management and disposal; noise pollution; natural resources; product safety; workplace health and safety; the generation, storage, handling, treatment and disposal of regulated materials; asbestos management; and the remediation of contaminated land, water and buildings. Furthermore, we may be required by relevant governmental authorities to maintain certain licenses or permits in the jurisdiction in which we operate.

We operate in numerous countries where environmental, health and safety laws, regulations and standards and their enforcement are still developing. We expect environmental, health and safety laws and enforcement in both developing and developed countries to become more stringent over time, and we therefore expect our costs to comply with these laws to increase substantially in the future. Increasingly, our stakeholders and the communities in which we operate also expect us to apply stringent, internationally recognized environmental, health and safety benchmarks to our operations in countries with less developed laws and regulations, which could result in significant new obligations and costs for us. A potential failure to manage relationships with local communities, governments and non-governmental organizations may harm our reputation, as well as our ability to bring projects into production, which could, in turn materially adversely affect our revenues, results of operations and cash flows. In addition, our costs and management time required to comply with standards of social responsibility and sustainability are expected to increase over time.

Fluctuations in foreign currency exchange rates may affect our results of operations.

We operate internationally and generate a significant percentage of our revenue in currencies other than the euro, our reporting currency. As a result, our financial position and results of operations are subject to currency translation risks. We also face transactional currency exchange rate risks if sales generated in one foreign currency are accompanied by costs in another currency.

Net currency exposure from sales denominated in non-euro currencies arises to the extent that we do not incur corresponding expenses in the same foreign currencies. Significant fluctuations in exchange rates, particularly in the U.S. dollar, the Nigerian naira, the South African rand, the Indian rupee, the Norwegian krone, the Russian ruble, the Romanian leu and the Chinese yuan against the euro may have an adverse impact on our financial performance.

Our subsidiaries with functional currencies other than the euro use natural hedging to limit their exposure to foreign currency risk. Natural currency hedging can be achieved by matching, to the possible maximum extent, revenue and expense cash flows in the same currency in order to limit the impact of currency exchange rate movements. When natural hedging cannot be achieved, we make use of derivatives, mainly in the form of forward foreign currency exchange contracts.

We are exposed to various operational risks.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes, among other things, losses that are caused by a lack of controls within internal procedures; violation of internal policies by employees; the disruption or malfunction of IT systems, computer networks and telecommunications systems; mechanical or equipment failures; human error; natural disasters; catastrophic events; or malicious acts by third parties. We are generally exposed to risks related to information technology, since unauthorized access to or misuse of data processed on our IT systems, human errors associated therewith or technological failures of any kind could disrupt our operations, including the manufacturing, design and engineering process. Like any other business with complex manufacturing, research, procurement, sales and marketing, financing and service operations, we are exposed to a variety of operational risks and, if the protection measures put in place prove insufficient, our results of operations and financial conditions could be materially affected.
We are also exposed to the risk of catastrophic events, such as severe weather conditions, floods, natural disasters caused by significant climate changes, fires, earthquakes, pandemics or epidemics, or terrorist and war activities in any of the jurisdictions in which we operate, but especially in emerging markets and geographical areas with less established infrastructure, such as certain areas in South East Asia. Such events may have a negative effect not only on manufacturing capacity in the affected area, but also on retailers, particularly for retailers who sell non-essential goods. The occurrence of such an event could adversely affect our business and operating results. We cannot accurately predict the extent to which such events may affect us, directly or indirectly, in the future. We also cannot assure you that we will be able to obtain or choose to purchase any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts. If there is a prolonged disruption at our properties due to natural disasters, severe weather conditions, terrorist attacks or other catastrophic events, our results of operations and financial condition could be materially adversely affected.

We are subject to risks associated with our ability to effectively integrate acquired companies, generate value through the turnaround of our recent strategic investments and manage growth.

Our growth has placed, and will continue to place, significant demands on our management and operational and financial resources. We have made a number of significant acquisitions since 1996. Future acquisitions will require further integration of the acquired companies' sales and marketing, distribution, manufacturing, engineering, purchasing, finance and administrative organizations. We cannot assure you that we will be able to integrate our recent acquisitions or any future

acquisitions successfully, that the acquired companies will operate profitably or that the intended beneficial effect from such acquisitions will be realized.

Increased or unexpected product warranty claims could adversely affect us.

We offer our ICM customers the option of a warranty or a limited supply of free spare parts with each sale. If a product fails to comply with the warranty, we may be obligated, at our expense, to correct any defect by repairing or replacing the defective product. From time to time, we may also experience voluntary or court ordered product recalls. We dedicate considerable resources in connection with product recalls, which typically include the cost of replacing parts and the labor required to remove and replace any defective part.

We are exposed to the impact of exchange controls, which may adversely affect our profitability or our ability to repatriate profits.

In countries where the local currency is, or may become, convertible or transferable only within prescribed limits or for specified purposes, it may be necessary for us to comply with exchange control formalities and to ensure that all relevant permits are obtained before we can repatriate the profits of our subsidiaries in these countries.

The governments of emerging markets have exercised, and continue to exercise, significant influence over the economy of those countries. This influence, as well as the political and economic conditions in those countries, may adversely affect us.

The governments of certain of the emerging markets where we operate, including Nigeria, Russia and Romania, have historically intervened in their economies and have occasionally made significant changes in their policies and regulations. Government actions to control inflation in these countries, as well as other policies and regulations, have frequently resulted in increases in interest rates, the application of exchange controls, changes in tax policies, price controls, currency devaluation, capital controls and limitations on imports, among other measures. We may be adversely affected by changes in policies or regulations by the governments in those countries in which we operate that involve or affect certain factors, such as the following: interest rates; monetary policies; foreign exchange controls and restrictions on remittances abroad; variations in foreign exchange rates; inflation and deflation; social instability; price fluctuations; crime and the lack of law enforcement; political instability; the liquidity of domestic financial and capital markets; the impact of the environmental legislation; trade barriers and foreign trade restrictions; tax and social security policies; and other political, social and economic developments that might occur in or affect emerging markets. Such factors could affect our results by causing interruptions to operations, by increasing the costs of operating in those countries or by limiting the ability to repatriate profits from those countries. Financial risks of operating in emerging and developing countries also include risks of liquidity, inflation, devaluation, price volatility,

currency convertibility and transferability, country default and austerity measures resulting from significant deficits as well as other factors.

Adverse global market conditions may impact financing availability.

Continued disruptions, uncertainty or volatility in capital and credit markets may limit our access to additional capital that is required to operate our business. Such market conditions may limit our ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow our business. The more limited availability of credit may also have a negative impact on our financial condition, particularly on the purchasing ability of some of our customers, and may also result in requests for extended payment terms, and result in credit losses, insolvencies and diminished sales channels available to us. Our suppliers may have difficulties obtaining necessary credit, which could jeopardize their ability to provide timely deliveries of raw materials and other essentials to us. The current credit environment may also lead to certain of our local suppliers requesting credit support or otherwise reducing credit, which may have a negative effect on our cash flows and working capital.

Organized strikes or work stoppages by unionized employees may have a material adverse effect on our business.

Many of our operating companies apply collective bargaining agreements which are controlled by various unions. Part of our total number of employees is unionized and operates under collective bargaining agreements. Upon the expiration of any collective bargaining agreement, our operating companies' inability to negotiate acceptable contracts with trade unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. We have had no work stoppages as a result of conflicts with our workforce or unions.

Our insurance policies may not cover, or fully cover, us against natural disasters, certain business interruptions, global conflicts or the inherent hazards of our operations and products.

Through a number of international and local insurers, we have insurance policies relating to certain operating risks, including certain property damage (including certain aspects of business interruption for certain sites), public and product liability, cargo in transit insurance (for certain companies), rolling stock and vehicles insurance (in certain locations), and directors' and officers' liability. While we believe that the types and amounts of insurance coverage we currently maintain are in line with customary practice in our industry and are adequate for the conduct of our business, our insurance does not cover all potential risks associated with our business or for which we may otherwise be liable.

We depend on our key personnel and the loss of this personnel could have an adverse effect on our business.

Our success depends to a large extent upon the continued services of our key executives, managers and skilled personnel. We cannot be sure that we will be able to retain our key officers and employees. We could be seriously harmed by the loss of key personnel if it were to occur in the future.

Our business may be adversely affected by economic and political conditions in Greece & Nigeria.

The macroeconomic and financial environment in Greece remains fragile.
The continued instability of the Greek banking sector, the continuation of capital. controls restricting the movement of funds out of Greece and the ongoing need for austerity measures may further impact consumers' disposable which may adversely affect the Group's operations in Greece. Our 2016 revenues for Greece amounted to 2,9% of consolidated net sales revenues and our 2016 non-current assets for the territory amounted to 7,7% of the consolidated non-current assets. We are continuously monitoring developments in Greece. As at 31 December 2016, cash and cash equivalents of € 1,1 million were subject to capital controls.

Furthermore, in mid-June 2016 the Naira was devalued against the euro, resulting in foreign currency losses of Euro 47.6 which was recognized within other comprehensive income. In spite of the devaluation, as a result of further pressures in the economy, the official naira rate may not be reflecting the supply and demand rate for the currency, which may result in further volatility in the local currency.

We are continuously monitoring and assessing the situation and we are taking timely actions to secure the smooth operation of our business in this challenging environment and to minimize any adverse impact of a potential currency devaluation on the Group's performance.

6) Events after balance sheet date and other information

On 12.04.2017 Frigoglass S.A.I.C. ("Frigoglass" or the "Company" and, together with its consolidated subsidiaries, the "Group") has entered into a legally binding agreement (the "Lock-Up Agreement") on the key terms of a restructuring of its indebtedness (the "Restructuring") with an ad-hoc committee (the "Ad-Hoc Committee") representing holders of approximately 39% of the 8.25% Senior Notes due 2018 (the "Senior Notes") issued by the Company's subsidiary Frigoglass Finance B.V., Frigoglass's core lending banks (Citibank, HSBC, Alpha Bank and Eurobank (collectively, the "Core Banks")) and its major shareholder, Boval S.A. ("Boval"). The Restructuring takes into account the interests of all stakeholders and is expected to provide the Group with a significantly strengthened capital structure to allow it to retain its market position in the currently challenging market environment.
The Lock-Up Agreement includes standard transfer restrictions in relation to exposures as at the date of previous announcements (during 2017) and standard automatic and voluntary termination provisions for transactions of this nature (including, without limitation, failure to comply with certain milestones in connection with the Restructuring or the occurrence of a material adverse change in relation to the Group).

The key transaction highlights relate to significant deleveraging, improved liquidity, reduced interest cost, significant extension of maturity profile.

The Restructuring transactions are inter-conditional and remain subject to certain conditions, including, but not limited to the approvals of: the requisite majorities of outstanding Senior Notes, approval of the relevant courts for the UK Scheme and approval of the General Meeting of the Company and Greek authorities with respect to the issuance of the new shares.

There are no other post-balance events which are likely to affect the financial statements or the operations of the Group and the Parent company apart from the ones mentioned above.

7) Important Transactions with Related Parties

Related Party Transactions:

The most important transactions of the Company with parties related to it, in the sense used in International Accounting Standard 24 are the transactions which are listed in the following table:

Related Parties Transactions:

in € 000's — **31.12.2016**

Consolidated			
	Sales of Goods	126.285	Coca-Cola HBC AG Group
	Purchases of Goods & Services	362	Coca-Cola HBC AG Group
	Receivables	20.117	Coca-Cola HBC AG Group
	Balance of Loan	30.000	Boval S.A.
	Loan Interest	1.211	Boval S.A.

Parent Company	Sales of Goods & Services	Purchases of Goods & Services	Receivables	Payables	Loans Payable	Management Fees Income
Frigoglass South Africa Ltd	62	67	9.318	34	-	1.526
Frigoglass (Guangzhou) I.C.E. Co.	17	48	3.638	25	-	853
Frigoglass Turkey S. S. D. Ticaret AS	7	38	5	7	-	-
Frigoglass North America Ltd. Co	8	-	8	-	-	-
Frigoglass Indonesia PT	926	865	6.329	507	-	1.741
Frigoglass East Africa Ltd.	2	4	2	-	-	-
Frigoglass Romania SRL	752	9.882	4.418	13.783	-	3.705
Frigoglass Eurasia LLC	179	1.141	1.340	1.448	-	5.780
Frigoglass India PVT.Ltd.	55	1.640	4.053	675	-	1.086
Scandinavian Appliances A.S	4.800	1	(152)	12	-	-
3P Frigoglass Romania SRL	8	54	43	31	-	50
Frigoglass Jebel Ali FZE	-	53	47	54	-	-
Frigoglass MENA FZE	340	204	-	-	-	-
Frigoglass Cyprus Limited	11	42	12	42	1.176	-
Frigoglass Global Ltd.	-	-	843	-	-	1.550
Frigoglass West Africa Ltd.	104	-	158	15	-	-
Frigoglass GmbH	-	-	-	3	-	-
Frigoglass Nordic	4	-	4	23	-	-
Frigoglass Industries (Nig.) Ltd	-	5	-	5	-	-
Frigoglass Finance B.V.	-	652	-	-	-	-
Frigoinvest Holdings B.V.	-	-	-	-	90.383	-
Total	**7.275**	**14.696**	**30.066**	**16.664**	**91.559**	**16.291**
Coca-Cola HBC AG Group	14.788	116	655	-	-	-
Grand Total	**22.063**	**14.812**	**30.721**	**16.664**	**91.559**	**16.291**

	Consolidated	Parent Company
	31.12.2016	
Fees of member of Board of Directors	170	170
Management compensation	2.851	2.329

8) Research and Development

Frigoglass operates Research and Development (R&D) centers and are located in Greece, Romani and India.
The Research and Development (R&D) centers located in Romania and India work exclusively for the Group R&D center located in Greece

The main objectives of the R&D function are to develop innovative, pioneering cooler solutions for our customers. R&D focuses on developing products along our guiding principles of standardization and simplification, environmentally friendliness and increased differentiation.

9) Explanatory report of the BoD regarding the items of article 4 para. 7 & 8 of Law 3556/2007

A. Structure of the Company's share capital

The Company's share capital amounts to **Euro 15.178.149,60 Euro**, divided among **50.593.832 shares** with a nominal value **of Euro 0,30 each**.
All the shares are registered and listed for trading in the Securities Market of the Athens Exchange.
Each ordinary share entitles the owner to one vote and carries all the rights and obligations set out in law and in the Articles of Association of the Company.
The liability of the shareholders is limited to the nominal value of the shares they hold.

B. Limits on transfer of Company shares

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

C. Significant direct or indirect holdings in the sense of Presidential Decree 51/1992

On 31.12.2016 the following shareholders held more than 5% of the total voting rights of the Company:

- Truad Verwaltungs A.G. 44.41%
- Wellington Management Company LLP 5.18%

D. Shares conferring special control rights
None of the Company shares carry any special rights of control.

E. Limitations on voting rights
The Articles of Association make no provision for any limitations on voting rights.

F. Agreements among Company shareholders
The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements.

G. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/20
The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

H. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the Company, pursuant to article 16 of Codified Law 2190/20

According to the provisions of article 13, par. 4-1subpar. b’ and c; of the Codified Law 2190/1920, the General Meeting by its own decision, which is subject to the disclosure formalities of the art. 7b. of the Codified Law 2190/1920, may authorize the Board of Directors to increase the share capital by its own decision.

Also, according to the provisions of article 13, par. 13 of Codified Law 2190/1920, by a resolution of the General Meeting passed under an increased quorum and majority in accordance with the provisions of paragraphs 3 and 4 of article 29 and of par. 2 of article 31 of Codified Law 2190/1920, a programme can be established for the offer of shares to the Directors and to company personnel, as well as to personnel of affiliated companies, in the form of stock options, according to the more specific terms of such resolution, a summary of which is subject to the publicity formalities of article 7b of Codified Law 2190/1920. The par value of the shares offered may not exceed, in total, one tenth (1/10) of the paid-up capital on the date of the resolution of the General Meeting. The Board of Directors issues a decision regarding every other related detail which is not otherwise regulated by the General Meeting and, depending on the number of beneficiaries who have exercised their options, the Board of Directors decides on the corresponding increase of the Company’s share capital and on the issuing of new shares.

According to the provisions of article 16 of Codified Law 2190/1920, subject to prior approval by the General Meeting, the Company may acquire its own shares, under the responsibility of the Board of Directors, provided that the par value of the shares acquired, including the shares previously acquired and still held by the Company, does not exceed one tenth (1/10) of its paid-up share capital. The resolution of the General Meeting must also set the terms and conditions of the acquisitions, the maximum number of shares that may be acquired, the effective period of the approval granted, which may not exceed 24 months, and, in the case of acquisition for value, the maximum and minimum consideration.

On the 1st of April 2013, FRIGOGLASS' s Board of Directors resolved to increase the share capital of the Company by 75,121 ordinary shares, following the exercise of share options by option holders pursuant to the Company’s share option plan. The proceeds from the share capital increase amounted to € 231 thousand.

On the 1st of October 2013, FRIGOGLASS' s Board of Directors resolved to increase the share capital of the Company by 1,459 ordinary shares, following the exercise of share options by option holders pursuant to the Company's share option plan. The proceeds from the share capital increase amounted to € 4 thousand.

I. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

The parent company and the subsidiaries do hold any treasury shares.

J. Significant agreements with members of the Board of Directors or employees of the Company

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to of a public offer.

10) Non-Financial Performance Review - Sustainability

In Frigoglass, we recognized early the need to integrate environmental, social and corporate governance issues to the core of our business operations, and harmonize our sustainability and business strategies.

Engaging in sustainability means aligning Frigoglass business priorities with the needs and expectations of our stakeholders - customers, suppliers, employees and shareholders around the globe.

Identifying and evaluating the issues that are material for our organization and stakeholders is essential to providing strategic direction and focus on our sustainability strategy which highlights business imperatives, monitors results and drives progress.

Stakeholder engagement builds trust, improves understanding of the impact of operations and helps address stakeholder concerns. The method of communication and interaction with stakeholders has varied among different operations depending on local practices. Engaging with stakeholders and receiving their insight was critical for ensuring that our reporting is relevant and creates value for them.

Sustainability is central to our business and revolves around three key areas: **product responsibility**, **sustainable operations** and **social responsibility**.

Product Responsibility

In the area of product responsibility, improving the energy efficiency of our beverage coolers and reducing their environmental impact has been a top product development priority throughout the year. Through continuous work on technological innovation we have achieved significant energy consumption reduction in the last five years. Our target is to keep on reducing the average energy consumption of our cooler fleet year over year.

We have also managed to significantly increase sales share of environmentally friendly coolers (e.g. coolers using HFC-free refrigerant) versus previous years across all regions, more specifically from below 25% in 2012 to above 65% of Cool business sales in 2016. The components used in our coolers, such as energy management devices, LED lighting, fans, high insulation door glasses and eco-friendly cabin designs, are all carefully selected to improve energy efficiency.

Noise reduction has also been a top product development priority. The placement of coolers in the market may create noticeable impact on the average noise level of the location, especially in the internal environment of retail stores and restaurants. In the last years, our efforts on noise reduction have proven fruitful, especially in the new cooler ranges, ICOOL and Smart. The ultimate goal in this area is to create “silent” coolers with unnoticeable sound.

In our new products, we have also achieved a very high recycling rate, as over 95% of raw materials used are recyclable. This has been succeeded by developing products that use fewer, properly selected materials, as well as through advanced assembly techniques that facilitate disassembly and recyclability.

Sustainable Operations

In our operations, sustainability is both a mindset and a practice and guides our business conduct with suppliers, partners, customers and employees. In combination with Lean manufacturing principles, we implement a continuous improvement program minimizing the environmental impact from our operations.

Most of our plants are certified by the ISO14001 environmental management standard. In 2016 two plants in Nigeria received the certification and our target is that all our operations are certified with ISO14001 by 2019.

