GR. SARANTIS S.A.

ANNUAL FINANCIAL REPORT

of the period

from 1 January to 31 December 2016

(According to article 4 of Law 3556/2007)

CONTENTS

1. STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

Statements by Members of the Board of Directors

(according to article 5 of Law 3556/2007)

It is hereby declared that to our knowledge, the annual parent and consolidated financial statements of the company "GR. SARANTIS S.A." for the financial year 2016 (from 1 January 2016 to 31 December 2016), which were prepared according to the applicable International Financial Reporting Standards, accurately present the assets and liabilities, equity and results of the Company Gr. Sarantis SA as well as those of the companies included in the consolidation, considered as a whole.

Furthermore, we declare that to our knowledge, the annual report of the Board of Directors reflects in a true manner the development, performance and financial position of GR. SARANTIS S.A., and of the businesses included in the Group consolidation, considered as a whole, including the description of the principal risks and uncertainties faced.

Marousi, 16 March 2017

The Members of the Board

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER	THE FINANCE DIRECTOR & BOARD MEMBER
GRIGORIS SARANTIS	KYRIAKOS SARANTIS	KONSTANTINOS ROZAKEAS
ID No. X 080619/03	ID No. AI 597050/2010	ID No. AK 783631/13

2. ANNUAL BOARD OF DIRECTORS' MANAGEMENT REPORT

ANNUAL BOARD OF DIRECTORS' MANAGEMENT REPORT

OF THE COMPANY GR. SARANTIS S.A.

on the Annual Financial Statements for financial year 2016 (1/1 – 31/12/2016)

2.1 INTRODUCTION

The present Annual Report by the Board of Directors which follows (hereinafter the "Report") refers to the financial period 01.01.2016 - 31.12.2016. This Report was prepared and is in line with the relevant stipulations of Law 3556/2007 (Government Gazette 91A/30.04.2007) and the relevant executive decisions issued by the Hellenic Capital Market Commission, as well as Decision no 7/448/11.10.2007 issued by the Board of Directors of Hellenic Capital Market Commission and provisions of articles 43a, 43bb, 107a, 136 of P.L. 2190/1920.

The Report is included in the 2016 annual financial report, together with the Company's financial statements and other information and statements required by law.

The present report briefly presents the Company's financial information for financial year 2016, significant events that occurred during the year and their effects on the financial statements. The report also includes a description of the basic risks and uncertainties the Group's companies may face and finally, significant transactions between the issuer and its related parties are also presented.

2.2 PERFORMANCE AND FINANCIAL POSITION

The consolidated turnover amounted to €329.02 mil. from €278.76 mil. in 2015, up by 18.03%, supported by growth across the Group's territory. Brand-supporting initiatives, the continuous renewal of the brand portfolio as well as the addition of new brands support further brand engagement and drive growth. The foreign markets exhibited an increase of 18.76% and the Greek market, despite the negative economic environment, was up by 16.17% in FY 2016, performing significantly better than the market.

The Group's Gross Profit stood at €152.63 mil. during FY 2016 from €132.50 last year, up by 15.20%. The Group's Gross Profit margin during FY 2016 stood at 46.39% from 47.53% in the previous year.
The decrease in the Gross profit margin is mainly a result of the inclusion of Polipak's business in the Group, excluding which the Group's gross profit margin would stand at 48.15%.

The double digit growth in sales combined with continued financial discipline and focus behind better sourcing, value adding innovations, productivity driven cost savings and the utilization of synergies, resulted in a double-digit earnings per share growth and improvement in all profitability margins.

- EBITDA* was up by 20.66% to € 35.92 mil. from €29.77 mil, with an EBITDA margin of 10.92% from 10.68% in FY 2015.
- EBIT* reached € 31.52 mil. Increased by 21.03% versus €26.04 mil. and EBIT margin rose at 9.58% from 9.34% in FY 2015.
- EBT* settled at €28.84 mil. from €24.16 mil. in FY 2015 up by 19.35% with the EBT margin reaching 8.76% from 8.67% last year.
- Net Profit* increased by 23.95% to €24.52 mil. from €19.78 mil. in the previous year, while Net Profit margin reached 7.45% from 7.10% in FY 2015

** Comparable financial figures – Explanations are given in the paragraph "Alternative Performance Measures".*

Sarantis Group exhibits an exceptionally healthy financial position and capital structure that allows for investing behind initiatives to accelerate growth and returning value to its shareholders.

At the end of April 2016 the Group paid a dividend for FY 2015 of approximately €5.5 mil. (0.16 euro per share). The BoD will propose at the Annual General Shareholders' Meeting the distribution of a dividend of 0.1750 euro per share for Fiscal Year 2016.

As of the end of FY 2016 the Group maintains a net cash position of €7.05 mil.

Regarding working capital management, the Group's operating working capital settled at €88.75 mil. in FY 2016 compared to €79.21 mil. in FY 2015, while operating working capital requirements over sales settled at 26.97% in FY 2016 versus 28.42% in FY 2015. The improvement is driven by improved receivables days as well as the efficient inventory management despite the Group's growth and the continuous product additions in the Group's portfolio.

As far as the breakdown by business unit is concerned, Cosmetics sales were up by 15.74% yoy to €155.64 mil. in FY 2016 from €134.48 mil. in FY 2015, supported by both the own brands portfolio as well as the distributed brands subcategory. Cosmetics participation to total Group turnover at 47.30%.