In all countries we operate in, we respect the local legislation relating to all forms of waste management, including water and hazardous material disposal. Our target is to recycle or reuse more than 80% of our waste and we are proud to report that in 2016 we achieved once more over 85% collection rate. It is worth mentioning that in our Glass operations, defective bottles and other containers are 100% recycled as they are used as raw material in the production process. Also, we maintain stable rates of material consumption over time, despite the varying product mix, that is achieved through efficient product and process design.

Employee & Social Aspects

In Frigoglass, we recognize that our progress depends on our people and therefore we put all our efforts in developing talent and safeguarding their wellbeing in the workplace. We implement various programs and projects for strengthening equality and eliminating discrimination. Some of our operations (Greece, Romania, Russia and South

Africa) are certified with OHSAS18001, which sets out the requirements for occupational and safety management practice. In the years to come, all our plants are planned to be certified.

One of our major concerns is also to contribute towards the community where we operate. In Greece, where our headquarters are located, we continued the successful initiative “Cool for Good” for third year in a row, donating beverage coolers to charity organizations and nonprofit institutions, and supported hundreds of people in need.

Through our Romanian operations we are systematically supporting the “Lighthouse for the Blind of Greece” as the organization is our preferred supplier of shelf clips used in our coolers, generating an income of more than 200,000€ annually.

In 2016, Frigoglass affirmed its continued support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In our Communication on Progress, we described the practical actions and their outcomes related to the Ten Principles, which have been implemented as part of the company strategy, culture and daily operations. We also have a number of policies, which are closely monitored and contribute to all four areas of the Global Compact, namely: Code of Business Conduct and Ethics, Human Rights policy, Speak-up policy, Frigoglass Supplier Code, Frigoglass Supplier Audit and Supplier RFQ forms and Environmental policy. Policy updates are published on our corporate website.

Fair Business Practices

Our values guide our actions in conducting business in a socially responsible and ethical manner and distinguish Frigoglass in the eyes of our stakeholders. So far, policies and procedures related to Human Rights, Business Ethics, Anti-Corruption and Bribery have been communicated to all (permanent) employees and business partners (e.g. customers and suppliers) through web-based or in person training programs and communication. From 2017 onwards, we will additionally launch, at least for the internal stakeholders, an e-learning platform that will offer regular training and verify the understanding and statistical coverage of the training through respective tests. The training will include:

- Structured mechanisms to deal with policy violation

- Regular risk assessment and audits on corruption, bribery, anti-competitive behavior, business ethics, and information security, internally as well as with our business partners
- Awareness training on Fair Business Practices

Human Rights Policy

In Frigoglass we value our people and recognize that our success depends on them. All of our employees should work in a safe, positive and supportive environment with the highest ethical standards to support and safeguard their rights.

To ensure the wellbeing of our people, we put forward the Human Rights Policy, which provides the principles we follow in our processes across the organization. The policy is guided by the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

This policy applies to Frigoglass Group and all its legal entities. We are committed to live up to the principles of this policy. Frigoglass has legal entities in multiple locations and it operates in compliance with all applicable laws (national or international depending on which ones are legally binding).

1. **Discrimination**: All employees are hired based on their fit to the role requirements and once employed are evaluated solely and rightfully according to their performance versus the requirements of the role. All employee rights are safeguarded and protected from cases of bias and prejudice.
2. **Forced labor and child labor:** We prohibit all forms of forced and compulsory labor, the engagement in human trafficking and the slavery or servitude.
3. **Freedom of association and collective bargaining:** All employees have the right to join, form or not join a labor union or any other bodies freely elected by them to represent their collective interests.
4. **Fair Compensation:** We compensate our employees competitively based on the role, internal equity, market & industry practices without any form of discrimination.
5. **Health and safety:** We are committed to provide a safe workplace to our employees. Where necessary, employees are provided with all the necessary safety equipment as appropriate to the work being performed.

Independent Assessment

Our progress is validated on a yearly basis by various independent global organizations and programs, such as CDP, ECOVADIS and SEDEX, which provide objective and independent assessment. Every year we try to improve our performance and the relevant ratings. In 2016, in CPD ratings we achieved a performance band of “B” when the industry average is “D”. In Ecovadis our supply chain climate change program was awarded a silver recognition level, which represents less than one third of the top performers evaluated by the system.

Sustainability Framework

In 2016, we decided to take sustainability reporting one step further by adopting a recognized framework for developing a standardized sustainability report. The main framework we adopted is the Global Reporting Initiative (GRI G4) that provides detailed guidelines and determines the content and manner sustainability information is disclosed.

GRI has supported Frigoglass in complying with the new EU Directive on Non-Financial Disclosure and has enabled broader organizational transparency. The aim is to improve corporate performance on environmental and social issues, as well as maintaining high level of business ethics. Greater transparency will also help us to better manage risks and identify opportunities.

The materiality analysis resulted in 20 identified sustainability issues, which have been portrayed in the Materiality Matrix.

You can find more details about Frigoglass sustainability priorities and metrics on the upcoming Sustainability Report 2016.

Diversity in the Board of Directors

Our goal is to foster an inclusive environment where our people can develop and exceed their expectations, regardless of their background or gender and conversely make the most of diversity to deliver the highest value to our stakeholders. We are constantly trying to improve the men to women ration in our governance personnel and have set targets to achieve in that area.

Governance personnel	Male	Female
Head offices	7	0
Nigeria	76	6
India	6	1
Indonesia	3	1
Dubai	3	1
Romania	5	1
Russia	6	1
South Africa	9	1
Total	**115 (91,1%)**	**12 (8,9%)**

Yours Faithfully,

The Board of Directors

Independent Auditor's Report

To the Shareholders of "Frigoglass S.A.I.C."

Report on the Audit of the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of Frigoglass S.A.I.C. which comprise the separate and consolidated balance sheet as of 31 December 2016 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

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

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

PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr

260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F:+30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Frigoglass SAIC and its subsidiaries as of December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of matter paragraph

We draw your attention to note 2.1 to the financial statements, which indicates that the Group incurred a net loss of Euro 48.7 million during the year ended 31 December 2016 resulting in the Group's total liabilities exceeding its total assets by Euro 95.8 million. Furthermore, as described in the same note, the Group's current liabilities exceed its current assets by €241m due to the reclassification of its debt obligations which the Group is currently in the process of restructuring following a legally binding agreement entered into with its largest shareholder, an ad-hoc committee representing holders of the Group's €250 million 8.25% Senior Notes due 2018, and its core lending banks. This restructuring process when completed is expected to result in a significant reduction in indebtedness and interest expense, extensions of maturities and the provision of new debt and equity financing. The restructuring nevertheless is subject to certain conditions and approvals, which along with the other matters described in note 2.1, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

    a) In the Board of Directors' Report is included the Corporate Governance Statement that contains the information that is required by article 43bb of Codified Law 2190/1920.

    b) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.

    c) Based on the knowledge we obtained from our audit for the Company "Frigoglass SAIC" and its environment, we have not identified any material misstatement to the Board of Directors report.

2) We note that the accumulated losses of the Company have caused its net equity to turn negative, with the result that the provisions of art. 48 of C.L.2190/1920 becoming applicable

Athens, 27 April 2017

PricewaterhouseCoopers SA
268 Kifisias Avenue
15232 Halandri
SOEL Company Reg No 113

Despina Marinou
Certified Auditor
SOEL Reg. No 17681

FRIGOGLASS S.A.I.C.
Commercial Refrigerators

Annual Financial Statements for the period
1 January to 31 December 2016

Table of Contents **Pages**

1. Balance Sheet 70
2. Income Statement 71
3. Income Statement **4th** Quarter 72
4. Statement of Comprehensive Income 73
5. Statement of Changes in Equity 74
6. Cash Flow Statement 76
7. Notes to the financial statements
   - **(1)** General information 77
   - **(2)** Summary of significant accounting policies 78
   - **(3)** Financial Risk Management 108
   - **(4)** Critical accounting estimates and judgments 113
   - **(5)** Segment Information 115
   - **(6)** Property, Plant & Equipment 117
   - **(7)** Intangible assets 120
   - **(8)** Inventories 123
   - **(9)** Trade Receivables 123
   - **(10)** Other receivables 124
   - **(11)** Cash & cash equivalents 124
   - **(12)** Other payables 125
   - **(13)** Non-current & current borrowings 126
   - **(14)** Investments in subsidiaries 130
   - **(15)** Share capital, treasury shares, dividends & share options 132
   - **(16)** Other reserves 135
   - **(17)** Financial Expenses 137
   - **(18)** Income Tax 138
   - **(19)** Commitments 140
   - **(20)** Related party transactions 141
   - **(21)** Earnings per share 142
   - **(22)** Contingent liabilities 142
   - **(23)** Seasonality of Operations 143
   - **(24)** Post balance sheet events 143

(25) Average number of personnel 143
(26) Other <Losses> / Gains 144
(27) Reclassifications to the Cash Flow Statement 145
(28) Restructuring Costs 146
(29) Provisions for Other Liabilities & Charges 148
(30) Deferred Income Tax 149
(31) Retirement benefit obligations 153
(32) Expenses by nature 156
(33) Bank deposits analysis 157
(34) Short & long term borrowing analysis 157
(35) Customer analysis 158
(36) Maturity of the undiscounted contractual cash flows of financial liabilities 159
(37) Derivative Financial Instruments 160

Frigoglass S.A.I.C
Balance Sheet
in € 000's

	Note	Consolidated		Parent Company	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
Assets:					
Property, Plant & Equipment	6	163.644	207.486	5.540	6.204
Intangible assets	7	15.673	18.495	8.484	9.294
Investments in subsidiaries	14	-	-	58.045	58.045
Deferred income tax assets	30	1.683	426	-	-
Other long term assets		867	1.318	116	150
Total non current assets		**181.867**	**227.725**	**72.185**	**73.693**
Inventories	8	93.045	97.226	2.409	2.313
Trade receivables	9	77.707	99.038	3.175	9.479
Other receivables	10	27.274	34.909	765	937
Income tax advances		3.043	7.746	-	2.530
Intergroup receivables	20	-	-	30.066	34.375
Cash & cash equivalents	11	57.526	57.492	1.145	4.564
Derivative financial instruments	37	-	571	-	95
Total current assets		**258.595**	**296.982**	**37.560**	**54.293**
Total assets		**440.462**	**524.707**	**109.745**	**127.986**
Liabilities:					
Long term borrowings	13	4	12	-	-
Deferred Income tax liabilities	30	16.357	13.599	-	-
Retirement benefit obligations	31	16.536	21.778	5.088	5.049
Intergroup bond loan	13	-	-	-	76.650
Provisions for other liabilities & charges	29	3.520	3.906	56	-
Deferred income from government grants		21	26	21	26
Total non current liabilities		**36.438**	**39.321**	**5.165**	**81.725**
Trade payables		67.103	77.440	5.386	5.429
Other payables	12	44.117	37.118	4.225	2.680
Current income tax liabilities		6.786	8.857	-	-
Intergroup payables	20	-	-	16.664	19.368
Intergroup bond loan	13	-	-	91.559	6.134
Short term borrowings	13	381.871	362.002	-	-
Derivative financial instruments	37	-	393	-	-
Total current liabilities		**499.877**	**485.810**	**117.834**	**33.611**
Total liabilities		**536.315**	**525.131**	**122.999**	**115.336**
Equity:					
Share capital	15	15.178	15.178	15.178	15.178
Share premium	15	2.755	2.755	2.755	2.755
Other reserves	16	(13.773)	13.000	16.380	16.353
Retained earnings		(139.113)	(77.894)	(47.567)	(21.636)
Total Shareholders Equity		**(134.953)**	**(46.961)**	**(13.254)**	**12.650**
Non controlling interest		39.100	46.537	-	-
Total Equity		**(95.853)**	**(424)**	**(13.254)**	**12.650**
Total Liabilities & Equity		**440.462**	**524.707**	**109.745**	**127.986**

The notes on pages 77 to 160 are an integral part of the financial statements

Frigoglass S.A.I.C
Income Statement
in € 000's

	Note	Consolidated Year ended 31.12.2016	Consolidated Year ended 31.12.2015	Parent Company Year ended 31.12.2016	Parent Company Year ended 31.12.2015
Net sales revenue	5 & 23	**413.203**	**453.881**	**27.404**	**24.714**
Cost of goods sold	32	(351.764)	(386.887)	(25.491)	(23.870)
Gross profit		**61.439**	**66.994**	**1.913**	**844**
Administrative expenses	32	(23.342)	(27.367)	(15.744)	(15.478)
Selling, distribution & marketing expenses	32	(27.293)	(24.301)	(7.944)	(3.946)
Research & development expenses	32	(4.085)	(4.434)	(2.119)	(2.038)
Other <losses> / gains	26	3.620	8.246	17.190	18.481
Operating Profit / <Loss>		**10.339**	**19.138**	**(6.704)**	**(2.137)**
Finance <costs> / income	17	(17.257)	(37.253)	(6.328)	(8.051)
Profit / <Loss> before income tax & restructuring costs		**(6.918)**	**(18.115)**	**(13.032)**	**(10.188)**
Restructuring Costs	28	(22.338)	(16.757)	(9.022)	(2.064)
Profit / <Loss> before income tax		**(29.256)**	**(34.872)**	**(22.054)**	**(12.252)**
Income tax expense	18	(19.516)	(23.443)	(3.877)	(3.130)
Profit / <Loss> after income tax expenses		**(48.772)**	**(58.315)**	**(25.931)**	**(15.382)**
Attributable to:					
Non controlling interest		8.958	3.771	-	-
Shareholders		**(57.730)**	**(62.086)**	**(25.931)**	(15.382)
Depreciation	32	29.784	33.666	3.535	3.393
Earnings / <Loss> before, finance, restructuring costs, tax, depreciation, amortization (EBITDA)		**40.123**	**52.804**	**(3.169)**	**1.256**

	Note	Consolidated Amounts in €		Parent Company Amounts in €	
Earnings / <Loss> per share, after taxes					
- Basic	21	(1,1410)	(1,2271)	(0,5125)	(0,3040)
- Diluted	21	(1,1410)	(1,2271)	(0,5125)	(0,3040)

The notes on pages 77 to 160 are an integral part of the financial statements

Frigoglass S.A.I.C

Income Statement - 4th Quarter

in € 000's

	Consolidated		Parent Company	
	Three months ended		Three months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net sales revenue	**90.309**	**89.913**	**4.736**	**5.185**
Cost of goods sold	(78.257)	(77.334)	(4.621)	(5.332)
Gross profit	**12.052**	**12.579**	**115**	**(147)**
Administrative expenses	(5.598)	(7.245)	(2.560)	(3.439)
Selling, distribution & marketing expenses	(8.768)	(7.161)	(4.817)	(1.446)
Research & development expenses	(797)	(1.118)	(399)	(358)
Other <losses> / gains	1.118	6.475	4.808	4.312
Operating Profit / <Loss>	**(1.993)**	**3.530**	**(2.853)**	**(1.078)**
Finance <costs> / income	(7.185)	(13.411)	(1.064)	(2.173)
Profit / <Loss> before income tax & restructuring costs	**(9.178)**	**(9.881)**	**(3.917)**	**(3.251)**
Restructuring Costs	(4.802)	(16.757)	(2.708)	(2.064)
Profit / <Loss> before income tax	**(13.980)**	**(26.638)**	**(6.625)**	**(5.315)**
Income tax expense	(3.156)	(14.297)	(1.277)	(1.927)
Profit / <Loss> after income tax expenses	**(17.136)**	**(40.935)**	**(7.902)**	**(7.242)**
Attributable to:				
Non controlling interest	1.794	578	-	-
Shareholders	**(18.930)**	**(41.513)**	**(7.902)**	**(7.242)**
Depreciation	6.190	9.087	863	846
Earnings / <Loss> before, finance, restructuring costs, tax, depreciation, amortization (EBITDA)	**4.197**	**12.617**	**(1.990)**	**(232)**

	Amounts in €		Amounts in €	
Earnings / <Loss> per share, after taxes				
- Basic	(0,3742)	(0,8205)	(0,1562)	(0,1431)
- Diluted	(0,3742)	(0,8202)	(0,1562)	(0,1431)

The notes on pages 77 to 160 are an integral part of the financial statements

Frigoglass S.A.I.C
Statement of Comprehensive Income
in € 000's

	Consolidated			
	Year ended		Three months ended	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Profit / <Loss> after income tax expenses (Income Statement)	**(48.772)**	**(58.315)**	**(17.136)**	**(40.935)**
Other Compehensive income:				
Items that will be reclassified to Profit & Loss				
Currency translation differences	(47.566)	(4.260)	2.526	3.418
Cash Flow Hedges:			-	
- Net changes in fair Value	-	(211)	-	(77)
- Income tax effect	-	21	-	8
- Transfer to net profit	-	254	-	75
- Income tax effect	-	(25)	-	(7)
Items that will be reclassified to Profit & Loss	**(47.566)**	**(4.221)**	**2.526**	**3.417**
Items that will not be reclassified to Profit & Loss				
Actuarial Gains/ <Losses>	1.543	(609)	1.543	(609)
Income tax effect of actuarial gain/ <losses>	(494)	59	(494)	-
Items that will not be reclassified to Profit & Loss	**1.049**	**(550)**	**1.049**	**(609)**
Other comprehensive income / <expenses> net of tax	**(46.517)**	**(4.771)**	**3.575**	**2.808**
Total comprehensive income / <expenses> for the year	**(95.289)**	**(63.086)**	**(13.561)**	**(38.127)**
Attributable to:				
- Non controlling interest	(7.271)	1.396	4.715	1.635
- Shareholders	(88.018)	(64.482)	(17.782)	(39.762)
	(95.289)	**(63.086)**	**(13.067)**	**(38.127)**

The impact of the sharp devaluation of the Naira has resulted in a significant decrease of Group's net equity.

	Parent Company			
	Year ended		Three months ended	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Profit / <Loss> after income tax expenses	**(25.931)**	**(15.382)**	**(7.902)**	**(7.242)**
Other Compehensive income:				
Items that will not be reclassified to Profit & Loss				
Actuarial Gains/ <Losses> **(Note 32)**	-	(205)	-	(205)
Income tax effect of actuarial gain/losses	-	59	-	59
Other comprehensive income / <expenses> net of tax	**-**	**(146)**	**-**	**(146)**
Total comprehensive income / <expenses> for the year	**(25.931)**	**(15.528)**	**(7.902)**	**(7.388)**
Attributable to:				
- Non controlling interest	-	-	-	-
- Shareholders	(25.931)	(15.528)	(7.902)	(7.388)
	(25.931)	**(15.528)**	**(7.902)**	**(7.388)**

The notes on pages 77 to 160 are an integral part of the financial statements

Frigoglass S.A.I.C
Statement of Changes in Equity
in € 000's

	Consolidated						
	Share Capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total Shareholders Equity**	**Non Controlling Interest**	**Total Equity**
Balance at 01.01.2015	**15.178**	**2.755**	**15.473**	**(5.227)**	**28.179**	**38.796**	**66.975**
Profit / <Loss> for the year	-	-	-	(62.086)	**(62.086)**	3.771	**(58.315)**
Other Comprehensive income / <expense>	-	-	1.000	(3.396)	**(2.396)**	(2.375)	**(4.771)**
Total comprehensive income / <expense>, net of taxes	**-**	**-**	**1.000**	**(65.482)**	**(64.482)**	**1.396**	**(63.086)**
Acquisition of subsiadiary's non controlling interest	-	-	(3.531)	(7.185)	**(10.716)**	6.992	**(3.724)**
Dividends to non controlling interest						(647)	**(647)**
Share option reserve	-	-	58	-	**58**	-	**58**
Balance at 31.12.2015	**15.178**	**2.755**	**13.000**	**(77.894)**	**(46.961)**	**46.538**	**(424)**

	Consolidated						
	Share Capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total Shareholders Equity**	**Non Controlling Interest**	**Total Equity**
Balance at 01.01.2016	**15.178**	**2.755**	**13.000**	**(77.894)**	**(46.961)**	**46.538**	**(424)**
Profit / <Loss> for the year	-	-	-	(57.730)	**(57.730)**	8.958	**(48.772)**
Currency translation differences	-	-	(26.800)	(4.095)	**(30.894)**	(16.672)	**(47.565)**
Other Comprehensive income / <expense>	-	-	(26.800)	(3.489)	**(30.289)**	(16.229)	**(46.517)**
Total comprehensive income / <expense>, net of taxes	**-**	**-**	**(26.800)**	**(61.219)**	**(88.019)**	**(7.271)**	**(95.289)**
Dividends to non controlling interest	-	-	-	-	**-**	(167)	**(167)**
Share option reserve	-	-	27	-	**27**	-	**27**
Balance at 31.12.2016	**15.178**	**2.755**	**(13.773)**	**(139.113)**	**(134.953)**	**39.100**	**(95.853)**

The impact of the sharp devaluation of the Naira has resulted in a significant decrease of Group’s net equity.

The notes on pages 77 to 160 are an integral part of the financial statements

Frigoglass S.A.I.C
Statement of Changes in Equity
in € 000's

	Parent Company				
	Share Capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total Equity**
Balance at 01.01.2015	**15.178**	**2.755**	**16.295**	**(6.108)**	**28.120**
Profit / <Loss> for the year	-	-	-	(15.382)	**(15.382)**
Other Comprehensive income / <expense>	-	-	-	(146)	**(146)**
Total comprehensive income / <expense>, net of taxes	**-**	**-**	**-**	**(15.528)**	**(15.528)**
Share option reserve	-	-	58	-	**58**
Balance at 31.12.2015	**15.178**	**2.755**	**16.353**	**(21.636)**	**12.650**

	Parent Company				
	Share Capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total Equity**
Balance at 01.01.2016	**15.178**	**2.755**	**16.353**	**(21.636)**	**12.650**
Profit / <Loss> for the year	-	-	-	(25.931)	**(25.931)**
Other Comprehensive income / <expense>	-	-	-	-	**-**
Total comprehensive income / <expense>, net of taxes	**-**	**-**	**-**	**(25.931)**	**(25.931)**
Share option reserve	-	-	27	-	**27**
Balance at 31.12.2016	**15.178**	**2.755**	**16.380**	**(47.567)**	**(13.254)**

The notes on pages 77 to 160 are an integral part of the financial statements

Frigoglass S.A.I.C
Cash Flow Statement
in € 000's

	Note	Consolidated		Parent Company	
		Year ended		Year ended	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit / <Loss> after tax		**(48.772)**	**(58.315)**	**(25.931)**	**(15.382)**
Adjustments for:					
Income tax expense		19.516	23.443	3.877	3.130
Depreciation		29.784	33.666	3.535	3.393
Provisions		15.909	19.191	4.094	249
Finance costs, net	17	17.257	37.253	6.328	8.051
Loss/<Profit> from disposal of property, plant & equipment		41	(101)	-	(32)
Changes in Working Capital:					
Decrease / (increase) of inventories		3.625	(13.662)	585	323
Decrease / (increase) of trade receivables		5.694	12.802	3.202	309
Decrease / (increase) of intergroup receivables	20	-	-	4.309	10.629
Decrease / (increase) of other receivables		2.910	(3.869)	(1.174)	1.042
Decrease / (increase) of other long term receivables		453	(380)	35	19
(Decrease) / increase of trade payables		(6.994)	(10.228)	(43)	(133)
(Decrease) / increase of intergroup payables	20	-	-	(2.705)	(8.145)
(Decrease) / increase of other liabilities		2.805	(30.185)	1.464	(3.577)
Less:					
Income taxes paid		(13.947)	(12.697)	-	-
(a) Net cash generated from operating activities		**28.281**	**(3.082)**	**(2.424)**	**(124)**
Cash Flow from investing activities					
Purchase of property, plant and equipment	6	(11.044)	(32.453)	(155)	(401)
Purchase of intangible assets	7	(2.728)	(4.084)	(1.997)	(2.787)
Proceeds from disposal of property, plant & equipment		5.106	417	-	187
(b) Net cash generated from investing activities		**(8.666)**	**(36.120)**	**(2.152)**	**(3.001)**
Net cash generated from operating and investing activities (a) + (b)		**19.615**	**(39.202)**	**(4.576)**	**(3.125)**
Cash Flow from financing activities					
Proceeds from loans		146.012	143.543	-	-
<Repayments> of loans		(125.196)	(84.595)	-	-
Proceeds from intergroup loans		-	-	23.702	7.715
<Repayments> of intergroup loans		-	-	(10.852)	(2.165)
Interest paid		(28.540)	(26.764)	(11.690)	(1.907)
Acquisition of subsidiary's non controlling interest		-	(3.724)	-	-
Dividends paid to shareholders		(3)	-	(3)	-
Dividends paid to non controlling interest		(167)	(647)	-	-
(c) Net cash generated from financing activities		**(7.894)**	**27.813**	**1.157**	**3.643**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**11.721**	**(11.389)**	**(3.419)**	**518**
Cash and cash equivalents at the beginning of the year		**57.492**	**68.732**	**4.564**	**4.046**
Effects of changes in exchange rate	27	(11.687)	149	-	-
Cash and cash equivalents at the end of the year		**57.526**	**57.492**	**1.145**	**4.564**

The notes on pages 77 to 160 are an integral part of the financial statements

Notes to the financial statements

1. General Information

These financial statements include the financial statements of the Parent Company FRIGOGLASS S.A.I.C. (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (the “Group”). The names of the subsidiaries are presented in **Note 14** of the financial statements.

Frigoglass S.A.I.C. and its subsidiaries are engaged in the manufacturing, trade and distribution of commercial refrigeration units and packaging materials for the beverage industry. The Group has manufacturing plants and sales offices in Europe, Asia, Africa and America.

The Company is a limited liability company incorporated and based in Kifissia, Attica.

The Company’s’ shares are listed on the Athens Stock Exchange.

The address of its registered office is:

15, A. Metaxa Street
GR 145 64, Kifissia
Athens, Hellas

The company’s web page is: **www.frigoglass.com**

The financial statements have been approved by the Board of Directors on
25 April 2017 and are subject to the approval of the shareholders General Assembly.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union, and International Financial Reporting Standards issued by the IASB.

The financial statements have been prepared in accordance with the going concern basis of accounting. The use of this basis of accounting takes into consideration the Group's current and forecasted financing position.

During the year ended 31 December 2016, the Group reported losses after taxes amounting to €48,8 million mainly as a result of the deterioration of its operating results and the recognition of a loss in the amount of €22,3 million relating to non–recurring costs, as a result of the closure of the manufacturing operations in China and advisory fees for the ongoing capital structure review process. As at the year-end date the Liabilities of the Group exceed its Assets by € 95,8 million. The Group has cash and cash equivalents of €57m, of which an amount of €17,8m is subject to fund transfer restrictions in Nigeria. In addition, the equity position of the Company (also referred to herein as "SAIC") has become lower than the 1/10 of the share capital, and consequently the requirements of the local legislation (article 48 of the Companies Act 2190/1920) are applicable.

In May 2013, Frigoglass Finance B.V. issued €250m Senior Notes due on 15 May 2018 (the "Notes"), at a fixed coupon of 8.25% per annum and at an issue price of 100% to refinance existing Group facilities. In addition, the Group also entered into two bilateral revolving credit facilities (the "RCFs"), each in an amount of €25 million, and a three year maturity. The Notes and the RCFs are fully and unconditionally guaranteed on a senior unsecured basis by Frigoglass S.A.I.C. ("SAIC") (other than with respect to one of the RCFs), Frigoinvest Holdings B.V. (the direct parent company of the Issuer of the Notes) and by certain other subsidiaries of the Group (refer to Note 13). The Notes are subject to incurrence covenants while for the RCFs, the Group is required to comply with, among other things, debt service and leverage financial covenants.
On 18 March 2014, the Group entered into an amendment to the RCFs to reset the financial covenants to new levels. On 31 March 2016, the lenders under the RCFs entered into an agreement with the Issuer pursuant to which they agreed to extend the maturity of the RCFs up to 31 March 2017 and to waive all breaches and to make certain other amendments to the terms of the RCFs, subject to certain conditions being met (including the provision of the Term Loan Facility by the Company's largest shareholder, Boval SA ("Boval")) also up to 31 March 2017. In connection with the amendment and extension of the RCFs, Frigoglass agreed to repay and cancel €12 million of indebtedness outstanding under each RCF by 31 December 2016.

In accordance with relevant IFRS pronouncements, the Notes were re-classified as current liabilities as of 31 December 2016 on the basis that the payment and covenant obligations under the RCFs have triggered an event of default under the Notes due to the fact that the waivers obtained as at the balance sheet dates did not cover a period of 12 months after the year end date. The impact of this reclassification is that the Group's current liabilities exceed its current assets by €241m and therefore may result in a working capital shortfall should the below described debt restructuring plan not be completed timely.

On 31 March 2016, the Group's major shareholder committed to provide the Group with a €30 million term loan facility (the "Term Loan Facility") maturing also on 31 March 2017, on terms substantially similar to the RCFs and subject to shareholder approval at the AGM. The shareholders approved the Term Loan Facility at the AGM which was convened on 22 April 2016. An amount of €20m was drawn in May 2016 and an additional amount of €10m was drawn in July 2016.

Further to the above the Group early in 2016 engaged several advisers and began a comprehensive review of its business and financing arrangements in order to optimize the capital structure of the Group and to ensure that an adequate level of financial liquidity is achieved and maintained.

On 12 April 2017 the Group entered into a legally binding agreement (the "Lock up Agreement") on the key terms of the restructuring of its indebteness (the "Restructuring"), with its key stakeholders, including its largest shareholder, Boval, an ad-hoc committee representing approximately 39% of the holders of the Notes, and Frigoglass' core lending banks CITIBANK, HSBC, Alpha Bank and Eurobank (the "Core banks").

The key transaction highlights are:

(1) Frigoglass's main shareholder, Boval, is contributing a total of €60 million in equity to the transaction, of which €30 million in new cash and €30 million through full equitisation of the Boval Term Loan Facility. Boval's €60 million equity contribution will be undertaken as part of a pre-emptive rights issue, in which existing shareholders will be offered the opportunity to subscribe to new shares of the Company. Following the implementation of the Restructuring, Boval is expected to remain the Company's largest shareholder.

(2) €40 million will be provided in the form of new first lien secured funding by the Core Banks and the holders of the Notes who elect to participate in this new first lien senior secured funding. All noteholders and the Core Banks have the option to participate in the first lien new money debt pro-rata to their holdings of existing debt to the aggregate of existing debt. The Core Banks and the Ad-Hoc Committee have agreed to participate in such new first lien secured funding, *pro rata* to their exposure (approximately 32%) to the Group, on 20 March 2017 and have agreed to underwrite the full amount of the new first lien secured funding on behalf of noteholders that do not elect to participate. All noteholders and the Core Banks are also entitled to exchange for each Euro 1.000 of first lien new money debt,

Euro 2.000 of principal amount of existing debt with an equivalent amount of new first lien debt (Roll up).

(3) Remaining Existing notes (after giving effect to the Roll up, if any) to be exchanged for 50% in Second Lien Notes and for Shares in the Company. Remaining existing facilities (after giving effect to Roll up, if any) to be exchanged for 82,5% in Second Lien facilities and for 17.5% in parent shares. The repayment or equitisation of Senior Notes and Core Bank debt will reflect a €45 million discount to be allocated on a pro rata basis.

For more details in relation to the terms of the First lien New Money and Second Lien notes and facilities refer to note 13.

Following the restructuring the group will achieve the following (in nominal values):

Significant Deleveraging: Following the implementation of the Restructuring, the Group's outstanding gross indebtedness will be reduced by €136 – 142 million (prior to the incurrence of the €40 million new first lien secured funding). The Restructuring will result in the equitisation of 100% of the €30 million under the Boval Term Loan Facility and, depending on the participation of existing shareholders in a pre-emptive rights issue and the participation of Noteholders in the new first lien secured funding, the repayment (from the rights issue proceeds) or equitisation of up to 42% (€105 million) of the €250 million outstanding principal amount of Senior Notes and up to 13% (€11 million) of the €82 million bank debt provided by the Core Banks.

Improved Liquidity: The Group will benefit from €70 million of additional liquidity to fund its business needs, as well as Restructuring-related expenses. €30 million in new cash will be contributed by Boval as equity through the rights issue and €40 million will be provided in the form of new first lien secured funding by the Core Banks and the holders of the Senior Notes (the "Noteholders") who elect to participate in this new first lien senior secured funding.

Reduced Interest Cost: Significant reduction of its annual interest cost to approximately €13 million (excluding any interest on the new first lien secured funding) through reduction of indebtedness and lower interest cost on the Group's remaining indebtedness. Subject to completion of the Restructuring, interest on the Senior Notes, the Core Banks' facilities and the Boval Term Loan Facility will accrue as if the Restructuring had been completed as from March 15, 2017 and any accrued interest will be paid in cash on closing. No cash interest payments will be made until closing.

Significant Extension of Maturity Profile: The maturity profiles of almost all of the Group's indebtedness will be extended and committed for around 5 years.

The Group intends to implement the transaction through a UK Scheme of Arrangement ("UK Scheme") with respect to the Notes. In addition, Frigoglass Finance B.V. will solicit consents from the Noteholders to facilitate the implementation of the Restructuring through the UK Scheme. The Company will contact the relevant stakeholders with respect to the next steps and instructions for required approvals and consents in due course. The

Restructuring is expected to close by the end of July 2017. A total consent fee of 60bps will be payable on closing of the Restructuring to creditors who consent within applicable time periods.

The Restructuring transactions are inter-conditional and remain subject to certain conditions, including, but not limited to:

- the approvals of the requisite majorities of outstanding Senior Notes;
- approval of the relevant courts for the UK Scheme; and
- approval of the General Meeting of the Company and Greek authorities with respect to the issuance of the new shares.

If the restructuring process as described above is not completed by the end of July 2017, the Group is likely to default on its obligations and the board of the Company and/or other Group companies may be required to initiate insolvency protection proceedings for the Company or such other Group companies as may be relevant. In addition, restrictive covenants in the Group's indebtedness obligations resulting from the restructuring process may have the impact of limiting the Group's operations and financial flexibility and adversely impact the Group's future performance, financial results and financial condition. Furthermore adverse publicity relating to the restructuring process or the financial condition of the Group may adversely affect the Group's client and supplier relationships and/or the market perception of the Group's business.

The Directors recognize that the combination of the circumstances described above represents a material uncertainty which raises significant doubt about the ability of the Group to continue as a going concern in the foreseeable future. Nonetheless, on the basis that the above initiatives are successfully completed as outlined above, the Group's financial footing and ability to continue in operation will be significantly strengthened.

Thus, the Directors have a reasonable expectation that the Group will be able to successfully navigate the present uncertainties it faces and continue in operation.
Accordingly, the financial statements have been prepared on a going concern basis.

The Group's financial forecasts and projections, assuming that the restructuring plan is implemented as described above, for the next 12 months indicate that the Group will be able to meet its obligations as they fall due, however, this assessment is subject to a number of downside risks as described in the "Main Risks and Uncertainties" section of the Directors' Report and in note 3 to the Group's financial statements, particularly if such downside risks were to materialize in combination.

The macroeconomic and financial environment in Greece remains fragile.
The continued instability of the Greek banking sector, the continuation of capital. controls restricting the movement of funds out of Greece and the ongoing need for austerity measures may further impact consumers' disposable which may adversely affect the Group's operations in Greece. Our 2016 revenues for Greece amounted to 2,9% of consolidated net sales revenues and our 2016 non-current assets for the territory amounted to 7,7% of the consolidated non-current assets. We are continuously monitoring developments in Greece. As at 31 December 2016, cash and cash equivalents of € 1,1 million were subject to capital controls.

Furthermore, in mid-June 2016 the Naira was devalued against the euro, resulting in foreign currency losses of Euro 47.6 which was recognized within other comprehensive income. In spite of the devaluation, as a result of further pressures in the economy, the official naira rate may not be reflecting the supply and demand rate for the currency, which may result in further volatility in the local currency.
We are continuously monitoring and assessing the situation and we are taking timely actions to secure the smooth operation of our business in this challenging environment and to minimize any adverse impact of a potential currency devaluation on the Group's performance.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Differences that may exist between the figures of the financial statement and those of the notes are due to rounding. Wherever it was necessary, the comparative figures have been reclassified in order to be comparable with the current year's presentation.

2.2 Consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the cost of acquisition over the Group's share of the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Note 2.6.1 describes the accounting treatment of goodwill. Whenever the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless there is evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity.

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The Company accounts for investments in subsidiaries in its separate financial statements at historic cost less impairment losses.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the managing director and his executive committee that makes strategic decisions.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency").

The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

2.4.3 Group companies

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date.
- Income and expenses for each income statement are translated at the average exchange rate of the reporting period, unless this average is not a reasonable approximation of the cumulative effect of the exchange rates prevailing on the transaction dates, in which case the rate on the date of the transaction is used.
- All resulting exchange differences are recognised as a separate component of equity.
- On the disposal of a foreign operation, the cumulative exchange differences relating to that particular foreign operation, presented as a separate component of equity, are recognised in the income statement as part of the gain or loss on sale.

Goodwill and other fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate at the balance sheet date. Exchange differences arising are recognized in other comprehensive income.

2.5 Property plant and equipment

Buildings comprise mainly factories and offices. All property, plant and equipment are stated at historic cost less accumulated depreciation and any impairment losses, except for land which is shown at cost less any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the tangible assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	up to 40 years
Vehicles	up to 6 years
Glass Furnaces	up to 16 years
Glass Moulds	2 years
Machinery	up to 15 years
Furniture & Fixtures	up to 6 years

The cost of subsequent expenditures is depreciated during the estimated useful life of the asset and costs for major periodic renovations are depreciated to the date of the next scheduled renovation. When an item of plant and machinery comprises major components with different useful lives, the components are accounted for as separate items of plant and machinery.

The tangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as expense in the income statement.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by the difference between the sales proceeds and the carrying amount of the asset. These gains or losses are included in the income statement.

2.6 Intangible assets

2.6.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. At each balance sheet date the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is performed on the cash-generating units that are expected to benefit from the acquisition from which goodwill was derived.

Loss from impairment is recognised if the carrying amount exceeds the recoverable amount. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.6.2 Research Expenses

Research expenditure is recognised as an expense as incurred.

2.6.3 Development Expenses

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be successful, considering its commercial and technological feasibility, and also the costs can be measured reliably. Other development expenditures are recognised as an expense in the income statement as incurred. Development costs that have a finite useful life and that have been capitalised, are amortised from the commencement of their production on a straight line basis over the period of its useful life, not exceeding 5 years.

2.6.4 Computer software

Capitalised software licenses are carried at acquisition cost less accumulated amortisation, less any accumulated impairment.
Computer software development costs which are assets controlled by the entity and from which the entity expects to derive future economic benefits are capitalised.
These costs may be acquired externally or generated internally when they are directly attributable to the development of the computer software.

Computer software licences & development costs are amortised using the straight-line method over their useful lives, not exceeding a period of 5 years.
Computer software maintenance costs are recognised as expenses in the income statement as they incur

2.6.5 Other intangible assets - Patterns and Trademarks

Patents, trademarks, licenses and other intangible assets are shown at historical cost less accumulated amortization and less any accumulated impairment.
Costs that meet the asset recognition criteria are controlled by the entity and from which the entity expects to derive future economic benefits are capitalised.
These costs may be acquired externally or generated internally.