Sales of Household Products increased by 3.74% amounting to €117.87 million from €113.61 million in the previous year, partly supported by growth in the own brands subcategory, which was partly attributed to the addition of AVA (acquisition in Greece). The category's participation to total Group turnover amounted to 35.82%.

The newly included category "Private Label" represents sales of Polipak, the Polish packaging products company acquired in December of 2015, which specializes on the production of private label garbage bags. The category of Other Sales increased by 30.08% mainly driven by the positive performance of the Luxury Cosmetics subcategory.

Regarding the operating profits by business unit, Cosmetics EBIT increased by 15.20% in FY 2016 to €9.48 million from €8.23 million in the previous year, driven by both the own Cosmetics subcategory and the distributed brands subcategory. The margin of Cosmetics increased at 6.09% in FY 2016 from 6.12% in the previous year.

The EBIT of Household Products posted an increase of 22.60% during FY 2016 to €11.33 million from €9.24 million in FY 2015, driven by the own brands performance. The EBIT margin of the household products stood at 9.62% during FY 2016 from 8.14% in FY 2015 and their participation to total Group EBIT settled at 35.96% in FY 2016.

The income from Associated Companies includes income of €-0.12 mil. from the company Thrace Sarantis.

As for the geographical breakdown, despite the turbulent macroeconomic environment, Greece, exhibited a sales increase of 16.77% performing better than the total retail market. Greek sales were supported further by the acquisition of AVA, which started contributed to Greek sales in May of 2015. Excluding AVA, Greek sales like-for-like growth is 14.50%.

The foreign markets of the Group showed a turnover increase of 18.76% yoy to €209.26 million from €176.20 mil in FY 2015. The foreign countries presented an average sales growth in local currencies of 21.11%, while the average effect of the currencies devaluation was 2.35%.

Moreover, foreign countries sales include €15.62 million sales from Polipak, the Polish packaging products company that specializes on the production of private label garbage bags.

Excluding Polipak's contribution, foreign countries like-for-like growth is 9.90%.

The Greek EBIT during FY 2016 increased by 20.07% to €18.68 mil., from €15.56 mil. in FY 2015.

Excluding the income from Associated companies, Greek EBIT during FY 2016 amounted to €11.38 mil. increased by 20.24% compared to €9.46 mil. in last year.

Greek EBIT margin, excluding income from Associated Companies, stood at 9.50% during FY 2016 from 9.23% in FY 2015.

The foreign countries posted an increase in EBIT of 22.45% during FY 2016, amounting to €12.84 mil., from 10.48 mil. The foreign countries EBIT margin rose at 6.13% from 5.95% in the previous year.

The analysis by business unit and geographical region is presented in paragraph 4.10.24 "Business Unit and Geographical Analysis".

2.3 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2016

- Following the General Shareholders Meeting resolution dated April 15th 2016, the company GR. SARANTIS S.A. proceeded to the distribution of a dividend payment for the fiscal year 2015 amounting to 0.16 euro per share. The aforementioned dividend amount was subject to a 10% withholding tax and therefore shareholders received a net amount of 0.1440 euro per share. The dividend payment took place on April 27th 2016 via the

National Bank of Greece through the authorized operators of the beneficiary shareholders registered with the D.S.S.

- The Company's Extraordinary General Shareholders' Meeting dated June 9th 2016 approved the purchase through the Athens Exchange according to the provisions of article 16 of PL 2190/1920 of up to 10% of the company's shares (the 10% currently represents 3,477,098 shares), including the 437,549 shares already acquired by the company based on the resolutions of the General Shareholders Meeting of 26/06/2014.
  The maximum buy back price was set at fifteen euros (15.00 €) per share and the lowest at one euro and fifty five cents (1.55 €) and the time limit for acquiring own shares was set to twenty four months from the date of the General Meeting, that is until June 09th 2018.
  The purpose of the program is to serve the objectives and uses permitted by law from time to time, which today include share capital reduction, settlement of obligations arising by convertible securities or employee stock options as well as the purposes of future acquisition of another company's shares.
  Finally, the Board of Directors was authorized to act accordingly for the completion of the buyback program.

2.4 MAJOR RISKS AND UNCERTAINTIES FOR 2017

The Group is exposed to financial and other risks, including the effects of changes in interest rates, credit risks and liquidity risks. The Group's overall risk management program aims at minimizing the possible negative effects from such risks on its financial performance. The Group's financial instruments consist mainly of deposits with banks, trade accounts receivable and payable, loans and dividends payable.

2.4.1 Foreign exchange risk

The Group operates in an environment characterized by relatively high foreign exchange risk given that almost 63% of the Group's total turnover comes from Eastern European countries where the volatility of foreign exchange rates has recently been high. The management of the Group is constantly examining the currencies' fluctuations, but at the moment it has not taken any measures against the fx risk due to the lack of appropriate hedging tools.

2.4.2 Interest rate risk

The Group's objective is to achieve an optimal balance between borrowing cost and the potential effect of interest rate changes on earnings and cash flows. The Group monitors and manages its debt and overall financing strategies using a combination of short and long-term debt. It is policy of the Group to continuously review interest rate trends along with its financing needs. Daily working capital requirements are typically financed with operational cash flow and through the use of various committed lines of credit. The interest rate on these short-term borrowing arrangements, is generally determined as the inter-bank offering rate at the borrowing date plus a pre-set margin. The mix of fixed-rate debt and variable-rate debt is managed within Group policy guidelines.