These intangible assets have a definite useful life, and their cost is amortized using the straight-line method over their useful lives not exceeding a period of 15 years.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately, for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

The Group and the Company did not own any financial assets, including derivatives held for trading during the periods presented in these financial statements. These financial assets when they occur are recorded at fair value through the income statement.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Receivables are classified as 'trade and other receivables' or cash and cash equivalents in the balance sheet (Note 2.11 and Note 2.12).

The Group did not have any receivables from loan contracts during the periods presented in these financial statements.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are carried at fair value with any change in the fair value recognised in equity.

The Group did not own any financial assets that can be characterised as available-for-sale financial assets during the periods presented in these financial statements.

(d) Investments in subsidiaries

Equity investments in subsidiaries are measured at cost less impairment losses in the separate financial statements of the parent. Impairment losses are recognised in the income statement.

(e) Impairment of financial assets

The Group and Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in Note 2.11.

(f) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of any
derivative instruments are recognised immediately in the income statement within 'other gains/(losses) – net'. The Group's policy is not to enter into derivatives contracts as hedging instruments.

The Group has entered into certain derivative contracts for the purpose of hedging activities. Derivatives associated with hedging activities are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting fair value gain or loss depends on the nature of the item being hedged. The Group has designated derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (i.e. cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within ‘other gains/ (losses) – net’.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within ‘finance costs’. The gain or loss relating to the ineffective portion is recognised in the income statement within ‘other gains/ (losses) – net’.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within ‘other gains/ (losses) – net’.

2.9 Leases

2.9.1 When a Group company is the lessee

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where a Group entity has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance lease liability outstanding.

The corresponding rental obligations, net of finance charges, are included in liabilities as other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment, acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

2.9.2 When a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included within tangible assets in the balance sheet. They are depreciated over their expected useful lives, which are defined on the basis of similar tangible assets owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.10 Inventories

Inventories are recorded at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The cost of finished goods and work in progress is measured on a weighted average bases and comprises raw materials, direct labour cost and other related production overheads.

Appropriate allowance is made for excessive, obsolete and slow moving items. Write-downs to net realisable value and inventory losses are expensed in the period in which the write-downs or losses occur.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the recoverable amount.

The recoverable amount, if the receivable is more than 1 year is equal to the present value of expected cash flow, discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognised as an expense in the income statement.

Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

2.13 Share capital

- Ordinary shares are classified as equity.
- Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.
- When the Company or its subsidiaries purchase the Company's own equity share the amount paid - including any attributable incremental external costs net of income taxes - is deducted from total shareholders' equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently sold or reissued, any proceed received is included in shareholders' equity.

2.14 Borrowings

Borrowings are recognised initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group entity has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

2.15 Current and Deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The deferred income tax that arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss, is not accounted for.

Deferred tax assets are recognised to the extent that future taxable profit, against which the temporary differences can be utilised, is probable.

Deferred tax liabilities are provided for taxable temporary differences arising on investments in subsidiaries, except for when the Group is able to control the reversal of the temporary difference, thus it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income taxation is determined using tax rates that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled. Deferred tax is charged or credited in the income statement, unless it relates to items credited or charged directly to equity, in which case the deferred tax is also recorded in equity.

2.16 Trade Creditors

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.17 Employee benefits

2.17.1 Retirement Benefits

Group entities operate various pension and retirement schemes in accordance with the local conditions and practices in the countries they operate. These schemes include both funded and unfunded schemes. The funded schemes are funded through payments to insurance companies or trustee-administered funds, as determined by periodic actuarial calculations. The Group's employees participate in both defined benefit and defined contribution plans.

A defined benefit plan is a pension or voluntary redundancy plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability regarding defined benefit pension or voluntary redundancy plans, including certain unfunded termination indemnity benefits plans, is measured as the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (when the program is funded), together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated at periodic intervals not exceeding two years, by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities with terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to equity in other comprehensive income during the assessment period by external actuaries.

Past service cost is recognised as expense on a constant basis during the average period until the contributions are vested. To the extent that these contributions have been vested directly after the amendments or the establishment of a defined benefit plan, the company directly records the past service cost.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity that is either publicly or privately administered. Once the contributions have been paid, the Group has no further legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The regular contributions are recorded as net periodic expenses for the year in which they are due, and as such are included in staff costs.

2.17.2 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.17.3 Bonus plans

The Company and the Group recognizes a liability for bonuses that are expected to be settled within 12 months and based on amounts expected to be paid upon the settlement of the liability.

2.17.4 Share-based payments

The Company operates a share option scheme for its senior executives. Options are allocated to executives depending on their performance, employment period in the company, and their positions’ responsibilities. The options are subject to a two-year service vesting period after granting and may be exercised during a period of ten years from the date of award.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.18 Provisions

Provisions are recognised when a) a Group entity has a present legal or constructive obligation as a result of past events, b) it is probable that an outflow of resources will be required to settle the obligation, c) and of the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments and are recognised in the period during which the Group entity is legally or constructively bound to pay the respective amounts. Provisions are not recognised for future operating losses related to the Group's ongoing activities.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In the case that a Group entity expects a provision to be reimbursed from a third party, for example under an insurance contract, the reimbursement is recognised as a separate asset provided that the reimbursement is virtually certain.

The Group entity recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of settling the obligations under the contract.

Provisions are measured at the present value of the expenditures that, according to the management's best estimations, are expected in order to settle the current obligation at the balance sheet data (note 4.1 & 3.1). The discounting rate used for the calculation of the present value reflects current market assessments of the time value of money and the risks specific to the obligation.

The provisions for restructuring costs include fines related to the premature ending of lease agreements, personnel redundancies as well as provisions for restructuring activities that have been approved and communicated by Management. These costs are recognised when the Group has a present legal or constructive obligation. Personnel redundancies are expensed only when an agreement with the personnel representatives is in place or when employees have been informed in advance for their redundancy.

2.19 Revenue recognition

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Group in the consolidated financial statements. Rebates and discounts are recognised in the financial year they relate to.

Revenue is recognised as follows:

Sales of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of owning the goods are transferred to the buyer, (usually upon delivery and customer acceptance) and the collectability of the related receivable is reasonably assured.

Sales of services
Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividend income
Dividend income (whether relating to interim dividends or final dividends) is recognised when the right to receive payment is established.

2.20 Dividend distribution

Dividends are recorded in the financial statements, as a liability, in the period in which they are approved by the Annual Shareholder Meeting.

2.21 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group entity will comply with anticipated conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period corresponding to the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in long-term liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.22 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.23 New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years that have no significant impact in the Group's financial position or performance.

<u>Standards and Interpretations effective for the current financial year</u>

IAS 19R (Amendment) "Employee Benefits"

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 16 and IAS 41 (Amendments) "Agriculture: Bearer plants"

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

IAS 27 (Amendment) "Separate financial statements"

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements.

IAS 1 (Amendments) "Disclosure initiative"

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment entities: Applying the consolidation exception"

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

Annual Improvements to IFRSs 2012
The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 2 "Share-based payment"
The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"
The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"
The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"
The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"
Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"
The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014
The amendments set out below describe the key changes to four IFRSs.

IFRS 5 "Non-current assets held for sale and discontinued operations"
The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 "Financial instruments: Disclosures"
The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 “Employee benefits”

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 “Interim financial reporting”

The amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017)

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2017)

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

IFRS 4 (Amendments) "Applying IFRS 9 *Financial instruments* with IFRS 4 *Insurance contracts*" (effective for annual periods beginning on or after 1 January 2018)
The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39. The amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)
The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)
The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle) (effective for annual periods beginning on or after 1 January 2017)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosures of Interests in Other Entities"

The amendement clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information.

IAS 28 "Investments in associates and Joint ventures"

The amendements clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (price risk and currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group Treasury does not perform speculative transactions or transactions that are not related to the Group's operations.

The Group's overall risk management program focuses on the natural hedging of monetary items in order to minimize the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Company's and the Group's monetary items consist mainly of deposits with banks, bank overdrafts, trade accounts receivable and payable, loans to and from subsidiaries, equity investments, dividends payable and leases obligations.

In addition the Group and the Company entered into derivative financial instruments contracts designated as cash flow hedging in order to hedge certain risks.

a) Market Risk

i) Foreign exchange risk

The Group/Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Nigerian Naira, South African Rand, Indian Rupee, Norwegian Crone, Swedish Crone and the Russian rouble, Chinese Yuan.

Entities in the Group use natural heading, transacted with the Group Treasury, to hedge their exposure to foreign currency risk in connection with the presentation currency.

The Group has certain investments in subsidiaries that operate in foreign countries, whose net positions are exposed to foreign exchange risk during the consolidation of their financial statements to the Group's financial statements. The Group is not substantially exposed to this type of risk since most of its subsidiaries use Euro as their functional currency with the exception of the subsidiaries in Nigeria, Indonesia, Kenya, Poland and China.

At 31 December 2016,
if the Euro had **strengthened** by 5% against the US dollar, the Nigerian, the United Arab Emirates dirham, the Romanian, the Chinese, the Indian, and the South African currencies with all other variables held constant,
profit/<loss> after tax for the year would have been
Euro 897 thousand lower loss (2015: Euro 1.148 thousand lower loss)
Equity would have been
Euro 7.443 thousand lower (2015: Euro 6.234 thousand lower)

ii) Price risk

The Group is not exposed to risks from changes in the prices of equity securities since it does not own securities that can be characterised either as available for sale assets or financial assets recorded at fair value in the financial statements.

The Group is exposed to changes in the prices of raw materials. This risk is offset by increased productivity, by increased sales volume resulting in fixed cost allocation over greater production volume, as well as by absorption of the change in cost into the final price of the product.

b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with high quality credit credentials are accepted.

For customers, the Group/Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an ongoing basis.

Where necessary, credit guarantee insurance cover is purchased. The granting of credit is controlled by credit limits and application of certain terms. Appropriate provision for impairment losses is made for specific credit risks. At the year-end management considered that there was no material credit risk exposure that had not already been covered by credit guarantee insurance or a doubtful debt provision. The Group and the Company do not use derivative financial products.

The Group and the Company have a significant concentration of credit risk exposures regarding cash and cash equivalent balance and revenues from the sale of products and merchandise.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out adverse market positions.

Due to the dynamic nature of the underlying businesses, Group treasury aims at maintaining flexibility in funding by maintaining committed (exclusive) credit lines.

The Group manages liquidity risk by proper management of working capital and cash flows. It monitors forecasted cash flows and ensures that adequate banking facilities and reserve borrowing facilities are maintained.
On April 2017 the Group entered into a restructuring of its indebtedness details of which are included in Note 2.3 & Note 13.

d) Interest-rate risk

The Group's/Company's income and operating cash flows are substantially independent of changes in market interest rates since the Group does not hold any interest bearing assets other than short-term time deposits.
Exposure to interest rate risk on liabilities is limited to cash flow risk from changes in floating rates.
The Group continuously reviews interest rate trends and the tenure of financing needs. Consequently, all short, medium and long term borrowings are entered into at floating rates with re-evaluation dates in less than 6 months.
For the impact on interest rate from the proposed restructuring refer to Note 2.1 & Note 13.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or raise debt.
The equity position of the Parent Company has become less than 1/10 of its share capital.
Refer to Note 2.1 for action taken by management in terms of capital restructuring.

3.3 Fair value estimation

The nominal value less impairment provision of trade receivables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of investments in subsidiaries is test for impairment when indications exist that these investments may be impaired. The fair value is determined by using discounted cash flow techniques and makes assumptions that are based on market conditions existing at each balance sheet date.

Other than trade receivables, cash and cash equivalents, and investments in subsidiaries the Group does not have any other financial assets that subject to fair value estimation.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year concern income tax.

4.1.1 Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required by the Group Management in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. If the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax.

4.1.2 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6.1. of the annual financial statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see Note 7).

4.1.3. Estimated impairment of investments

The Group's investments in subsidiaries are tested for impairment when indications exist that its carrying value may not be recoverable. The recoverable amount of the investments in subsidiaries is determined on a value in use basis, which requires the use of assumptions as is further described in **note 14.**

4.1.4. Estimation of useful lives of fixed assets

The Group assesses on an annual basis, the useful lives of its property, plant and equipment and intangible assets. These estimates take into account the relevant operational facts and circumstances, the future plans of Management and the market conditions that exist as at the date of the assessment.

4.1.5. Provision for doubtful debts

The provision for doubtful debts has been based on the outstanding balances of specific debtors after taking into account their ageing and the agreed credit terms. This process has excluded receivables from subsidiaries as Management is of the view that these receivables are not likely to require an impairment provision. The analysis of the provision is presented in **Note 9**. Further information with respect to customer receivables is presented in **Note 35**.

4.1.6. Staff retirement benefit obligations

The present value of the retirement benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the relevant obligation comprises the discount rate, the expected return on plan assets, the rate of compensation increase, the rate of inflation and future estimated pension increases. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations. The Group determines the amount of the retirement benefit obligations using suitably qualified independent actuaries at each year-end's balance sheet date
(refer to **Note 31** for detailed information).

4.2 Critical judgements in applying the entity's accounting policies

There are no areas that Management required to make critical judgements in applying accounting policies.

Note 5 - Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The operating segment information presented below is based on the information that the chief operating decision makers (the Managing Director and his Operating Committee) use to assess the performance of the Group's operating segments.

The Managing Director and the Operating Committee receive on a monthly basis detailed reports of Sales, Income Statement, Balance Sheet and Cash flow for every business sector in order to evaluate the performance of the business segments.
Taking into account the above, the categorization of the Group's operations in business segments is the following:
- Ice Cold Merchandise (ICM) Operations
- Glass Operations

The consolidated Balance Sheet and the Income Statement per business segment are presented below:

a) Analysis per business segment :

i) Income Statement

	Year ended 31.12.2016			Year ended 31.12.2015		
	ICM	Glass	**Total**	ICM	Glass	**Total**
Net sales revenue	289.916	123.287	**413.203**	316.632	137.249	**453.881**
Operating Profit / <Loss>	(49)	10.388	**10.339**	5.754	13.384	**19.138**
Finance <costs> / income	(32.452)	15.195	**(17.257)**	(37.769)	516	**(37.253)**
Profit / <Loss> before income tax & restructuring costs	(32.501)	25.583	**(6.918)**	(32.015)	13.900	**(18.115)**
Restructuring Costs	(22.297)	(41)	**(22.338)**	(16.757)	-	**(16.757)**
Profit / <Loss> before income tax	(54.798)	25.542	**(29.256)**	(48.772)	13.900	**(34.872)**
Income tax expense	(8.212)	(11.304)	**(19.516)**	(14.092)	(9.351)	**(23.443)**
Profit / <Loss> after income tax	(63.010)	14.238	**(48.772)**	(62.864)	4.549	**(58.315)**
Profit / <Loss> after taxation attributable to the shareholders of the company	(62.802)	5.072	**(57.730)**	(62.830)	744	**(62.086)**
Depreciation	15.175	14.609	**29.784**	15.380	18.286	**33.666**
Earnings / <Loss> before, finance, restructuring costs, tax, depreciation, amortization (EBITDA)	15.126	24.997	**40.123**	21.134	31.670	**52.804**
Impairment of trade debtors	6.019	156	**6.175**	1.414	93	**1.507**
Impairment of inventory	1.513	710	**2.223**	15.867	667	**16.534**

There are no sales between the two segments.

	Y-o-Y % 31.12.2016 vs 31.12.2015		
	ICM	Glass	**Total**
Net sales revenue	-8,4%	-10,2%	**-9,0%**
Operating Profit / <Loss>	-100,9%	-22,4%	**-46,0%**
Earnings / <Loss> before, finance, restructuring costs, tax, depreciation, amortization (EBITDA)	-28,4%	-21,1%	**-24,0%**

Note 5 - Segment Information (continued)

ii) Balance Sheet

	Year ended 31.12.2016			Year ended 31.12.2015		
	ICM	Glass	Total	ICM	Glass	Total
Total assets	257.405	183.057	**440.462**	310.598	214.109	**524.707**
Total liabilities	486.128	50.187	**536.315**	396.518	128.613	**525.131**
Capital expenditure	7.925	5.847	**13.772**	13.644	22.893	**36.537**
			Note 6&7			

b) Net sales revenue analysis per geographical area (based on customer location)

	Consolidated Year ended 31.12.2016	31.12.2015	31.12.2014	31.12.2013
ICM Operations				
East Europe	105.697	113.759	137.071	154.864
West Europe	66.131	56.801	60.760	56.063
Africa / Middle East	59.076	68.446	65.799	70.414
Asia/Oceania	54.209	63.737	64.437	94.722
America	4.803	13.889	11.568	22.363
Total	**289.916**	**316.632**	**339.635**	**398.426**
Glass Operations				
East Europe	-	-	-	-
West Europe	-	2.262	2.431	2.276
Africa / Middle East	109.206	121.352	132.039	107.088
Asia/Oceania	14.081	13.624	12.665	14.718
America	-	11	276	-
Total	**123.287**	**137.249**	**147.411**	**124.082**
Total Sales				
East Europe	105.697	113.759	137.071	154.864
West Europe	66.131	59.063	63.191	58.339
Africa / Middle East	168.282	189.798	197.838	177.502
Asia/Oceania	68.290	77.361	77.102	109.440
America	4.803	13.900	11.844	22.363
Consolidated	**413.203**	**453.881**	**487.046**	**522.508**

We derive a significant amount of our revenues from a small number of large multinational customers each year. In the year ended December 31, 2016, our five largest customers accounted for approximately 57% of our net sales revenue in the ICM Operations and approximately 60% of our net sales revenue in the Glass Operations. In 2015, our five largest customers accounted for approximately 52% and 64% of our net sales revenue in our ICM Operations and Glass Operations, respectively.

c) Capital expenditure per geographical area

	Consolidated Year ended 31.12.2016	31.12.2015
ICM Operations		
East Europe	3.271	5.254
West Europe	2.134	3.365
Africa / Middle East	899	982
Asia/Oceania	1.621	4.033
America	-	10
Total	**7.925**	**13.644**
Glass Operations		
Africa / Middle East	5.846	22.893
Total	**5.846**	**22.893**
Consolidated	**13.771**	**36.537**

Note 6 - Property, Plant & Equipment

	Consolidated					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Opening balance at 01.01.2016	**9.894**	**94.183**	**343.727**	**7.058**	**13.729**	**468.591**
Additions	-	1.106	8.337	1.097	404	10.944
Construction in progress & advances	-	100	-	-	-	100
Disposals	(4.172)	(4.489)	(2.044)	(268)	(269)	(11.242)
Transfer to / from & reclassification	-	-	-	-	-	-
Exchange differences	(213)	(2.774)	(44.392)	(1.616)	(319)	(49.314)
Closing balance at 31.12.2016	**5.509**	**88.126**	**305.628**	**6.271**	**13.545**	**419.079**
Accumulated Depreciation						
Opening balance at 01.01.2016	**-**	**39.208**	**205.352**	**5.150**	**11.395**	**261.105**
Additions	-	3.378	20.457	765	911	25.511
Disposals	-	(3.525)	(2.060)	(244)	(266)	(6.095)
Impairment charge arising on restructuring	-	-	5.365	-	30	5.395
Exchange differences	-	(712)	(28.132)	(1.220)	(417)	(30.481)
Closing balance at 31.12.2016	**-**	**38.349**	**200.982**	**4.451**	**11.653**	**255.435**
Net book value at 31.12.2016	**5.509**	**49.777**	**104.646**	**1.820**	**1.892**	**163.644**

The impairment charge is related to the discontinuation of manufacturing in China **(Note 28)**

Construction in progress is always capitalised until the end of the forthcoming year.

For exchange differences, the major variance derives from the devaluation of Naira and relates to the assets of the subsidiaries in Nigeria.