2.4.3 Credit risk

The Group's trade receivables mainly come from wholesale clients. All Group companies monitor the financial position of their debtors on an ongoing basis and control the granting of credit as well as the credit lines. Where considered appropriate, credit guarantee insurance cover is purchased. Moreover, appropriate provision for impairment losses is made for specific credit risks wherever deemed necessary.

2.4.4 Liquidity risk

Prudent liquidity risk management implies the existence of a balance between cash flows as well as funding through adequate amounts of committed credit facilities. The Group closely monitors the amount of funding as well as the short-term and long-term funding with respect to total debt and the composition of total debt, and it manages the risk that could arise from the lack of sufficient liquidity and secures that necessary borrowing facilities are maintained. The Group has sufficient credit line facilities that could be utilized to fund any potential shortfall in cash resources.

The Group manages and monitors its working capital in order to minimize any possible liquidity and cash flow risks.

2.4.5 Raw material price risk

The Group is exposed to the volatility of raw material prices. For instance, aluminum is a basic raw material for the Group and as such movements in the aluminum price affect the Group's financials. In order to protect itself against adverse aluminum price movements, the Group hedges against fluctuations of the aluminum price over short-term periods of time.

2.5 FUTURE OUTLOOK AND PROSPECTS

FY 2016 financial results were marked by significant progress in all business units and geographic regions despite challenging markets.

As always the Group's efforts are focused on its basic strategic pillars of growth, that is, the renewal and enrichment of its brand portfolio in all the Group's countries and value adding acquisitions able to provide high returns and synergies. The management will continue to execute its long-term plan with strategic investments in high potential, high return areas of the business. Our priorities remain driving over-market volume growth, increasing our profitability margins and generating additional free cashflow.

Looking forward to 2017 and beyond, while the challenges remain, the Group is moving in the right direction, positioned to gain further market share, identify areas that can benefit the Group further and exploit growth opportunities. The Group's key assets, that is, its leading position in the market, the balance of its brand portfolio, its exporting character, its financial strength and security, the management's agility and the human resources support, will be, as ever, the cornerstones for its future further development.

Consistent with its yearly schedule, the Sarantis Group management will publish its FY 2017 guidance on Wednesday, March 29th 2017 during the Group's annual presentation at the Hellenic Fund and Asset Management Association.

2.6 RELATED PARTY TRANSACTIONS

The most significant transactions between the Company and its related parties, as such are defined by International Accounting Standard 24, are presented below.

Subsidiaries: ***Company***

Trade receivables	31/12/2016		31/12/2015
SARANTIS ROMANIA S.A.	1,763,046.90		657,725.79
SARANTIS CZECH REPUBLIC sro	787,864.15		694,556.64
SARANTIS POLSKA S.A.	680,262.68		1,148,547.54
ELODE FRANCE SARL	12,849.52		9,058.97
POLIPAK SP.Z.O.O.	104,608.36		178,449.64
SARANTIS HUNGARY Kft.	349,665.87		947,537.30
SARANTIS BULGARIA LTD	81,292.91		90,951.99
ARPINA S.A.	138,721.61		0.00
SARANTIS PORTUGAL LDA	1,014,675.40		1,370,998.28
Total	**4,932,987.40**		**5,097,826.15**

GRAND TOTAL - RECEIVABLES	**4,932,987.40**	**5,097,826.15**

Trade Liabilities	31/12/2016		31/12/2015
THRACE-SARANTIS S.A.	773.32		154,355.33
SARANTIS POLSKA S.A.	199,911.84		199,465.90
SARANTIS CZECH REPUBLIC sro	12,875.80		0.00
SARANTIS BELGRADE D.O.O	1,243,881.97		826,103.84
SARANTIS ROMANIA S.A.	0.00		9,612.37
SARANTIS BULGARIA LTD	37,023.31		78,993.68
POLIPAK SP.Z.O.O.	514,239.32		67,310.40
SARANTIS SKOPJE D.O.O	516,564.82		148,125.48
SARANTIS HUNGARY Kft.	40,059.52		38,228.61
ARPINA S.A.	0.00		161,165.11
Total	**2,565,329.90**		**1,683,360.72**

Liabilities from loans	31/12/2016		31/12/2015
SAREAST CONSUMER PRODUCTS TRADING LTD	0.00		507,380.07
WALDECK LTD	527,985.96		697.77
Total	**527,985.96**		**508,077.84**

GRAND TOTAL - LIABILITIES	**3,093,315.86**		**2,191,438.56**

INCOME

Income from sale of merchandise	31/12/2016		31/12/2015
SARANTIS ROMANIA S.A.	4,772,950.41		4,451,017.06
SARANTIS BULGARIA LTD	1,645,586.17		1,738,740.05
SARANTIS BELGRADE D.O.O	2,120,927.66		1,772,648.15
SARANTIS SKOPJE D.O.O	523,710.13		490,436.28
SARANTIS POLSKA S.A.	6,362,764.83		6,208,046.49
SARANTIS CZECH REPUBLIC sro	3,660,500.05		2,087,197.61
SARANTIS HUNGARY Kft.	975,616.97		864,787.79
ARPINA S.A.	-3,967.65		2,024,036.36
SARANTIS PORTUGAL LDA	422,051.17		761,236.58
Total	**20,480,139.74**		**20,398,146.37**

Other Income	31/12/2016		31/12/2015
SARANTIS BANJA LUKA DOO	3,088.34		2,508.16
SARANTIS ROMANIA S.A.	67,617.72		39,022.31
SARANTIS BELGRADE D.O.O	26,575.60		26,311.76
SARANTIS SKOPJE D.O.O	12,574.57		14,812.48
SARANTIS HUNGARY Kft	47,020.34		48,674.23
SARANTIS CZECH REPUBLIC sro	156,600.23		77,912.63

SARANTIS POLSKA S.A.	73,842.98		74,091.88
SARANTIS BULGARIA LTD	16,017.35		17,021.70
ARPINA S.A.	2,399.24		2,175.60
SARANTIS PORTUGAL LDA	34,801.62		53,044.44
Total	**440,537.99**		**355,575.19**

GRAND TOTAL - INCOME	**20,920,677.73**	**20,753,721.56**

EXPENSES & PURCHASES

Purchases of Merchandise	**31/12/2016**		**31/12/2015**
SARANTIS BULGARIA LTD	402,964.65		221,763.89
SARANTIS ROMANIA S.A.	90,078.87		43,934.90
SARANTIS CZECH REPUBLIC sro	12,875.36		1,676.76
SARANTIS BELGRADE D.O.O	137,428.80		504,997.35
SARANTIS POLSKA S.A	488,319.80		852,863.99
SARANTIS SKOPJE D.O.O	0.00		3,245.49
SARANTIS HUNGARY Kft.	40,822.49		51,273.17
POLIPAK SP.Z.O.O.	2,101,722.11		0.00
THRACE-SARANTIS S.A.	144,219.26		1,108,256.86
ARPINA S.A.	0.00		869,429.60
Total	**3,418,431.35**		**3,657,442.00**

Expenses – Interest	**31/12/2016**		**31/12/2015**
WALDECK LTD	0.00		161.20
SAREAST CONSUMER PRODUCTS TRADING LTD	22,120.13		22,059.70
Total	**22,120.13**		**22,220.90**

GRAND TOTAL - EXPENSES	**3,440,551.48**	**3,679,662.90**

TABLE OF DISCLOSURE OF RELATED PARTIES

	Group	Company
a) Income	0.00	20,920,677.73
b) Expenses	0.00	3,440,551.48
c) Receivables	0.00	4,932,987.40
d) Liabilities	0.00	3,093,315.86
e) Transactions and remuneration of senior executives and management	1,827,324.11	1,636,994.31
f) Receivables from senior executives and management	0.00	0.00
g) Liabilities towards senior executives and management	0.00	0.00

2.7 DETAILED INFORMATION ACCORDING TO A. 4, PAR.7, L.3556/2007

2.7.1 Structure of the Company's share capital

The company's share capital amounts to fifty three million nine hundred and ten thousand, five hundred and twenty two euro and ten cents (53,910,522.10 Euro), divided into thirty four million seven hundred and eighty thousand, nine hundred and eighty two common registered shares with voting right (34,780,982 shares), with a nominal value of one euro and fifty five cents (1.55 Euro) each.

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

• The right to dividend from the annual earnings or liquidation profits of the Company.

A percentage of 35% of the net earnings following deduction only of the statutory reserve is distributed from the earnings of each year to shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. Dividends are entitled to each shareholder who is registered in the Shareholders' Register at the dividend record date. The dividend for each share is paid to its holder within two (2) months from the date on which the Ordinary General Meeting approved the Annual Financial Statements. The payment date and the payment method are released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

• The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,

• The pre-emptive right at every share capital increase of the Company via cash payment or the issuance of new shares.

• Each shareholder is entitled to request a copy of the financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.

• The right to participate in the Company's General Meeting which consists of the following specific rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.

• The General Meeting of Company's Shareholders retains all its rights and obligations during liquidation. The liability of shareholders is limited to the nominal value of the shares such hold.

2.7.2 Limits on transfers of Company's shares

The transfer of Company shares takes place based on procedures stipulated by Law, while there are no restrictions set by the Articles of Association for transfer of shares, as such are dematerialized shares listed on the Athens Exchange

2.7.3 Significant direct or indirect holdings according to the definition of 3556/2007

During 2016 the following disclosure on significant shareholdings according to the definition of L. 3556/2007 was made:

- The total percentage of direct and indirect participation of Sarantis family (GRIGORIS SARANTIS, KYRIAKOS SARANTIS, AIKATERINI SARANTI) due to acquisition of voting rights on 26/01/2016, settled at 50.002% (17,386,268 voting rights) from 49.32% at the time of the previous disclosure and announcement.

- The percentage of voting rights in the Company indirectly held by FMR LLC, through its controlled companies, changed on April 4th, 2016, due to the transfer of voting rights. However it remains above the 10% threshold and specifically it settles at 10.67% (3,708,800 shares and voting rights).

2.7.4 Shares conferring special control rights

None of the Company shares carry any special rights of control.

2.7.5 Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights emanating from its shares.

2.7.6 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 emanating from its shares, apart from those mentioned in paragraph 2.7.3.

2.7.7 Rules governing the appointment and replacement of members of Board of Directors and the amendment of the Articles of Association

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.

2.7.8 Responsibility of the Board of Directors for the issuance of new shares or the purchase of treasury shares

According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members. In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

2.7.9 Important agreements initiated, amended or terminated in case a charge arises in the company's control following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

2.7.10 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 a public offer.