Note 6 - Property, Plant & Equipment (continued)

	Consolidated					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Opening balance at 01.01.2015	**9.998**	**88.844**	**327.541**	**6.737**	**12.937**	**446.057**
Additions	-	1.196	25.281	874	811	28.162
Construction in progress & advances	-	2.023	2.075	-	193	4.291
Disposals	-	(23)	(13.644)	(369)	(266)	(14.302)
Transfer to / from & reclassification	-	409	(414)	-	5	-
Exchange differences	(104)	1.734	2.888	(184)	49	4.383
Closing balance as at 31.12.2015	**9.894**	**94.183**	**343.727**	**7.058**	**13.729**	**468.591**
Accumulated Depreciation						
Opening balance at 01.01.2015	**-**	**35.115**	**193.618**	**4.954**	**10.843**	**244.530**
Additions	-	3.330	24.468	672	773	29.243
Disposals	-	(23)	(13.361)	(345)	(257)	(13.986)
Transfer to / from & reclassification	-	191	(191)	-	-	-
Exchange differences	-	595	818	(131)	36	1.318
Closing balance as at 31.12.2015	**-**	**39.208**	**205.352**	**5.150**	**11.395**	**261.105**
Net book value at 31.12.2015	**9.894**	**54.975**	**138.375**	**1.908**	**2.334**	**207.486**

There are no pledged fixed assets as at **31.12.2015 and 31.12.2016.**

Note 6 - Property, Plant & Equipment (continued)

	Parent Company					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Opening balance at 01.01.2016	**303**	**9.016**	**14.071**	**260**	**2.591**	**26.241**
Additions	-	14	110	7	24	155
Closing balance at 31.12.2016	**303**	**9.030**	**14.181**	**267**	**2.615**	**26.396**
Accumulated Depreciation						
Opening balance at 01.01.2016	**-**	**4.768**	**12.672**	**245**	**2.352**	**20.037**
Additions	-	394	321	5	99	819
Closing balance at 31.12.2016	**-**	**5.162**	**12.993**	**250**	**2.451**	**20.856**
Net book value at 31.12.2016	**303**	**3.868**	**1.188**	**17**	**164**	**5.540**

	Parent Company					
	Land	Building & technical works	Machinery technical installation	Motor vehicles	Furniture & fixtures	Total
Cost						
Opening balance at 01.01.2015	**303**	**8.992**	**16.504**	**297**	**2.468**	**28.564**
Additions	-	-	240	-	128	368
Construction in progress & advances	-	33	-	-	-	33
Disposals	-	(43)	(2.639)	(37)	(5)	(2.724)
Transfer to / from & reclassification	-	34	(34)	-	-	-
Closing balance as at 31.12.2015	**303**	**9.016**	**14.071**	**260**	**2.591**	**26.241**
Accumulated Depreciation						
Opening balance at 01.01.2015	**-**	**4.388**	**14.896**	**274**	**2.269**	**21.827**
Additions	-	402	283	8	86	779
Disposals	-	(22)	(2.507)	(37)	(3)	(2.569)
Closing balance as at 31.12.2015	**-**	**4.768**	**12.672**	**245**	**2.352**	**20.037**
Net book value at 31.12.2015	**303**	**4.248**	**1.399**	**15**	**239**	**6.204**

There are no pledged fixed assets as at 31.12.2015 and 31.12.2016.

Note 7 - Intangible assets

	Consolidated				
	Goodwill	Development costs	Patterns & trade marks	Software & other intangible assets	Total
Cost					
Opening balance at 01.01.2016	**1.513**	**30.076**	**216**	**25.310**	**57.115**
Additions	-	326	-	752	1.078
Construction in progress & advances	-	1.455	-	195	1.650
Exchange differences	-	(141)	9	(304)	(436)
Closing balance at 31.12.2016	**1.513**	**31.716**	**225**	**25.953**	**59.407**
Accumulated Depreciation					
Opening balance at 01.01.2016	**-**	**20.713**	**190**	**17.717**	**38.620**
Additions	-	1.996	27	2.645	4.668
Impairment charge arising on restructuring	-	613	-	17	630
Exchange differences	-	(2)	8	(190)	(184)
Closing balance at 31.12.2016	-	**23.320**	**225**	**20.189**	**43.734**
Net book value at 31.12.2016	**1.513**	**8.396**	**-**	**5.764**	**15.673**

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. At each balance sheet date, the Group performs an analysis to assess whether the carrying amount of goodwill is recoverable. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is performed on the cash-generating units that are expected to benefit from the acquisition from which goodwill was derived. The existing goodwill €1,514 thousand , which resulted from the business combination of Frigoglass Jebel Ali FZE (Dubai), has been allocated to cash generating units related to the Group's operations in Dubai for the respective subsidiary and the Glass segment.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on cash flow projection, which require the use of estimates approved by Management and covering a five year period.

The key assumptions used for the Value-in-use calculation are as follows:
Discount Factor: **11%**, Perpetuity growth rate: **2%**

No impairment of Goodwill was indicated from the impairment tests of 2016 and 2015

The impairment charge is related to the discontinuation of manufacturing in China (Note 28)

Note 7 - Intangible assets (continued)

Construction in progress is always capitalised until the end of the forthcoming year.

	Consolidated				
	Goodwill	Development costs	Patterns & trade marks	Software & other intangible assets	Total
Cost					
Opening balance at 01.01.2015	**1.513**	**27.393**	**226**	**23.615**	**52.747**
Additions	-	840	-	1.543	2.383
Construction in progress & advances	-	1.697	-	4	1.701
Exchange differences	-	146	(10)	148	284
Closing balance as at 31.12.2015	**1.513**	**30.076**	**216**	**25.310**	**57.115**
Accumulated Depreciation					
Opening balance at 01.01.2015	**-**	**18.492**	**165**	**14.939**	**33.596**
Additions	-	2.153	33	2.679	4.865
Exchange differences	-	68	(8)	99	159
Closing balance as at 31.12.2015	**-**	**20.713**	**190**	**17.717**	**38.620**
Net book value at 31.12.2015	**1.513**	**9.363**	**26**	**7.593**	**18.495**

Note 7 - Intangible assets (continued)

	Parent Company			
	Development costs	Patterns & trade marks	Software & other intangible assets	Total
Cost				
Opening balance at 01.01.2016	**18.873**	**35**	**16.040**	**34.948**
Additions	108	-	467	575
Construction in progress & advances	1.422	-	-	1.422
Transfer to / from & reclassification	-	-	(37)	(37)
Closing balance at 31.12.2016	**20.403**	**35**	**16.470**	**36.908**
Accumulated Depreciation				
Opening balance at 01.01.2016	**13.993**	**35**	**11.626**	**25.654**
Additions	1.307	-	1.463	2.770
Disposals	-	-	-	-
Closing balance at 31.12.2016	**15.300**	**35**	**13.089**	**28.424**
Net book value at 31.12.2016	**5.103**	**-**	**3.381**	**8.484**

Construction in progress and advances is always capitalised until the end of the forthcoming year.

	Parent Company			
	Development costs	Patterns & trade marks	Software & other intangible assets	Total
Cost				
Opening balance at 01.01.2015	**16.896**	**35**	**15.230**	**32.161**
Additions	222	-	808	1.030
Construction in progress & advances	1.755	-	2	1.757
Closing balance as at 31.12.2015	**18.873**	**35**	**16.040**	**34.948**
Accumulated Depreciation				
Opening balance at 01.01.2015	**12.846**	**35**	**10.201**	**23.082**
Additions	1.147	-	1.425	2.572
Closing balance as at 31.12.2015	**13.993**	**35**	**11.626**	**25.654**
Net book value at 31.12.2015	**4.880**	**-**	**4.414**	**9.294**

Note 8 - Inventories

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Raw materials	62.029	64.880	3.048	4.091
Work in progress	1.616	2.102	34	222
Finished goods	46.841	50.657	1.403	757
Less: Provision	(17.441)	(20.413)	(2.076)	(2.757)
Total	**93.045**	**97.226**	**2.409**	**2.313**

Analysis of Provisions :		Consolidated		Parent Company	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening Balance at 01/01		**20.413**	**5.472**	**2.757**	**804**
Additions during the year		879	2.143	250	210
Restructuring Costs	**Note 27**	1.262	14.110	-	2.064
Unused amounts reversed		-	(317)	-	-
Total Charges to the Income Statement		**2.141**	**15.936**	**250**	**2.274**
Realised during the year		(4.475)	(1.275)	(450)	(321)
Transfer to / from & reclassification		217	459	(481)	-
Exchange differences		(855)	(179)	-	-
Closing Balance at 31/12		**17.441**	**20.413**	**2.076**	**2.757**

Note 9 - Trade Receivables

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Trade receivables	86.861	102.590	9.731	11.260
Less: Provisions	(9.154)	(3.552)	(6.556)	(1.781)
Total	**77.707**	**99.038**	**3.175**	**9.479**

The fair value of trade debtors closely approximates their carrying value. The Group and the Company have a significant concentration of credit risk with specific customers which comprise large international groups like Coca - Cola HBC, other Coca - Cola bottlers, Diageo - Guinness, Heineken , Efes Group.

The decrease in Trade receivables relates to improved collectability and sales decline

The Group does not require its customers to provide any pledges or collateral given the general high calibre and international reputation of its customer portfolio.

Management does not expect any losses from non-performance of trade receivables, other than as provided for as at **31.12.2016**.

Note 9 - Trade Receivables (continued)

Analysis of provisions for trade receivables:	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance at 01/01	**3.552**	**2.108**	**1.781**	**1.215**
Additions during the year	6.182	1.495	4.295	924
Additions from restructuring activities	-	-	-	-
Unused amounts reversed	(17)	(7)	-	-
Total charges to income statement	**6.165**	**1.488**	**4.295**	**924**
Realized during the year	(984)	(53)	-	(358)
Transfer to / from & reclassification	365	-	480	-
Exchange differences	56	9	-	-
Closing Balance	**9.154**	**3.552**	**6.556**	**1.781**

The increase to the provision for Trade Debtors derives mainly from the one off provision for Global Beverages Co. in Libya

Note 10 - Other receivables

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
V.A.T receivable	8.374	9.857	104	280
Grants for exports receivable	8.363	11.222	-	-
Insurance Prepaymnets	1.186	1.781	165	164
Prepaid expenses	2.218	1.927	324	178
Other taxes receivable	3.684	3.459	-	-
Advances to employees	702	956	16	51
Other receivables	2.747	5.707	156	264
Total	**27.274**	**34.909**	**765**	**937**

Grants for Exports are granted by the Nigerian Government on exports of goods produced in the country and are recognized at fair value. Management does not expect any losses from the non-recoverability of these grants.

The V.A.T receivable is fully recoverable through the operating activity of the Group and the Company.

Other receivables comprise various prepayments and accrued income not invoiced.

The fair value of other receivables closely approximates their carrying value.

Note 11 - Cash & cash equivalents

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Cash on hand	13	60	2	3
Short term bank deposits	57.513	57.432	1.143	4.561
Total	**57.526**	**57.492**	**1.145**	**4.564**

Short term bank deposits amounting to € 17.8 million which are held in Nigeria, USD & Euro are subject to fund transfer restrictions.

The effective interest rate on short term bank deposits for **December 2016** is **1,68%** (December 2015: 0.27%)

Note 12 - Other payables

	Consolidated		Parent Company	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Taxes and duties payable	3.981	3.967	475	459
VAT payable	480	257	-	-
Social security insurance	1.154	1.052	457	487
Dividends payable to company' s shareholders	-	3	-	3
Customers' advances	841	1.168	77	26
Other taxes payable	1.564	1.345	-	-
Accrued discounts on sales	7.560	3.621	171	-
Accrued fees & costs payable to third parties	6.333	5.673	2.101	523
Accrued payroll expenses	5.017	4.272	232	419
Other accrued expenses	5.985	6.040	67	165
Expenses for restructuring activities	910	1.662	-	-
Accrual for warranty expenses	5.317	4.055	401	364
Other payables	4.975	4.003	244	234
Total	**44.117**	**37.118**	**4.225**	**2.680**

The fair value of other creditors closely approximates their carrying value.

Note 13 - Non current & current borrowings

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Bank loans	4	12	-	-
Intergroup Bond Loan	-	-	-	76.650
Bond Loan	-	-	-	-
Total non current borrowings	**4**	**12**	**-**	**76.650**

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Bank overdrafts	2.652	2.709	-	-
Bank loans	101.591	112.682	-	-
Loans from Shareholders	30.000			
Intergroup Bond Loan	-	-	91.559	6.134
Bond Loan	247.628	246.095	-	-
Finance Lease liabilities	-	516	-	-
Total current borrowings	**381.871**	**362.002**	**91.559**	**6.134**
Total borrowings	**381.875**	**362.014**	**91.559**	**82.784**

Maturity of non current borrowings

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Between 1 & 2 years	4	12	-	-
Between 2 & 5 years	-	-	-	76.650
Over 5 years	-	-	-	-
Total	**4**	**12**	**-**	**76.650**

Effective interest rates

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Bond loan	8,98%	8,98%	9,13%	9,13%
Non current borrowings	8,98%	8,98%	-	-
Bank overdrafts	11,20%	8,19%	-	-
Current borrowings	5,70%	5,88%	9,13%	9,13%

Net Debt / Total capital

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Total borrowings	381.875	362.014	91.559	82.784
Cash & cash equivalents	(57.526)	(57.492)	(1.145)	(4.564)
Net debt (A)	**324.349**	**304.522**	**90.414**	**78.220**
Total equity **(B)**	(95.853)	(424)	(13.254)	12.650
Total capital **(C) = (A) + (B)**	228.496	304.098	77.160	90.870
Net debt / Total capital (A) / (C)	**141,9%**	**100,1%**	**117,2%**	**86,1%**

Note 13 - Non current & current borrowings (continued)

The foreign Currency exposure of borrowings is as follows:

	Consolidated					
	31.12.2016			31.12.2015		
	Current borrowings	Non current borrowings	Total	Current borrowings	Non current borrowings	Total
- EURO	353.321	-	**353.321**	331.153	-	**331.153**
- USD	25.898	-	**25.898**	25.076	-	**25.076**
- AED	-	4	**4**	44	12	**56**
- CNY	-	-	**-**	-	-	**-**
- INR	2.652	-	**2.652**	2.709	-	**2.709**
- NAIRA	-	-	**-**	2.907	-	**2.907**
- RON	-	-	**-**	113	-	**113**
Total	**381.871**	**4**	**381.875**	**362.002**	**12**	**362.014**

	Parent Company					
	31.12.2016			31.12.2015		
	Current borrowings	Non current borrowings	Total	Current borrowings	Non current borrowings	Total
- EURO	91.559	-	**91.559**	6.134	76.650	**82.784**
Total	**91.559**	**-**	**91.559**	**6.134**	**76.650**	**82.784**

The Group's principal sources of liquidity are cash flow generated from operating activities, local overdraft facilities, short- and long-term local bank borrowing facilities, Notes, two bilateral revolving credit facilities and other forms of indebtedness.

There are no pledged fixed assets as at 31.12.2015 and 31.12.2016.

In May 2013, the Company announced that its subsidiary Frigoglass Finance B.V. issued €250,000,000 Senior Notes due on May 15, 2018 (the "Notes"), at a fixed coupon of 8.25% per annum and at an issue price of 100%. The Notes were issued on May 20, 2013. The proceeds from the issue were used to refinance existing Group facilities and pay the fees and expenses related to the offering and sale of the Notes.

In addition, on May 20, 2013, Frigoglass Finance B.V. entered into two bilateral Revolving Credit Facilities of a total amount of €50 million. The RCFs had a maturity date of May 17, 2016, which was extended as described below.

Both the Notes and the credit revolving facilities are fully and unconditionally guaranteed on a senior unsecured basis by Frigoglass S.A.I.C., Frigoinvest Holdings B.V. (the direct parent company of the Issuer) and by the following subsidiaries of Frigoinvest Holdings B.V.: Beta Glass Plc, Frigoglass Eurasia LLC, Frigoglass Indonesia PT, Frigoglass Industries (Nigeria) Ltd, Frigoglass Jebel Ali FZE, Frigoglass North America Ltd. Co., Frigoglass Turkey Soğutma Sanayi İç ve Dıs Ticaret A.Ş., Frigoglass South Africa Ltd and Frigoglass Romania SRL.

Note 13 - Non current & current borrowings (continued)

With the exception of the Notes, the Group borrows under committed and uncommitted short term facilities at floating interest rates, which are renegotiated in periods shorter than six months.

The Notes are subject to restrictive covenants while under the RCFs, the Group was required to comply with financial covenants relating to its solvency, profitability and liquidity as described below:
a) Net debt to EBITDA
b) EBITDA to net interest

At the year end date of 2015 the Group obtained waivers relating to breach of its financial covenants in relation to its RCFs and on April 22, 2016, the RCFs were amended to remove the financial covenants.

On April 26, 2016, the Revolving Credit Facility (RCF) lenders and the Company entered into an amended and restated revolving credit facility (the Amended and Restated Agreement).
Under the Amended and Restated Agreement, the RCF lenders extended the maturity of the RCFs until March 31, 2017 and agreed to remove certain financial covenants and waive any outstanding defaults or events of defaults.

In connection with the amendment and extension of the RCFs, Frigoglass repaid and cancelled €5 million of indebtedness outstanding under each RCF, as agreed, in April 2016, and also agreed to an amortization schedule that provides for an additional €14 million of repayments consisting of a repayment and cancellation of €5 million under each RCF on 31 October 2016 and a further repayment and cancellation of €2 million under each RCF on 31 December 2016 and a final repayment on 31st March 2017.

The interim repayments have been made per agreement, however the final repayment was not made as part of the overall restructuring of the Group (see below)

The effectiveness of the Amended and Restated Agreement was conditional on the term loan being provided by Boval SA, an affiliate of Frigoglass’ ultimate shareholder Truad Verwaltungs AG.

In April 2016 Frigoglass Finance B.V. has signed a loan agreement of a total amount of € 30 million due at 31.03.2017 with BOVAL S.A on the same terms as the RCFs.

BOVAL S.A in Luxembourg is a subsidiary of Truad Verwaltungs A.G.

The full amount of € 30 million was withdrawn until 31.12.2016

In accordance with relevant IFRS pronouncements, the Notes were re-classified as current liabilities as of 31 December 2015 and 31 December 2016 on the basis that the payment obligations under the RCFs could have technically been accelerated by the lenders and therefore consequently trigger an event of default under the Notes due to the fact that the waivers obtained as at the balance sheet dates did not cover a period of 12 months after the year end date.

Note 13 - Non current & current borrowings (continued)

On 12 April 2017 the Group entered into a legally binding agreement (the "Lock up Agreement") on the key terms of the restructuring of its indebteness (the "Restructuring") , with its key stakeholders, including its largest shareholder (Boval SA), an ad-hoc committee representing approximately 38% of the holders of Frigoglass Euro 250 million 8.25% Senior Notes due 2018, and Frigoglass core lending banks (CITIBANK, HSBC, Alpha Bank and Eurobank).
Based on the Lock up Agreement:

Significant Deleveraging: Following the implementation of the Restructuring, the Group's outstanding gross indebtedness will be reduced by €136 – 142 million (prior to the incurrence of the €40 million new first lien secured funding described below). The Restructuring will result in the equitisation of 100% of the €30 million term loan provided by Boval (the "Boval Loan") and, depending on the participation of existing shareholders in a pre-emptive rights issue and the participation of Noteholders in the new first lien secured funding, the repayment (from the rights issue proceeds) or equitisation of up to 42% (€105 million) of the €250 million outstanding principal amount of Senior Notes and up to 13% (€11 million) of the €82 million bank debt provided by the Core Banks. The repayment or equitisation of Senior Notes and Core Bank debt will reflect a €45 million discount to be allocated on a pro rata basis (implementation details to be agreed among the parties to the Lock-Up Agreement).

Improved Liquidity: The Group will benefit from €70 million of additional liquidity to fund its business needs, as well as Restructuring-related expenses. €30 million in new cash will be contributed by Boval as equity through the rights issue and €40 million will be provided in the form of new first lien secured funding by the Core Banks and the holders of the Senior Notes (the "Noteholders") who elect to participate in this new first lien senior secured funding.

Reduced Interest Cost: Significant reduction of its annual interest cost to approximately €13 million (excluding any interest on the new first lien secured funding) through reduction of indebtedness and lower interest cost on the Group's remaining indebtedness.

Significant Extension of Maturity Profile: The maturity profiles of almost all of the Group's indebtedness will be extended and committed for around 5 years.

First lien Debt are senior secure obligations, senior to the Second Lien Debt comprising of first lien facilities and first lien notes, which mature in December 2021 and carry euribor + 4,25%.
The first lien debt will be repaid in six monthly instalments of euro 2m starting from March 2019.
The first lien facilities are subject to financial covenants (minimum liquidity covenant, leverage covenant, annual one week clean down) while the first lien debt is subject to cross default on maintenance covenants and clean down of first lien facilities.

Second lien Debt will comprise of second lien facilities and second lien notes, which mature in March 2022 and carry euribor + 3,25% and 7% (fixed) respectively.
The second lien facilities are subject to financial covenants as per the first lien facilities while the second lien debt is in line with Existing Notes with additional restrictions.

Note 14 - Investments in subsidiaries

	Parent Company	
	31.12.2016	31.12.2015
	Net book value	Net book value
Frigoinvest Holdings B.V (The Netherlands)	58.045	58.045
Total	**58.045**	**58.045**

In its separate financial statements, the Parent Company accounts for investments in subsidiaries at historic cost less any impairment losses.

The subsidiaries of the Group, the country of incorporation and their shareholding status as at **31.12.2016** are described below:

Company name & business segment	Country of incorporation	Consolidation method	% Shareholding
ICM Operations			
Frigoglass S.A.I.C.	Hellas	**Parent Company**	
SC. Frigoglass Romania SRL	Romania	Full	100%
PT Frigoglass Indonesia	Indonesia	Full	99,98%
Frigoglass South Africa Ltd	South Africa	Full	100%
Frigoglass Eurasia LLC	Russia	Full	100%
Frigoglass (Guangzhou) Ice Cold Equipment Co. ,Ltd.	China	Full	100%
Scandinavian Appliances A.S	Norway	Full	100%
Frigoglass Ltd.	Ireland	Full	100%
Frigoglass Iberica SL	Spain	Full	100%
Frigoglass Sp zo.o	Poland	Full	100%
Frigoglass India PVT.Ltd.	India	Full	100%
Frigoglass Turkey Soğutma Sanayi İç ve Dış Ticaret Anonim Şirketi	Turkey	Full	99,60%
Frigoglass North America Ltd. Co	USA	Full	100%
Frigoglass Philippines Inc.	Philippines	Full	100%
Frigoglass East Africa Ltd.	Kenya	Full	100%
Frigoglass GmbH	Germany	Full	100%
Frigoglass Nordic AS	Norway	Full	100%
Frigoglass West Africa Limited	Nigeria	Full	76,03%
Frigoglass Cyprus Limited	Cyprus	Full	100%
Norcool Holding A.S	Norway	Full	100%
Frigoinvest Holdings B.V	The Netherlands	Full	100%
Frigoglass Finance B.V	The Netherlands	Full	100%
Frigoglass MENA FZE	Dubai	Full	100%
3P Frigoglass Romania SRL	Romania	Full	100%
Glass Operations			
Frigoglass Global Limited	Cyprus	Full	100%
Frigoglass Jebel Ali FZE	Dubai	Full	100%
Beta Glass Plc.	Nigeria	Full	55,21%
Frigoglass Industries (NIG.) Ltd	Nigeria	Full	76,03%

All subsidiary undertakings are included in the consolidation. The Parent Company does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

In May 2015 the Group acquired the remaining 20% of Frigoglass Jebel Ali FZE for the amount of € 3,724 million and as at 31.12.2015 owns 100% of the share capital of Frigoglass Jebel Ali FZE and reported a loss Euro 10,7 millions in equity.

Note 14 - Investments in subsidiaries (continued)

Below are the financial summarised information of the Group's subsidiaries that non controlling interest have interest in:

Frigoglass Industries (Nigeria) Ltd.	2016	2015
Total assets	103.601	98.861
Total liabilities	59.885	50.707
Total equity	**43.716**	**48.154**
Net sales revenue	24.072	42.610
Profit / <Loss> after income tax expenses	13.219	5.528
Non controlling interest - %	23,97%	23,97%
Profit / <Loss> after income tax expenses attibutable to minority interest	3.169	1.325
Dividends to non controlling interest	-	-
Capital expenditure	771	462

Beta Glass Plc.	2016	2015
Total assets	172.370	169.591
Total liabilities	105.591	87.724
Total equity	**66.779**	**81.867**
Net sales revenue	68.351	74.766
Profit / <Loss> after income tax expenses	13.603	9.444
Non controlling interest - %	44,79%	44,79%
Profit / <Loss> after income tax expenses attibutable to minority interest	6.092	4.230
Dividends to non controlling interest	167	647
Capital expenditure	3.753	19.618

Frigoglass West Africa Ltd.	2016	2015
Total assets	19.952	23.843
Total liabilities	19.747	22.505
Total equity	**205**	**1.338**
Net sales revenue	16.591	5.708
Profit / <Loss> after income tax expenses	(845)	(669)
Non controlling interest - %	23,97%	23,97%
Profit / <Loss> after income tax expenses attibutable to minority interest	(203)	(160)
Dividends to non controlling interest	-	-
Capital expenditure	193	164

Short term bank deposits amounting to € 17.8 million which are held in Nigeria, USD & Euro are subject to fund transfer restrictions.

Note 15 - Share Capital - Treasury Shares - Dividends & Share Options

a) Share capital:

The share capital of the company comprises of **50.593.832** fully paid up ordinary shares of **€ 0.30** each.The share premium accounts represents the difference between the issue of shares (in cash) and their par value.

	Number of shares	Share capital -000' Euro-	Share premium -000' Euro-
Balance at 01.01.2015	**50.593.832**	**15.178**	**2.755**
Balance at 31.12.2015	**50.593.832**	**15.178**	**2.755**
Balance at 01.01.2016	**50.593.832**	**15.178**	**2.755**
Balance at 31.12.2016	**50.593.832**	**15.178**	**2.755**

b) Dividends

Dividends are recorded in the financial statements, as a liability, in the period in which they are approved by the Shareholders Meeting.

c) Share Options

The entity has defined the Stock Option Plan of Frigoglass which is offered to members of the Executive Committee and senior management as a long term incentive, aiming at reinforcing their contribution to the Company's long term success, generating shareholder value. Therefore the purpose of the Stock Option Plan is to align the achievement of Company objectives with their personal aspirations. The Stock Option Plan provides the opportunity to participants to buy shares at a predetermined price and to exercise their Options within defined time periods in the future. Frigoglass introduced the first Stock Option Plan in 2007 and annually thereafter. The duration of each Stock Option Plan is 10 years from the grant date. The Board of Directors shall grant Options only in accordance with the remuneration policy of the Company. The allocation is linked to their positions grade and individual performance & potential, as determined by the Company's HR systems. According to the current remuneration policy, participants of the Plan are a) Members of the Executive Committee and b) senior managers who hold a position at grade ML and above.

The price of the Stock Options that will be distributed to participants is determined by the General Assembly.
Options of each Stock Option Plan are vested over a period of three years, as follows:
a. the 1/3 of the total amount of the grant is vested within 12 months from the date of grant b. the 1/3 of the total amount of the grant is vested within 24 months from the date of grant c. the rest 1/3 of the total amount of the grant is vested within 36 months from the date of grant. Participants have the option to exercise vested Stock Options up to 10 years from the date of each grant. Exercise of the vested Stock Options is possible four times per year: December, March, June,September. The Options granted under the plan are personal to the executive and are not transferable by the executive, nor may they be assigned. Options that are not exercised within the period of 10 years will automatically lapse.
No exercise of options has been performed within 2016.

i) The Annual General Assembly of June 8, 2007 approved a share option plan with beneficiaries executive members of the Company's BoD, employees of the Company and employees of the Company's affiliates in replacement of the previous Phantom option plan.
According to the above General Assembly resolution, a maximum of 428,870 share options were approved, each corresponding to one (1) ordinary share of the Company.
ii) The Annual General Assembly of June 5, 2009 approved a share option plan with beneficiaries executive members of the Company's BoD, employees of the Company and employees of the Company's affiliates.
According to the above General Assembly resolution, a maximum of 500,000 share options were approved, each corresponding to one (1) ordinary share of the Company.
iii) The Annual General Assembly of May 14, 2010 approved a share option plan with beneficiaries executive members of the Company's BoD, employees of the Company and employees of the Company's affiliates.
According to the above General Assembly resolution, a maximum of 600,000 share options were approved, each corresponding to one (1) ordinary share of the Company.

iv) On 14.12.2011 Frigoglass Board of Directors resolved to adjust of the approved share options price for option holders pursuant to the Company's share option plan, following the decision of the Annual General Meeting at 31.05.2011 to modify the company's share capital.
According to the aforementioned decision, the Board of Directors also decided the increase of the stock option rights by 25%, in line with the bonus share issue of one new share for every four existing shares.

v) The Annual General Assembly of May 29, 2012 approved a share option plan with beneficiaries executive members of the Company's BoD, employees of the Company and employees of the Company's affiliates.
According to the above General Assembly resolution, a maximum of 600,000 share options were approved, each corresponding to one (1) ordinary share of the Company.
vi) The Annual General Assembly of May 27, 2014 approved a share option plan with beneficiaries executive members of the Company's BoD, employees of the Company and employees of the Company's affiliates.

According to the above General Assembly resolution, a maximum of 600,000 share options were approved, each corresponding to one (1) ordinary share of the Company.

Note 15 - Share Capital - Treasury Shares - Dividends & Share Options (continued)

The following table summarizes information for share option plan:

Program of options	Start of exercise period	Expiry date	Number of options issued	Number of options exercised/ cancelled	Number of outstanding options
Program approved by BoD on 02.08.2007					
Exercise price at 13.15 Euro per share	08.06.2007	17.12.2016	34.589	34.589	-
Exercise price at 13.15 Euro per share	01.01.2008	17.12.2016	34.589	24.875	9.714
Exercise price at 13.15 Euro per share	01.01.2009	17.12.2016	34.586	22.736	11.850
		Total	**103.764**	**82.200**	**21.564**
Program approved by BoD on 14.05.2008					
Exercise price at 15.83 Euro per share	14.05.2008	17.12.2017	33.083	18.750	14.333
Exercise price at 15.83 Euro per share	14.05.2009	17.12.2017	33.083	18.750	14.333
Exercise price at 15.83 Euro per share	14.05.2010	17.12.2017	33.088	18.753	14.335
		Total	**99.253**	**56.253**	**43.000**
Program approved by BoD on 19.06.2009					
Exercise price at 3.07 Euro per share	19.06.2009	31.12.2018	204.673	144.886	59.787
Exercise price at 3.07 Euro per share	01.01.2010	31.12.2018	204.673	144.907	59.765
Exercise price at 3.07 Euro per share	01.01.2011	31.12.2018	204.671	141.701	62.970
		Total	**614.016**	**431.495**	**182.522**
Program approved by BoD on 11.12.2009					
Exercise price at 3.07 Euro per share	11.12.2009	31.12.2018	3.541	-	3.541
Exercise price at 3.07 Euro per share	01.01.2010	31.12.2018	3.541	-	3.541
Exercise price at 3.07 Euro per share	01.01.2011	31.12.2018	3.543	-	3.543
		Total	**10.625**	**-**	**10.625**
Program approved by BoD on 17.11.2010					
Exercise price at 5.54 Euro per share	17.11.2010	31.12.2019	74.699	43.905	30.794
Exercise price at 5.54 Euro per share	01.01.2011	31.12.2019	74.729	38.961	35.768
Exercise price at 5.54 Euro per share	01.01.2012	31.12.2019	74.735	32.755	41.980
		Total	**224.163**	**115.620**	**108.543**
Program approved by BoD on 03.01.2011					
Exercise price at 5.54 Euro per share	03.01.2011	31.12.2020	80.326	44.143	36.184
Exercise price at 5.54 Euro per share	03.01.2012	31.12.2020	80.354	36.781	43.573
Exercise price at 5.54 Euro per share	03.01.2013	31.12.2020	80.364	36.784	43.580
		Total	**241.044**	**117.708**	**123.336**
Program approved by BoD on 15.06.2012					
Exercise price at 3.55 Euro per share	01.12.2013	31.12.2022	10.000	-	10.000
Exercise price at 3.55 Euro per share	01.12.2014	31.12.2022	10.000	-	10.000
Exercise price at 3.55 Euro per share	01.12.2015	31.12.2022	10.000	-	10.000
		Total	**30.000**	**-**	**30.000**

Note 15 - Share Capital - Treasury Shares - Dividends & Share Options (continued)

Program of options	Start of exercise period	Expiry date	Number of options issued	Number of options exercised/ cancelled	Number of outstanding options
Program approved by BoD on 10.12.2012					
Exercise price at 5.54 Euro per share	10.12.2012	31.12.2021	79.707	16.732	62.975
Exercise price at 5.54 Euro per share	01.01.2013	31.12.2021	79.720	16.736	62.984
Exercise price at 5.54 Euro per share	01.01.2014	31.12.2021	79.743	21.186	58.557
		Total	**239.170**	**54.654**	**184.516**
Program approved by BoD on 23.10.2013					
Exercise price at 5.59 Euro per share	01.12.2013	31.12.2022	90.503	2.500	88.003
Exercise price at 5.59 Euro per share	01.12.2014	31.12.2022	90.503	8.000	82.503
Exercise price at 5.59 Euro per share	01.12.2015	31.12.2022	90.494	8.000	82.494
		Total	**271.500**	**18.500**	**253.000**
Program approved by BoD on 27.06.2014					
Exercise price at 3.79 Euro per share	01.12.2014	31.12.2023	99.499	-	99.499
Exercise price at 3.79 Euro per share	01.12.2015	31.12.2023	99.499	-	99.499
Exercise price at 3.79 Euro per share	01.12.2016	31.12.2023	99.502	-	99.502
		Total	**298.500**	**-**	**298.500**
Program approved by BoD on 12.05.2015					
Exercise price at 1.90 Euro per share	01.12.2015	31.12.2024	99.998	-	99.998
Exercise price at 1.90 Euro per share	01.12.2016	31.12.2024	99.998	-	99.998
Exercise price at 1.90 Euro per share	01.12.2017	31.12.2024	100.004	-	100.004
		Total	**300.000**	**-**	**300.000**
Program approved by BoD on 04.11.2015					
Exercise price at 2.21 Euro per share	01.12.2015	31.12.2024	6.667	-	6.667
Exercise price at 2.21 Euro per share	01.12.2016	31.12.2024	6.667	-	6.667
Exercise price at 2.21 Euro per share	01.12.2017	31.12.2024	6.666	-	6.666
		Total	**20.000**	**-**	**20.000**
Program approved by BoD on 26.07.2016					
Exercise price at 0.15 Euro per share	01.12.2016	31.12.2025	93.167	-	93.167
Exercise price at 0.15 Euro per share	01.12.2017	31.12.2025	93.167	-	93.167
Exercise price at 0.15 Euro per share	01.12.2018	31.12.2025	93.166	-	93.166
		Total	**279.500**	**-**	**279.500**
		Grand Total	**2.731.534**	**876.429**	**1.855.105**

On 5.11.2014 Frigoglass Board of Directors resolved to cancel 488.861 share options for personnel that are not employees of the company anymore.

The weighted average fair value of the new options granted during the year was determined using the Black-Scholes valuation model and amounted to **Euro 0.01** per option.

The key assumptions used in the valuation model are the following:

Program approved by BoD on:	**26.07.2016**
Weighted average share price	0,15 €
Volatility	15,40%
Dividend yield	0,0%
Discount rate	-0,001%

Note 16 - Other reserves

	Consolidated						
	Statutory reserves	Share option reserve	Extraordinary reserves	Cash flow hedge reserve	Tax free reserves	Currency translation reserve	Total
Balance at 01.01.2015	**4.177**	**609**	**9.224**	**(39)**	**6.831**	**(5.329)**	**15.473**
Additions for the year	-	58	-	(190)	-	-	(132)
Transfer from/<to> Net profit	-	-	-	229	-	-	229
Non controlling interests from acquisitions	-	-	-	-	-	(3.531)	(3.531)
Exchange differences	-	-	(319)	-	-	1.280	961
Balance at 31.12.2015	**4.177**	**667**	**8.905**	**-**	**6.831**	**(7.580)**	**13.000**
Balance at 01.01.2016	**4.177**	**667**	**8.905**	**-**	**6.831**	**(7.580)**	**13.000**
Additions for the year	-	27	-	-	-	-	27
Exchange differences	-	-	(1.159)	-	-	(25.641)	(26.800)
Balance at 31.12.2016	**4.177**	**694**	**7.746**	**-**	**6.831**	**(33.221)**	**(13.773)**

The impact of the sharp devaluation of the Naira has resulted in a significant decrease of Group’s net equity.

Note 16 - Other reserves (continued)

	Parent Company				
	Statutory reserves	Share option reserve	Extraordinary reserves	Tax free reserves	Total
Balance at 01.01.2015	**4.020**	**609**	**4.835**	**6.831**	**16.295**
Additions for the year	-	58	-	-	58
Balance at 31.12.2015	**4.020**	**667**	**4.835**	**6.831**	**16.353**
Balance at 01.01.2016	**4.020**	**667**	**4.835**	**6.831**	**16.353**
Additions for the period	-	27	-	-	27
Balance at 31.12.2016	**4.020**	**694**	**4.835**	**6.831**	**16.380**

A statutory reserve is created under the provisions of Hellenic law (Law 2190/20) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to this reserve until it reaches one third of the paid up share capital. The statutory reserve can not be distributed to the shareholders of the Company except for the case of liquidation.

The share option reserve refers to a share option program with beneficiaries the Company's BoD executive members and employees and is analyzed in Note 15 of the financial statements.

The Company has created tax free reserves, taking advances of various Hellenic Taxation laws, during the years, in order to achieve tax deductions, either
a) by postponing the tax liability till the reserves are distributed to the shareholders, or
b) by eliminating any future income tax payment by issuing new shares for the shareholders of the company.
Should the reserves be distributed to the shareholders as dividends, the distributed profits will be taxed with the rate that will be in effect at the time of the profits distributions.
No provision has been created in regard to the possible income tax liability in the case of such a future distribution of the reserves to the shareholders of the company as such liabilities are recognized simultaneously with the dividends distribution.

Note 17 - Financial Expenses

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Interest expense	29.415	28.731	7.626	6.979
Interest income	(982)	(822)	(5)	(10)
Net interest expense / <income>	**28.433**	**27.909**	**7.621**	**6.969**
Exchange loss / (gain) & Other Financial Costs	(15.252)	(4.604)	(1.496)	78
Loss / <Gain> on derivative financial instruments	4.076	13.948	203	1.004
Total finance cost / <income>	**17.257**	**37.253**	**6.328**	**8.051**

Note 18 - Income Tax

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Corporate tax	15.587	9.806	3.877	1.761
Prior years Corporate tax	991	1.701	-	-
Write off of Deferred Tax Assets of Prior Years	-	8.826	-	1.369
Deferred tax	2.938	3.110	-	-
Total	**19.516**	**23.443**	**3.877**	**3.130**

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit / <Loss> before income tax	(29.256)	(34.872)	(22.054)	(12.252)
Tax calculated at the nominal tax rates	**(2.381)**	**(5.055)**	**(6.396)**	**(3.553)**
Tax Effects of:				
Adjustment in respect of prior years	991	1.701	-	-
Income not subject to tax	-	(59)	-	(59)
Expenses not deductible for tax purposes	6.047	1.736	4.396	1.026
Tax losses for which no deferred income tax asset was recognized	10.314	14.533	2.000	2.586
Write off of Deferred Tax Assets of Prior Years	-	8.826	-	1.369
Other taxes	4.545	1.761	3.877	1.761
Tax Expense as of income statement	**19.516**	**23.443**	**3.877**	**3.130**

The Group did not recognize deferred tax assets for accumulated tax losses Euro 107 million because the future taxable profits within the next years, most probably, will not be adequate to cover the current accumulated tax losses.