2.8 TREASURY SHARES

The Company's Extraordinary General Shareholders' Meeting dated June 9th 2016 approved the purchase through the Athens Exchange according to the provisions of article 16 of PL 2190/1920 of up to 10% of the company's shares (the 10% currently represents 3,477,098 shares), including the 437,549 shares already acquired by the company based on the resolutions of the General Shareholders Meeting of 26/06/2014.

The maximum buy back price was set at fifteen euros (15.00 €) per share and the lowest at one euro and fifty five cents (1.55 €) and the time limit for acquiring own shares was set to twenty four months from the date of the General Meeting, that is until June 09th 2018.

The purpose of the program is to serve the objectives and uses permitted by law from time to time, which today include share capital reduction, settlement of obligations arising by convertible securities or employee stock options as well as the purposes of future acquisition of another company's shares.

Finally, the Board of Directors was authorized to act accordingly for the completion of the buyback program.

As of 31/12/2016 the Company holds 488,400 treasury shares at an average price of 5.71 euro, which corresponds to 1.40% of the Company's share capital.

2.9 EVENTS AFTER THE REPORTING PERIOD

GR. SARANTIS CYPRUS LTD, subsidiary of GR. SARANTIS S.A., proceeded on March 6th, 2017, with the sale of its participation, of 50%, in the company under the name "THRACE SARANTIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" with the distinctive title "THRACE SARANTIS S.A." for a total consideration of one million (1,000,000) euro. Following the above transaction, "GR. SARANTIS S.A." has no other participation in the company "THRACE SARANTIS S.A.". The above sale is not expected to significantly affect the financial results of the Group.

2.10 CORPORATE GOVERNANCE STATEMENT

In the context of compliance with the obligations emanating from the clauses of article 2, paragraph 2 of L. 3873/10, the following statement has been compiled.

1. **Corporate Governance Code:**
   Gr. Sarantis SA applies corporate governance rules and practices, which are summarized in the Corporate Governance Code which the Company has compiled, taking into consideration the state law and the relevant guidance of the pertinent authorities, which have been announced up to the publication date of the current statement.
   The Corporate Governance Code of Gr. Sarantis SA is at any interested party's disposal in the corporate website: http://ir.sarantis.gr/el-gr/intro/our-responsibility.

2. **The General Assembly of Shareholders:**

   Operation Items of the General Assembly

   The General Assembly (GA) is the supreme body of the Company. It is entitled to decide upon any subject, whereas its decision constitutes commitment even for the absent or opposing shareholders. The General Assembly is chaired by the Chairman of the Board of Directors (BoD) who based on defined procedure provides for the election of the ordinary President of the GA. The GA is obliged to take decisions for all subjects of the agenda, whereas it is the only appropriate body to decide on the following: a) for the amendments of the articles of association including capital changes, b) for the election of the BoD directors, the auditors and the determination of their fees. Based on the article 10 of the articles of association, the election of the directors of the first BoD is excluded from the rule, whereas based on the article 12 of the articles of association, the election of BoD advisors for substituting vacancies that were due to death, resignation or deposition, is also excluded, c) for the approval of the financial statements, d) for the allocation of the annual earnings, e) for the issuance of convertible bond (according to the article 3 of PL 2190/20, f) for the cases of merger, split, transformation, renewal, extension or termination of the company, and g) for the appointment of liquidators.

   Amendment to the clauses of the articles of association that are noted in article 29, paragraph 3 of PL 2190/20 is performed with increased quorum (2/3) and majority (2/3 of the attendants). Amendment of other clauses is performed with simple quorum (1/5) and majority (½ + 1 of the attendants).

   Communication with the Shareholders and the potential Shareholders

   The Company operates a website which presents subjects and information for the shareholders, in both the Greek and the English language.

   The shareholders have at their disposal the contact details of both the Chairman of the Company, and the manager of investor relations and shareholders department, in case there is a need for immediate communication.

   In cases of institutional shareholders wishing to acquaint with the Group, they may contact the manager of investor relations and shareholders department who will handle the arrangement of a relevant presentation meeting.

   With regard to the operating procedure of the General Assembly, the Company is governed by the clauses of L. 3884/10 and posts all the required, by law, information at its website in both the Greek and the English language for the facilitation of shareholders.

3. Board of Directors and Committees:

(a) The Company is governed by the **Board of Directors** (BoD), which is elected from the General Assembly, in the context of the Company's Articles of Association and the L. 2190/1920, is comprised of 3 (three) up to 11 (eleven) directors and has a six-year term (according to the provisions of article 19 of L. 2190/1920).

Specifically, the current Board of Directors is comprised of 8 (eight) directors. Four (4) of the directors of the BoD are non executive directors, whereas two (2) of the non executive directors are also independent directors.

The Board of Directors with the following composition was elected from the Extraordinary General Assembly as of 2/22/2013 and its term ends on 11/30/2017.

Chairman: Grigorios Sarantis of Pantazis, (executive member)
Vice Chairman and Chief Executive Officer: Kyriakos Sarantis of Pantazis, (executive member)
Executive Directors: Konstantinos Rozakeas of Petros, Konstantinos Stamatiou of Fokion
Non Executive Directors: Aikaterini Sarantis of Pantazis, Antonios Agiostratitis of Miltiadis,
Independent Non Executive Directors: Dimitrios Efstathiou of Konstantinos, Christos Oikonomou of Ioannis
The curriculum vitae of each of the directors of the Company's BOD are posted in the corporate website http://ir.sarantis.gr/el-gr/viograficadbod/board-of-directors-cvs.
The members of the BoD are elected – appointed from the General Assembly with simple quorum (1/5) and majority (½ + 1 of the attendants).
In case of resignation, casualty or loss in any manner of the status of member or members of the Board of Directors, the remaining members can decide to continue the administration and representation of the Company without the replacement of the vacancies, under the condition that the number of the remaining members exceeds the ½ of the number of members they were in effect prior to the occurrence of the above events. In any case, the remaining members are not allowed to account for less than three (3).
The BoD convenes regularly depending on the needs of the Company and the subjects for arrangement, and at least once per month. The Legal Advisor of the Company, who is also executive director of the BoD, keeps the minutes of the meetings. It is noted that in the financial year 2016, the attendances of the executive and non executive directors amounted, as a percentage, to around 94.6% and of the independent non executive directors to the neighborhood of 15% of the total meetings.
The Board of Directors possesses the authorities, responsibilities and duties provided by the Law, the General Assembly and the Company's Articles of Association. In the above mentioned context, the Board of Directors is the Body which exercises control over the Company. The duties of the Board of Directors include the decision making process and the responsibility for exercising effective control over the Company's entire scope of activities.

The major responsibilities of the Board of Directors based on the Articles of Association and the Company's Internal Regulation of Operation are the following:

- The definition of the business strategy, the planning of the broader corporate practices, the formulation of corporate culture.
- The application of the general corporate policy and the communication of the approved business targets to the lower-ranking employees.
- The evaluation of recommendations and proposals of the Directors of Divisions.
- The approval of the business action plan and the annual budget.
- The monitoring and evaluation of the effectiveness and implementation of the business action plan.
- The management of the Company's assets and the Company's representation. The control and approval of large capital expenditures, concerning investment plans under implementation.
- The definition of the risk management policy and the formulation of action plans.
- The existence of sufficient and effective Internal Control System.
- The integration of the principles of Corporate Governance into business practices and the supervision of the Internal Regulation of Operation, the Corporate Governance Code and the Code of Conduct.
- The monitoring and arrangement of any conflict of interest issues between the directorial officials, the members of the Board of Directors and the shareholders, including cases of asset mismanagement and transactions with affiliated parties.
- The compliance of the Company's activities with the legislation in effect and the corporate practices.

- The audit of validity and completeness of the released financial statements, including the Chartered Auditor Accountant report. The compilation of the annual, six-month and quarterly financial reports which include, among other notes, the Company's transactions with its affiliated companies in the context provided by the article 42e, par. 5 of P.L. 2190/1920.
- The subjects concerning any kind of fees paid to the Company's directorial officials and the Company's broader remuneration policy.

In the context of the above authorities and duties it possesses, the Board of Directors acts collectively and its relevant decisions are approved by all directors independently of their status as executive, non executive or independent directors.
The members of the BoD possess the right to request from the Management via the Chief Executive Officer any information they deem appropriate in the execution of their duties.
The executive directors are responsible with the daily subjects of the Company's management and the supervision of the execution of the BoD decisions.
The non executive directors deal with the supervision of subjects which they have been assigned for, following decision of the BoD.
The independent non executive directors formulate estimations with regard to the effectiveness and capacity of the managerial efforts, whereas they can submit, either individually or jointly, to the General Meeting, reports and notes different from the ones of the BoD in case they deem it necessary.
The independent directors are, also, appointed from the General Assembly of Shareholders. The BoD examines the suitability of a candidate independent director prior to his / her placement for election in front of the General Assembly. Specifically, independent are the directors who have no business, or commercial, relation with the Company, relation that could affect their independence. More particularly, it is not considered as independent the director who: (i) Possesses, or possessed within the previous the year, a material business relation with the Company or with affiliated company (in the concept of article 42e, paragraph 5 of P.L. 2190/1920), acting as an important customer or supplier, or as partner, shareholder, BoD director, or high-ranking official of a legal entity which is related in such nature with the Company or with affiliated party, (ii) Is Chairman or General Director or executive director of the BoD of an affiliated company, or retains a dependent, or rendered against payment, employment relation with the Company or with affiliated company, (iii) Has been appointed according to article 18, paragraph 3 of P.L. 2190/1920 in the Company or affiliated company, (iv) Possesses up to second degree family relation or marital relation with executive director of the BoD, high-ranking official, advisor, or major shareholder of the company or affiliated company, (v) Controls, directly or indirectly through affiliated companies, over 10% of the Company's voting rights, or represents major shareholder of the Company or affiliated company (in the concept of article 42e, paragraph 5 of P.L. 2190/1920).

(b) Committees

Executive Management Committee (see Corporate Governance Code chapter 4, paragraph 4.1), which is chaired by the Chief Executive Officer and has as members six directors of the Company's core operations team and on case by case basis the pertinent directors of the Business Units. The Executive Management Committee constitutes collective body of the Company's management with explicitly executive responsibilities and supervision role over current operating and administrative issues. It is the appropriate committee for the business risk management.

Audit Committee (see Corporate Governance Code, chapter 3, paragraph 3.1). An independent non executive director of the BoD is chairman of the committee which reports to the BoD and is comprised of three non-executive directors, two of which are independent.

The Audit Committee monitors the operation of the Internal Control Department and receives information regarding the department's quarterly reports which are noted in the corresponding minutes of the BoD.