Note 18 - Income Tax

The income tax rates in the countries where the Group operates are between **0%** and **38.3%**.

Some of non deductible expenses, tax losses for which no deferred income tax asset was recognised and, the different tax rates in the countries that the Group operates, create an effective tax rate for the Group.
As from 2015, applicable in Greece new tax rate **29%.**

Audit Tax certificate

For the financial years 2011 to 2015, all Hellenic Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an “Annual Tax Certificate” as provided for by paragraph 5 of Article 82 of L.2238/1994 for the financial years 2011-2013 and the Article 65A of L.4174/2013 for the financial years 2014-2015. This “Annual Tax Certificate” must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements.
Upon completion of the tax audit, the statutory auditor or audit firm must issue a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance.

Unaudited tax years

The Parent Company has not been audited by tax authorities for the 2010 financial year.

For the Parent Company, the "Tax Compliance Report" for the financial years 2011 - 2015 has been issued with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial statements of 2011 - 2015.

The tax returns of the Parent Company and the Group's subsidiaries have not been assessed by the tax authorities for different periods. (see the table below)
Until the tax audit assessment for the companies described in the table above are finalized, the tax liability can not be reliably measured for those years. The Group provides additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and can be estimated reliably.

Note 18 - Income Tax (continued)

Note: For some countries the tax audit is not obligated and is taken place under specific requirements.

Company	Country	Unaudited tax years	Line of Business
Frigoglass S.A.I.C. - Parent Company	Hellas	2010 & 2016	Ice Cold Merchandisers
SC. Frigoglass Romania SRL	Romania	2010-2016	Ice Cold Merchandisers
PT Frigoglass Indonesia	Indonesia	2014-2016	Ice Cold Merchandisers
Frigoglass South Africa Ltd	S. Africa	2006-2016	Ice Cold Merchandisers
Frigoglass Eurasia LLC	Russia	2014-2016	Ice Cold Merchandisers
Frigoglass (Guangzhou) Ice Cold Equipment Co. ,Ltd.	China	2016	Ice Cold Merchandisers
Frigoglass Ltd.	Ireland	2002-2016	Sales Office
Frigoglass Iberica SL	Spain	2004-2016	Sales Office
Frigoglass Spa zo.o	Poland	2011-2016	Sales Office
Frigoglass India PVT.Ltd.	India	2015-2016	Ice Cold Merchandisers
Frigoglass Turkey Soğutma Sanayi İç ve Dış Ticaret Anonim Şirketi	Turkey	2016	Sales Office
Frigoglass North America Ltd. Co	USA	2008-2016	Sales Office
Frigoglass Philippines Inc.	Philippines	2012-2015	Sales Office
Frigoglass Jebel Ali FZE	Dubai	-	Glass Operation
Frigoglass MENA FZE	Dubai	-	Sales Office
Beta Glass Plc.	Nigeria	2014-2016	Glass Operation
Frigoglass Industries (NIG.) Ltd	Nigeria	2014-2016	Crowns, Plastics, ICMs
Frigoglass West Africa Limited	Nigeria	2015-2016	Ice Cold Merchandisers
3P Frigoglass Romania SRL	Romania	2009-2016	Plastics
Frigoglass East Africa Ltd.	Kenya	2014-2016	Sales Office
Frigoglass GmbH	Germany	2011-2016	Sales Office
Scandinavian Appliances A.S	Norway	2015-2016	Sales Office
Frigoglass Nordic AS	Norway	2015-2016	Sales Office
Norcool Holding A.S	Norway	2015-2016	Holding Company
Frigoglass Cyprus Limited	Cyprus	2011-2016	Holding Company
Frigoglass Global Limited	Cyprus	2015-2016	Holding Company
Frigoinvest Holdings B.V	Netherlands	2008-2016	Holding Company
Frigoglass Finance B.V	Netherlands	2013-2016	Financial Services

Note 19 - Commitments

Capital commitments

The capital commitments contracted for but not yet incurred at the balance sheet date **31.12.2016** for the Group amounted to **€ 36 thousands** (**31.12.2015**: € 235 thousands) mainly for purchases of machinery. There are no capital commitments for the Parent Company for the years ended **31.12.2015** and **31.12.2016**.

Operating lease commitment

The Group leases buildings and vehicles under operating leases. Total future lease payments under operating leases are as follows:

	Consolidated					
	31.12.2016			31.12.2015		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Within 1 year	2.065	523	2.588	1.797	569	2.366
Between 1 to 5 years	4.352	343	4.695	4.168	674	4.842
Over 5 years	2.786	-	2.786	1.363	-	1.363
Total	**9.203**	**866**	**10.069**	**7.328**	**1.243**	**8.571**

	Parent Company					
	31.12.2016			31.12.2015		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Within 1 year	266	305	571	266	371	637
Between 1 to 5 years	798	89	887	1.062	265	1.327
Over 5 years	-	-	-	-	-	-
Total	**1.064**	**394**	**1.458**	**1.328**	**636**	**1.964**

Note 20 - Related party transactions (based on IAS 24)

Truad Verwaltungs A.G is the main shareholder of Frigoglass S.A.I.C with a 44,41% shareholding.
Truad Verwaltungs A.G. has also a 23.2% stake in Coca-Cola HBC AG share capital.
In April 2016 Frigoglass Finance B.V. has signed a loan agreement of a total amount of € 30 million due at 31.03.2017 with BOVAL S.A on the same terms as the RCFs.
BOVAL S.A in Luxembourg is a subsidiary of Truad Verwaltungs A.G.

in € 000's	31.12.2016	31.12.2015
Balance of loan with the BOVAL S.A.	30.000	0
Loan interest to BOVAL S.A.	1.211	0

The Coca-Cola HBC AG is a non alcoholic beverage company. Apart from the common share capital involvement of Truad Verwaltungs A.G. at 23.2% with Coca-Cola HBC AG, Frigoglass is the major shareholder in Frigoglass Industries Limited based on Nigeria, with shareholding of 76.03%, where Coca-Cola HBC AG also owns a 23.9% equity interest.

Coca-Cola HBC AG Agreement:

Based on a contract that has been renewed until 31.12.2018 the Coca-Cola HBC AG purchases ICM's from the Frigoglass Group at yearly negotiated prices.

A.G. Leventis Lease Agreement:

Frigoglass Industries Nigeria is party to an agreement with A.G. Leventis Nigeria plc for the lease of office space in Lagos, Nigeria.
A.G. Leventis Nigeria plc is the holding company for the Leventis Group Companies and is controlled through Truad Verwaltungs AG. The lease agreement is renewed annually.

The investments in subsidiaries are reported to Note 14.

a) The amounts of related party transactions and balances were:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Sales of goods and services	126.285	118.751	14.788	13.814
Purchases of goods and services	362	735	116	489
Receivables / <Payables>	20.117	19.750	655	1.554

b) The intercompany transactions and balances of the **Parent** company with the Group's subsidiaries were:

	Parent Company	
	31.12.2016	31.12.2015
Sales of goods and services & commission on sales	7.275	7.161
Income from subsidiaries: Services fees and Royalties on Sales	16.291	15.884
Purchases of goods / Expenses from subsidiaries	14.696	13.160
Interest expense	7.626	6.979
Dividend income	-	-
Receivables	30.066	34.375
Payables	16.664	19.368
Loans Payables (note 13)	91.559	82.784

c) The fees to members of the Board of Directors and Management compensation include wages, indemnities and other employee benefits and the amounts are:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Fees for Board of Directors	170	170	170	170
Management compensation	2.851	3.281	2.329	2.664

Note 21 - Earnings per share

Basic & Diluted earnings per share

Basic and Diluted earnings per share are calculated by dividing the profit attributable to shareholders, by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company (treasury shares).

The diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to net profit (numerator).

in 000's Euro (apart from per share earning and number of shares)	Consolidated		Parent Company	
	Year ended		Year ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit / <Loss> after income tax attributable to shareholders of the Company	(57.730)	(62.086)	(25.931)	(15.382)
Weighted average number of ordinary shares for the purposes of basic earnings per share	50.593.832	50.593.832	50.593.832	50.593.832
Weighted average number of ordinary shares for the purpose of diluted earnings per share	50.593.832	50.593.832	50.593.832	50.593.832
Basic earnings / <losses> per share	**(1,1410)**	**(1,2271)**	**(0,5125)**	**(0,3040)**
Diluted earnings / <losses> per share	**(1,1410)**	**(1,2271)**	**(0,5125)**	**(0,3040)**

Note 22 - Contingent liabilities

The Parent company has contingent liabilities in respect of bank guarantees on behalf of its subsidiaries arising from the ordinary course of business as follows:

The Parent Company's bank guarantees on behalf of its subsidiaries were:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Guarantees	11.429	94.809	406.294	390.571

As shown in **Note 13** the issue of the Notes and the revolving credit facilities are fully and unconditionally guaranteed on a senior unsecured basis.

The parent company has given warranties for financial support of certain subsidiaries.

The tax returns for the Parent Company and for the Group subsidiaries have not been assessed by the tax authorities for different periods (see Note 18)**.** In addition the Group's subsidiaries receive additional claims from various tax authorities from time to time, which Management assesses and takes legal action as required. The management of the Group believes that no significant additional taxes other than those recognized in the financial statements will be assessed.
Finally, the Group has significant litigations relating to compensation for land on which the factory of some subsidiaries is situated. Management believes that that the probability to pay that compensation for the land is remote and even if the subsidiaries pay those compensations requested, the relevant amounts will be capitalised.

The remaining pending litigations, legal proceedings, or claims are not likely to affect significantly the financial statements or the operations of the Group and the Parent company.

Note 23 - Seasonality of Operations

Net Sales revenue

Quarter	Consolidated 2013		2014		2015		2016	
Q1	140.619	27%	124.247	26%	120.005	26%	101.898	25%
Q2	172.378	33%	145.916	30%	145.156	32%	137.801	33%
Q3	82.674	16%	89.367	18%	98.808	22%	83.195	20%
Q4	126.837	24%	127.516	26%	89.913	20%	90.309	22%
Total Year	**522.508**	**100%**	**487.046**	**100%**	**453.882**	**100%**	**413.203**	**100%**

As shown above the Group's operations exhibit seasonality and therefore interim period sales should not be used for forecasting annual sales. Consequently the level of the working capital required for certain months of the year may vary.

Note 24 - Post balance sheet events

On 12.04.2017 Frigoglass S.A.I.C. ("Frigoglass" or the "Company" and, together with its consolidated subsidiaries, the "Group") has entered into a legally binding agreement (the "Lock-Up Agreement") on the key terms of a restructuring of its indebtedness (the "Restructuring") with an ad-hoc committee (the "Ad-Hoc Committee") representing holders of approximately 39% of the 8.25% Senior Notes due 2018 (the "Senior Notes") issued by the Company's subsidiary Frigoglass Finance B.V., Frigoglass's core lending banks (Citibank, HSBC, Alpha Bank and Eurobank (collectively, the "Core Banks")) and its major shareholder, Boval S.A. ("Boval"). The Restructuring takes into account the interests of all stakeholders and is expected to provide the Group with a significantly strengthened capital structure to allow it to retain its market position in the currently challenging market environment.
The Lock-Up Agreement includes standard transfer restrictions in relation to exposures as at the date of previous announcements (during 2017) and standard automatic and voluntary termination provisions for transactions of this nature (including, without limitation, failure to comply with certain milestones in connection with the Restructuring or the occurrence of a material adverse change in relation to the Group).

The key transaction highlights relate to significant deleveraging, improved liquidity, reduced interest cost, significant extension of maturity profile.

The Restructuring transactions are inter-conditional and remain subject to certain conditions, including, but not limited to the approvals of: the requisite majorities of outstanding Senior Notes, approval of the relevant courts for the UK Scheme and approval of the General Meeting of the Company and Greek authorities with respect to the issuance of the new shares.

Additional details are documented in **Note 13**

There are no other post-balance events which are likely to affect the financial statements or the operations of the Group and the Parent company apart from the ones mentioned above.

Note 25 - Average number of personnel

The average number of personnel per operation for the Group & for the Parent company are listed below:

Operations	Consolidated 31.12.2016	31.12.2015
ICM Operations	3.611	3.689
Glass Operations	1.581	1.591
Total	**5.192**	**5.280**

	Parent Company 31.12.2016	31.12.2015
Average number of personnel	**210**	**223**

	Consolidated 31.12.2016	31.12.2015	Parent Company 31.12.2016	31.12.2015
Wages & Salaries	59.404	64.238	9.462	10.452
Social Contribution	5.875	6.509	1.962	2.096
Total Payroll (Note 32)	**65.279**	**70.747**	**11.424**	**12.548**
Pension plan (defined contribution)	1.580	1.776	619	819
Retirement Benefit (defined benefit) (**Note 31**)	2.263	3.471	387	319
Provision for Stock Option Plan	27	58	27	58
Total	**69.149**	**76.052**	**12.457**	**13.744**

Note 26- Other <Losses> / Gains

	Consolidated		Parent Company	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2016**
Income from subsidiaries: Services Fees & Royalties on Sales	0	0	16.291	15.884
Income from subsidiaries: Commission on sales	0	0	926	913
Revenues from insurance claims	374	2.102	0	1.620
Revenues from scraps sales	162	600	0	0
Other charges to customers	1.363	2.108	0	0
Discounts from suppliers for Previous Years	31	406	0	0
Profit/<Loss> from disposal of property, plant & equipment	-41	101	0	32
Other operating Income /<Expenses>	1.731	2.929	-27	32
Total Other <losses> / gains	**3.620**	**8.246**	**17.190**	**18.481**

Note 27 - Reclassifications to the Cash Flow Statement

Due to the sharp and fundamental devaluation of Naira in Nigeria, the Management revised the method of presentation for the cash flow statement and for comparability purposes reclassified the respective 2015 Cash Flow Statement.

	Consolidated			
	Year ended			
	31.12.2015 Revised	31.12.2015 Published	Difference	
Net cash generated from operating activities	(3.082)	9.230	(12.312)	**(A)**
Net cash generated from investing activities	(36.120)	(39.845)	3.725	**(B)**
Net cash generated from of financing activities	27.813	31.538	(3.725)	**(B)**
Net increase / (decrease) in cash and cash equivalents	**(11.389)**	**923**	**(12.312)**	
Cash and cash equivalents at the beginning of the year	68.732	68.732	-	
Effects of changes in exchange rate	149	(12.163)	12.312	**(A)**
Cash and cash equivalents at the end of the year	**57.492**	**57.492**	**-**	

(A) For 2015 the amount of Euro -12.312 thousands relates to Euro +149 thousands from foreign exchange differences related to Cash & Cash Equivalents and the remaining amount relates to effects from foreign exchange differences related to Net cash generated from operating activities

(B) The Management proceeded to the reclassification, as it is predicted in accordance with IAS 7:
the amount of Euro 3.725 thousands relates to the acquisition of subsidiary's non controlling interest, due to the possible sale of the glass operations,from investing activities to financing activities.

Note 28 - Restructuring Costs

	Consolidated	Parent Company
	31.12.2016	**31.12.2016**
Capital Restructuring Expenses	(8.844)	(8.739)
<Losses> for restructuring activities of ICM Operations	(13.494)	(283)
Restructuring Costs	**(22.338)**	**(9.022)**

Capital Restructuring Expenses

The Group is undergoing a restructuring of its indebtedness and capital structure (the "Restructuring") and entered into a lock-up agreement with its main stakeholders in April 2017.
The Restructuring is expected to close in July 2017.

For that process Frigoglass works with its legal and financial advisors.
The costs incurred until 31.12.2016 amounted to **Euro 8.844 million.**

<Losses> for restructuring activities of ICM Operations

On July 15, 2016 Frigoglass SAIC announced the change of its operating model in the Asian market.
This change includes the discontinuation of the manufacturing operations at the Guangzhou based facility in China by the end of the third quarter of 2016.
Chinese production volume will be consolidated in India and Indonesia, where our focus on operational excellence freed up capacity to absorb the additional volume.
Frigoglass will maintain its commercial and customer service activities in the Chinese market, seamlessly continuing to serve the requirements of its customers from the existing manufacturing network. This decision will enable the optimization of the production capacity in Asia, improve the company's fixed cost structure and strengthen its long-term competitiveness.
Through its established presence and access to the Chinese supply base, Frigoglass maintains a robust and efficient supply chain for the Group, securing its ability to produce high quality and cost efficient products.

During 2016 the Group made several changes and reorganisation in the management structure of ICM Operations with a material effect in the manner in which the business is conductued and on the focus of the Group Operations.

<Losses> for restructuring activities of ICM Operations	
Impairment of Tangible & Intangible Assets	(6.025)
Impairment of Inventories	(1.262)
Indemnities and Other Restructuring Costs	(6.207)
<Losses> for restructuring activities of ICM Operations	**(13.494)**

Restructuring Costs	Consolidated 31.12.2015	Parent Company 31.12.2015
Product Rationalization Costs	(14.110)	(2.064)
<Losses> from sales of Glass Operations	(2.647)	-
Total	**(16.757)**	**(2.064)**

Product Rationalization Costs **(14.110)**

Frigoglass continued rationalising its product range in 2015, focusing on the production and sale of high quality goods, high cost efficiency and enhancing customer value.
The result of this process is the gradual phase out of old models and the launch of the new cooler generation, ICOOL.
The Group and the Parent Company proceeded with the write-off of obsolete finished goods and related raw materials.
As a result, the Group and the Parent Company incurred losses for rationalizing its product range.
For the Group and the Parent Company, these expenses comprise impairment of inventory amounting to € 14,1 mil. and € 2.1 mil. respectively, classified as provisions for slow moving and obsolete stock.

<Losses> from sales of Glass Operations **(2.647)**

The Company announced on 22 May 2015 that it has entered into an agreement to sell its Glass operations, which comprise the glass operations of Beta Glass Plc. in Nigeria and Frigoglass Jebel Ali FZCO in Dubai as well as the complementary plastic crates and metal crowns operations of Frigoglass Industries (Nig.) Ltd in Nigeria, a discrete and separate operating segment of the Group.
The decision to dispose of these operations was taken at the Board of Directors meeting held on 20 May 2015.

The amount of € 2.6 million relates to third party fees for financial and legal services for the disposal of Glass Operations

The Company announced on February 26, 2016 the termination of the agreement with GZI Mauritius Limited (" GZI ") signed on May 21, 2015 regarding the divestment of its Glass business. A condition precedent was not met as GZI did not secure the necessary level of debt financing for the acquisition. Amended offers made by GZI were declined as not reflecting the full value of the Glass business and therefore not being interest of Frigoglass and its stakeholders.

Note 29 - Provisions for Other Liabilities & Charges

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Provisions for warranties	2.904	2.796	-	-
Other provisions	616	1.110	56	-
Total provision for other liabilities and charges	**3.520**	**3.906**	**56**	**-**

Provisions for Warranties	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance	**2.796**	**3.711**	**-**	**-**
Additional provision for the year	531	480	-	-
Unused amounts reversed	(181)	(645)	-	-
Charged to income statement	**350**	**(165)**	**-**	**-**
Utilized during the year	(276)	(407)	-	-
Reclassification of accounts	-	(385)	-	-
Exchange difference	34	42	-	-
Closing balance	**2.904**	**2.796**	**-**	**-**

As at 31 December **2016** the total provision is consistent with the Group's warranty policy and assumes that no extraordinary quality control issues will arise on the basis that no such indicators exist as at the date of approval of these financial statements.