The Committee ensures the independence of the Internal Control Department and approves the provision of information to the external auditors and the responsible bodies.

It supervises the risk management reports as well as the actions which are taken to handle the risks.

The Internal Controller informs the Committee about conflict of interest related cases during the Company's transactions with affiliated parties, cases which are detected during the exercise of the Internal Controller's duties. For these cases, the Audit Committee compiles and submits relevant reports to the BoD.

The Committee is informed by the External Auditors of the Company about the validity of the financial information and the credibility of the financial statements. It supervises every official announcement with regard to the Company's financial performance and examines the major parts of financial statements which contain important judgments and estimations made from the Company's Management. It supervises the ordinary audit process, monitors the independence of the ordinary auditor and ensures that any additional services rendered by the ordinary auditor have no effect on the subjectivity of the audits and the proper application of the audit standards.

It participates in the formulation the Internal Control Department's regulation of operation, which is presented in the Internal Regulation of Operation.

The meetings of the Audit Committee within the past year completed with quorum, whereas the subjects of the agenda are the following:

Date	Subjects of Daily Agenda
19/1/2016	Approval of the implemented audits from the Internal Control for the 4th quarter 2015
6/4/2016	Approval of the implemented audits from the Internal Control for the 1st quarter 2016
7/7/2016	Approval of the implemented audits from the Internal Control for the 2nd quarter 2016
11/10/2016	Approval of the implemented audits from the Internal Control for the 3rd quarter 2016

The authorities, the obligations, the duties and the responsibilities of the Board of Directors of the Executive Management Committee and the Audit Committee are published with the Corporate Governance Code and are described in the Company's Internal Regulation of Operation.

(c) BoD members' fees definition procedure and evaluation method

The management has developed a procedure based on which the BoD members are evaluated and their fees are defined.

Evaluation of Executive Members

- The evaluation procedure with regard to executive directors of the BoD, is similar to the one for the evaluation of Directors of Departments.
- BoD executive members' fees are comprised of the salary, bonus salary which is directly linked to the Company's annual performance, as well as other benefits.
- The Chief Executive Officer and the Personnel Director are responsible for the evaluation and the granting of the BoD executive members' fees.
- The targets are placed at the beginning of each calendar year and are evaluated at the beginning of the following year (after the finalization of the figures that have been placed as targets).
- Specifically, the evaluation regarding the bonus is based on corporate targets, which are set during the submission of the annual budgets, per corporate entity and business operation, and then is supervised and finalized by the Chief Executive Officer. The audit of the budgetary figures is performed on regular basis, is expedited by the Executive Management Committee, whereas the frequency of the comparative budgetary – reviewed figures whenever is required is daily.

It is noted that the fees of the Chief Executive Officer are proposed annually from the BoD to the General Assembly for approval.

Evaluation of Non Executive Directors

The evaluation of the non executive directors is mainly performed through the broader evaluation of the effectiveness of the committees which the directors participate in.

The Chief Executive Officer and the Personnel Director are responsible for evaluating and granting their fees.

The fees of the non executive directors concern only annual compensation. They are also associated with the responsibilities and duties that have been assigned to the directors, as well as with any additional participations or presidencies in the BoD committees.

4. Diversity Policy for managerial, administrative and supervisory bodies

The Code of Business Conduct of the Group includes operation principles with regard to the applied diversity. These principles are presented in synopsis as follows:

Sarantis Group supports the Universal Declaration of Human Rights of the United Nations as well as other international standards for the human rights (ILO, OECD, Global Pact of United Nations).

Sarantis Group recognizes and applies in its subsidiaries, per case, the social, environmental, ceremonial, institutional specificities existing in the countries in which it is active, to the extent that these policies do not contradict the regulatory framework governing the Parent company, the articles of association of the Parent company, the policies, regulations and generally the culture of the Group.

The fundamental values of the Group reflect the commitment toward the creation of an environment where all employees have equal opportunities of personal development and are treated in fair manner according to their skills and merits.

Sarantis Group does not make any discrimination in terms of race, religion, color, descent, age, special needs, sexual orientation, political belief, gender or family position.

With regard to issues of employment, hiring, remuneration and bonus, training, promotion, transfer and termination of collaboration, every employee is treated according to the regulatory framework each time in effect and in accordance with the regulations, policies and the culture of the Group.

There is no physical, sexual, race related, psychological, verbal or any other type of harassment or violence exercised against the employees of the Group.

The Group does not hire people with age lower than the legally required one. The Group is against the use of compulsive or mandatory work practices.

The Group recognizes and promotes the healthy balance between work and personal life, whereas at the same time it respects the commitments made by its employees outside the work environment. The Group recognizes the right to rest and have free time, while it closely follows the law provisions applied in any location of activity, with regard to the leave of absence, maternity leave, as well as other types of leaves related to family commitments or to “force majure” events.

The following table presents in summary data with regard to the gender, the age, the education of the highest, higher and middle management level of the Group.

Levels	Positions	GENDER		EDUCATION			AGE		
		% Females	% Males	% THIRD GRADE	% HIGHER (BSc)	% HIGHEST (MSc)	FROM	TO	AVG
Highest	BOARD	13%	87%	25%	38%	37%	55	64	59
Higher	DIRECTORS &GM's	8%	92%	-	33%	67%	34	48	44
Middle	MANAGERS	34%	66%	27%	56%	17%	32	64	44

Specifically, the curriculum vitae of the members of the Board are presented in the following link http://ir.sarantis.gr/el/viograficadbod/board-of-directors-cvs .