Other Provisions	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance	**1.110**	**1.130**	**-**	**-**
Additional provision for the year	56	47	56	-
Unused amounts reversed	(452)	-	-	-
Charged to income statement	**(396)**	**47**	**56**	**-**
Utilized during the year	-	(150)	-	-
Reclassification of accounts	(99)	-	-	-
Exchange difference	1	83	-	-
Closing balance	**616**	**1.110**	**56**	**-**

The category "Other provisions" includes mainly : provisions for taxes on sales and provisions for recycling costs.

Total provisions for other liabilities & charges	**3.520**	**3.906**	**56**	**-**

Note 30 - Deferred Income Tax

	Consolidated					
	Provisions & Liabilities	Tax losses carried forward	Impairment of Assets	Pensions & employee benefit plan	Other	Total
Deferred tax asset						
Opening balance at 01.01.2016	**1.645**	**3**	**-**	**4.115**	**86**	**5.849**
Charged to income statement	(1.006)	410	-	(722)	-	(1.318)
Charged to equity	-	-	-	(494)	-	(494)
Exchange differences	(383)	15	-	(892)	-	(1.260)
Closing balance at 31.12.2016	**256**	**428**	**-**	**2.007**	**86**	**2.777**

	Accelerated tax depreciation	Fair value gains	Asset revaluation	Income tax at preferential rates	Other	Total
Deferred Tax Liabilities						
Opening balance at 01.01.2016	**18.987**	**-**	**-**	**-**	**35**	**19.022**
Charged to income statement	1.620	-	-	-	-	1.620
Charged to equity	-	-	-	-	-	-
Exchange differences	(3.191)	-	-	-	-	(3.191)
Closing balance at 31.12.2016	**17.416**	**-**	**-**	**-**	**35**	**17.451**

Net deferred income tax asset / (liability)	**(14.674)**

Closing balance at:	Consolidated	
	31.12.2016	**31.12.2015**
Deferred tax assets	1.683	426
Deferred tax liabilities	16.357	13.599
Net deferred income tax asset / (liability)	**(14.674)**	**(13.173)**

Note 30 - Deferred Income Tax (continued)

	Consolidated					
	Provisions & Liabilities	Tax losses carried forward	Impairment of Assets	Pensions & employee benefit plan	Other	Total
Deferred Tax Asset						
Opening balance at 01.01.2015	**2.761**	**6.724**	**-**	**5.034**	**3**	**14.522**
Charged to income statement	(1.074)	(6.992)	-	(886)	84	**(8.868)**
Charged to equity	-	-	-	60	(5)	**55**
Exchange differences	(42)	271	-	(93)	4	**140**
Closing balance as at 31.12.2015	**1.645**	**3**	**-**	**4.115**	**86**	**5.849**

	Accelerated tax depreciation	Fair value gains	Asset revaluation	Income tax at preferential rates	Other	Total
Deferred Tax Liabilities						
Opening balance at 01.01.2015	**16.891**	**-**	**-**	**-**	**70**	**16.961**
Charged to income statement	3.098	-	-	-	(30)	3.068
Exchange differences	(1.002)	-	-	-	(5)	(1.007)
Closing balance as at 31.12.2015	**18.987**	**-**	**-**	**-**	**35**	**19.022**

Net deferred income tax asset / (liability)	**(13.173)**

Closing balance at:	Consolidated	
	31.12.2015	**31.12.2014**
Deferred tax assets	426	8.733
Deferred tax liabilities	13.599	11.172
Net deferred income tax asset / (liability)	**(13.173)**	**(2.439)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority. The majority portion of deferred tax asset / liability is to be recovered after more than 12 months. The Group recognised a deferred tax asset with respect to tax losses carried forward only to the extend that it believes can be utilised in the immediate future.

Note 30 - Deferred Income Tax (continued)

	Parent Company					
	Provisions & liabilities	Tax losses carry forward	Impairment of assets	Pensions & employee benefit plan	Other	Total
Deferred tax asset						
Opening balance at 01.01.2016	**-**	**-**	**-**	**-**	**-**	**-**
Charged to income statement	-	-	-	-	-	-
Charged to equity	-	-	-	-	-	-
Closing balance at 31.12.2016	**-**	**-**	**-**	**-**	**-**	**-**

	Accelerated tax depreciation	Fair value gains	Asset revaluation	Income tax at preferential rates	Other	Total
Deferred tax liabilities						
Opening balance at 01.01.2016	**-**	**-**	**-**	**-**	**-**	**-**
Charged to income statement	-	-	-	-	-	-
Closing balance at 31.12.2016	**-**	**-**	**-**	**-**	**-**	**-**

Net deferred income tax asset / (liability)	**-**

Closing balance at:	Parent Company	
	31.12.2016	31.12.2015
Deferred tax assets	-	-
Deferred tax liabilities	-	-
Net deferred income tax asset / (liability)	**-**	**-**

Note 30 - Deferred Income Tax (continued)

	Parent Company					
	Provisions & liabilities	Tax losses carry forward	Impairment of assets	Pensions & employee benefit plan	Other	Total
Deferred Tax Asset						
Opening balance at 01.01.2015	**247**	**360**	**-**	**1.253**	**-**	**1.860**
Charged to income statement	(247)	(360)	-	(1.313)	-	(1.920)
Charged to equity	-	-	-	60	-	60
Closing balance as at 31.12.2015	**-**	**-**	**-**	**-**	**-**	**-**

	Accelerated tax depreciation	Fair value gains	Asset revaluation	Income tax at preferential rates	Other	Total
Deferred tax liabilities						
Opening balance at 01.01.2015	**550**	**-**	**-**	**-**	**-**	**550**
Charged to income statement	(550)	-	-	-	-	(550)
Closing balance as at 31.12.2015	**-**	**-**	**-**	**-**	**-**	**-**

Net deferred income tax asset / (liability)	**-**

Closing balance at:	Parent Company	
	31.12.2015	31.12.2014
Deferred tax assets	-	1.310
Deferred tax liabilities	-	-
Net deferred income tax asset / (liability)	**-**	**1.310**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority. The majority portion of deferred tax asset / liability is to be recovered after more than 12 months. The Company recognised a deferred tax asset with respect to tax lossed carried forward only to the extend that it believes can be utilised in the immediate future.

Note 31 - Retirement benefit obligations

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Retirement benefit	16.536	21.778	5.088	5.049
Total retirement benefit obligations	**16.536**	**21.778**	**5.088**	**5.049**

The movement of the retirement benefit obligation during the year is as follows:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance	**21.778**	**19.321**	**5.049**	**4.821**
Additional provision for the year	3.368	3.592	510	440
Unused amounts reversed	(1.105)	(121)	(123)	(121)
Charged to income statement	**2.263**	**3.471**	**387**	**319**
Utilized during the year	(598)	(631)	(348)	(296)
Recognized actuarial <gain> / losses	(1.543)	609	-	205
Exchange differences	(5.364)	(992)	-	-
Closing balance	**16.536**	**21.778**	**5.088**	**5.049**

Retirement benefit

The amounts recognized in the balance sheet are as follows:	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Present value of obligations	16.536	21.778	5.088	5.049
Fair value of plan assets	-	-	-	-
Total	**16.536**	**21.778**	**5.088**	**5.049**
Unrecognized past service cost	-	-	-	-
Net liability in the balance sheet	**16.536**	**21.778**	**5.088**	**5.049**

Note 31 - Retirement benefit obligations (continued)

The amounts recognized in the income statement are determined as follows:	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Current service cost	922	2.150	261	217
Interest cost	1.323	767	103	102
Regular P&L charge	**2.245**	**2.917**	**364**	**319**
Recognized past service cost	23	-	23	-
Additional Cost of extra benefits	-	554	-	-
Total P&L charge	**2.268**	**3.471**	**387**	**319**

Movement in the net liability recognized in the Balance sheet	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net liability in BS at the beginning of the year	**21.778**	**19.321**	**5.049**	**4.821**
Benefits paid directly	(598)	(631)	(348)	(296)
Total expenses recognized in the income statement	2.263	3.471	387	319
Recognized actuarial <gain> / loss charged directly to OCI	(1.543)	609	-	205
Exchange difference	(5.364)	(992)	-	-
Net liability in BS at the closing of the year	**16.536**	**21.778**	**5.088**	**5.049**

Main assumptions used:	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Discount rate	8,51%	9,94%	1,71%	2,00%
Rate of compensation increase	9,03%	9,09%	1,75%	2,00%
Average future working life	10,87	10,97	15,43	17,21

The components of recognized actuarial <gain> / loss charged directly to other comprehensive income (OCI) are as follows:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Change in financial assumptions	(1.543)	609	-	205
Due to experience	-	-	-	-
Recognized actuarial <gain> / loss to OCI	**(1.543)**	**609**	**-**	**205**

Note 31 - Retirement benefit obligations (continued)

The major defined benefit plans that the Group operates are those in Greece and Nigeria.
The plans refer to statutory regulations applied by the local law.

Employees of Frigoglass subsidiaries in Greece and Nigeria are entitled to employee leaving indemnities, generally based on each employee's length of service, employment category and remuneration.
These are unfunded plans where the company meats the payments and obligation as it falls due.
The liabilities arising from such obligations are valued by independent firm of actuaries.
The last actuarial valuations were undertaken **in December 2016.**

Sensitivity of results to assumptions used

A quantative sensitivity analysis for significant assumptions as at **31.12.2016** is shown below:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Discount rate 0,5% higher	(274)	(546)	(219)	(414)
Discount rate 0,5% lower	623	600	564	459

In the following 12 months no significant cash outflows are expected to be done.

Note 32 - Expenses by nature

The expenses of the Group and Parent company are analyzed below:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Raw materials, consumables, energy & maintenance	233.136	256.213	16.549	14.662
Wages & Salaries **(Note 25)**	65.279	70.747	11.424	12.548
Transportation expenses	12.011	19.413	807	897
Employee benefits, personel expenses	8.379	9.740	1.440	2.150
Travel & Car expenses	4.400	5.174	1.192	1.306
Provision for staff leaving indemnities and actual cost paid **(Note 31)**	2.527	4.102	401	615
Audit & third party fees	15.343	12.989	5.358	2.916
Rent, insurance, leasing payments and security expenses	8.697	9.665	985	1.070
Provisions for trade debtors, inventories, warranties and free of charge goods	11.049	10.107	4.406	1.036
Promotion and after sales expenses	13.237	8.638	2.986	2.741
Telecommunications, subscriptions and office supply expenses	1.224	1.569	214	295
Other expenses	2.461	2.463	1.974	1.645
Provision for stock options **(Note 15 & 16)**	27	58	27	58
Depreciation	29.784	33.666	3.535	3.393
Government grant income for exports	(1.070)	(1.555)	-	-
Total	**406.484**	**442.989**	**51.298**	**45.332**

Categorized as:

	Consolidated 31.12.2016	Consolidated 31.12.2015	Parent Company 31.12.2016	Parent Company 31.12.2015
Cost of goods sold	351.764	386.887	25.491	23.870
Administration expenses	23.342	27.367	15.744	15.478
Selling, distribution & marketing expenses	27.293	24.301	7.944	3.946
Research & development expenses	4.085	4.434	2.119	2.038
Total	**406.484**	**442.989**	**51.298**	**45.332**

Depreciation allocated to:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Cost of goods sold	23.281	27.497	355	389
Administration expenses	3.537	3.279	1.281	1.312
Selling, distribution & marketing expenses	239	221	70	74
Research & development expenses	2.727	2.669	1.829	1.618
Total	**29.784**	**33.666**	**3.535**	**3.393**

Note 33 - Bank deposits analysis

Bank credit rating (S&P, Fitch, Moody's rating)

		Consolidated		Parent Company	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
A1	Citibank	1.584	6.438	17	8
B	I.B.T.C (Stanbic)	33.596	29.329	-	-
A1	HSBC	10.493	6.892	621	3.262
Baa1	China Merchand Bank (CMB)	581	1.297	-	-
Aa1	TD Bank	167	-	-	-
Ba1	First National Bank (S.Africa)	2.487	1.483	-	-
Caa3	Alpha Bank	738	1.242	52	86
Ba2	Sberbank	1.242	26	-	
Baa3	Union Bank of Nigeria PLC	-	-	-	-
Caa3	Eurobank Ergasias	2.621	4.639	344	1.194
A+	D n B Nor Bank (Norway)	708	1.117	-	-
Baa1	ING Group	1.305	272	-	-
N/A	Millennium	3	5	-	
N/A	Other Banks	1.988	4.692	109	11
Total		**57.513**	**57.432**	**1.143**	**4.561**

Note 34 - Short & long term borrowing analysis

Bank Credit Rating (S&P, Fitch, Moody's rating)		Consolidated		Parent Company	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
N/A	Bond loan	247.628	246.095	91.559	82.784
A1	Citibank	11.722	23.427	-	-
B	I.B.T.C (Stanbic)	563	2.905	-	-
A1	HSBC	30.887	40.529	-	-
Caa2	Alpha Bank	21.966	12.572	-	-
Ba2	Sberbank	20.078	12.000	-	-
Caa3	Eurobank Ergasias	19.031	23.970	-	-
Baa1	ING Group	-	235		
	Shareholders loan	30.000	-	-	-
N/A	Millennium	-	281	-	-
N/A	Other Banks	-	-	-	-
Total		**381.875**	**362.014**	**91.559**	**82.784**

The Group has available sufficient credit facilities and is also able to obtain new facilities to cover both operational requirements as well as any strategic expansion initiatives.

Note 35 - Customer analysis

Customer Credit Rating (S&P rating)	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
CCH Group (BBB+)	20.117	19.750	655	1.554
Other Coca-Cola bottlers (N/A)	16.670	18.513	5.920	5.566
Diageo Group / Guinness (A-)	3.009	3.728	-	5
Heineken Group (BBB+)	5.776	6.055	872	828
Pepsi Group (A)	6.533	1.426		
Other (N/A)	34.756	53.118	2.284	3.307
Total	**86.861**	**102.590**	**9.731**	**11.260**

Sales to key customers are made based on an annual planning that has been agreed with the customer.

The aging analysis of the trade debtors is the following:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
00 - 30 days	49.616	43.657	960	2.014
31 - 60 days	11.643	17.272	338	347
61 - 90 days	5.124	9.360	351	133
91 - 120 days	6.222	6.939	825	910
121 - 150 days	3.242	8.204	76	121
151 - 180 days	938	1.003	-	-
> 180 days	10.076	16.155	7.181	7.735
Total	**86.861**	**102.590**	**9.731**	**11.260**

The overdue analysis of the trade debtors is the following:

	Consolidated		Parent Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Not yet Overdue	62.840	67.416	3.358	5.164
Overdue 00 - 30 days	8.621	13.943	107	96
Overdue 31 - 60 days	2.458	5.049	65	36
Overdue 61 - 90 days	1.511	2.239	280	37
Overdue 91 - 120 days	2.905	1.512	-	18
Overdue 121 - 150 days	440	3.026	27	51
Overdue 151 - 180 days	124	332	-	-
Overdue > 180 days	7.962	9.073	5.894	5.858
Total	**86.861**	**102.590**	**9.731**	**11.260**
Less: Provisions	(9.154)	(3.552)	(6.556)	(1.781)
Net trade debtors	**77.707**	**99.038**	**3.175**	**9.479**

The customers of Frigoglass comprise large international groups like Coca - Cola HBCAG, Coca - Cola Amatil, Coca Cola India, other Coca - Cola bottlers, Diageo - Guinness, Heineken , Efes Group. The Group does not require its customers to provide any pledges or collaterals given the high calibre and international reputation of its customer portfolio.
The provisions for trade debtors are mainly related to the overdue balances over 180 days.

Note 36 - Maturity of the undiscounted contractual cash flows of financial liabilities

	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
Consolidated 31.12.2016				
Trade creditors	67.103	0	0	0
Other creditors (excluding Taxes -Duties & Social security insurance payable)	38.502	0	0	0
Loans	392.754	4	0	0
Consolidated 31.12.2015				
Trade creditors	77.440	0	0	0
Other creditors (excluding Taxes -Duties & Social security insurance payable)	31.842	0	0	0
Loans	372.645	13	0	0
Parent Company 31.12.2016				
Trade creditors	5.386	0	0	0
Other creditors (excluding Taxes -Duties & Social security insurance payable)	3.293	0	0	0
Loans	95.739	0	0	0
Parent Company 31.12.2015				
Trade creditors	5.429	0	0	0
Other creditors (excluding Taxes -Duties & Social security insurance payable)	1.734	0	0	0
Loans	6.414	0	97.644	0

Note 37 - Derivative Financial Instruments

	Consolidated				Parent Company			
	31.12.2016		31.12.2015		31.12.2016		31.12.2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Held for trading								
Forward foreign exchange contracts	-	-	571	393	-	-	95	-
Cash flow hedges								
Current portion of financial derivatives instruments	**-**	**-**	**571**	**393**	**-**	**-**	**95**	**-**

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

Gains and losses relating to the effective portion of the hedge are recognized in the hedging reserve in the Statement of Comprehensive Income. Subsequently these amounts are recognized in the income statement in the period or periods during which the hedged forecast transaction affects the income statement unless the gain or loss is included in the initial amount recognized for the purchase of inventory or fixed assets. These amounts are ultimately recognized in cost of goods sold in case of inventory or in depreciation in the case of fixed assets.

In terms of an amendment to IFRS 7, for 2016, the Company and the Group must disclose the basis of determining the fair value of financial instruments that are presented in the Balance Sheet. The only financial instruments at fair value presented in the balance sheet are the derivative financial instruments that are detailed in the tables above. These derivative financial instruments are measured in terms of the "Level 2" fair value hierarchy, that is described in IFRS 7. The "Level 2" fair value hierarchy refers to fair value measurements that are based on inputs that are directly or indirectly observed in an active market.

Information regarding Article 10 of Law 3401/2005

The Press Releases / Announcements detailed below have been sent to the Daily Official List Announcements and may be retrieved for the ATHEX webpage as well as from the company's webpage www.frigoglass.com

30/11/2016	Results for the Third Quarter ended 30 September 2016
24/11/2016	Frigoglass schedules third quarter 2016 results and conference call on Wednesday, 30 November 2016
4/8/2016	Announcement according to article 4.1.4.4 of the Athens Exchange Regulation
4/8/2016	Results for the Second Quarter ended 30 June 2016
28/7/2016	Frigoglass schedules second quarter 2016 results and conference call on Thursday, 4 August 2016
15/7/2016	Frigoglass changes its operating model in the Asian market
6/6/2016	Notification of Home Member State
31/5/2016	Frigoglass Results for the First Quarter ended 31 March 2016
11/5/2016	Frigoglass schedules first quarter 2016 results and conference call on Tuesday, 31 May 2016
27/4/2016	Voting results of the Annual General Meeting of Shareholders
25/4/2016	Resolutions of the annual general meeting of shareholders of Frigoglass Saic of 22 April 2016
1/4/2016	Frigoglass: Invitation to 2016 Annual General Meeting
31/3/2016	Frigoglass announces 2016 Financial Calendar
31/3/2016	Results for the Fourth Quarter ended 31 December 2015
22/3/2016	Frigoglass schedules fourth quarter 2015 results and conference call on Thursday, 31 March 2016
26/2/2016	Frigoglass to retain Glass Operations; terminates sale agreement with GZI
25/2/2016	Announcement
20/1/2016	Frigoglass appoints new Group Chief Financial Officer