Respectively the curriculum vitae of the senior staff of the Group are uploaded in the following link http://ir.sarantis.gr/el/viografika/management-committee .

5. Internal Control System and risk management:

Internal Control System

The Internal Control System is defined by the entire procedures, methods and mechanisms, the application of which is responsibility of the board of directors, the directors of the management and in general the entire personnel of the Group based on their corresponding responsibilities. The System is designed to provide a desirable assurance level with regard to the achievement of the following targets:

- The risk management
- The avoidance and the detection of administrative anomalies and errors
- The effectiveness and efficiency of various operations
- The preservation of the corporate assets
- The credibility of the financial statements and the reports in general
- The compliance with the rules of the management
- The compliance with the law and rules in effect

The internal control as a set of procedures, methods and mechanisms, is practically performed by the directors of the management, and in general, by the organization's entire personnel based on the corresponding responsibilities, is supervised by the Audit Committee, the BoD and the Chief Executive Officer and is examined for its effectiveness and completeness – adequacy by the Internal Control Department.

The Group's Management is responsible for the introduction, operation and monitoring of the control systems. The Board of Directors ensures that the Company's senior management has introduced, applied and operates an appropriate internal control and risk management system.

The issues referring to the Group's internal control are the following:

- Introduction and maintenance of an adequate and effective control system.
- Evaluation of the Group's potential risks.
- Application of the appropriate audit mechanisms.
- Monitoring and evaluation of the system.
- Provision of the relevant information and proposals of improvement or adjustment on case by case basis.
- Appropriate measures from any management officials and application of measures within the agreed time horizon.
- Re-evaluation of the system at second stage.

The Internal Control Department is responsible to conduct the audits, as well as for the submission of proposals, the communication of the results and the monitoring of the corrective actions wherever is required. It evaluates the probable risks detected during the audits and communicates these risks to the Audit Committee and the Chief Executive Officer, with the objective to undertake appropriate measures for their elimination. The Internal Control Department reports to the Chief Executive Officer, the Deputy General Manager and the Audit Committee, whereas it is supervised by the Audit Committee.

Risk Management

The Management has developed a system of assessment, evaluation and management of the potential risks, both the ones related to the environment which the Company activates in, and the ones related to endogenous factors of operation.

Depending on the nature, the effect and the probability of risks, relevant cost – benefit decisions, based on estimates, for their acceptance are taken, or decisions for the activation of audit mechanisms, or in general the undertaking of measures with the objective to smooth out or eliminate their consequences.

Major risks which the Group faces are presented and noted in the BoD report to the General Meeting and in greater analysis in the Annual Financial Statements.

Mechanisms

The Management has compiled and uses, as a general framework of rules and operations for the Group, the Internal Regulation of Operations, the Corporate Governance Code and the Code of Business Conduct. The Internal Regulation of Operations and the Code of Business Conduct are posted in the corporate website: http://ir.sarantis.gr/el-gr/intro/our-responsibility.

It has a fully developed, and integrated into its information system, budgetary control which is constantly updated and performs continuous audit of its activities.

It possesses a network of procedures with integrated control mechanisms (in many cases automated via its information system), for all its operations and specifically for the ones most susceptible to risks.

It possesses an analytical program for ending period works and an automated extraction system of the relevant reports.

The adequacy and effectiveness of the internal control system is examined by the Internal Control Department, per business cycle or per operation, following an annual program of audit projects and priority definition.

It has a reliable, extended and secure information system which evolves and can be adjusted to any Company's needs.

It possesses complete security system with regard to its information systems.

6. **Information provided by the article 10, paragraph 1 of directive 2004/25/CMC:**

The Company is under the directive 2004/25/CMC concerning the public offerings for acquisition / takeover.

Group's structure is presented analytically in chapter 4.6.2 of the Financial Statements compiled by the Company and published with the means provided by the law.

The Company has not issued any securities granting special control rights to their holders. Furthermore, there are no constraints to the voting rights, the expiration periods for exercising the voting rights are the ones in effect during the General Assembly of the shareholders, there are no loans convertible into bonds and in general, there are no systems via which the financial rights emanating from the securities are dissociated from the possession of securities.

2.11 NON-FINANCIAL POSITION

Sarantis Group prepares Corporate Social Responsibility and Sustainability Report according to the Law 4403/2016 and the guidelines GRI-G4 (in Accordance Core), which is jointly presented with the current Report of the Board of Directors to the General Assembly.

Elements of paragraph 6, Law 4403/2016.

I. Short Description of the Business Model

From the early start of its long-term business course, Sarantis Group offers daily use products of high quality at affordable prices with respect to the society and the environment. In this manner, the Group establishes itself, generates growth and achieves to offer added value to consumers, customers, suppliers, shareholders and employees.

The Group's business activity focuses on the areas of cosmetics and perfumes, personal care products, household products as well as health care products. In each category, Sarantis offers highly recognized products which are frequently placed at the top of the consumers' preferences.

The international presence of the Group demonstrates nine subsidiary companies in the countries of Europe – Poland, Romania, Bulgaria, Serbia, Czech Republic, Hungary, FYROM, Bosnia, Portugal– 1 representative office in Slovakia and exports to more than 35 countries.

The goal of the Group is to hold a leading position in the production and trade of consumer products in the markets where it activates and at the same time to offer high quality daily use products thus satisfying the needs of millions of consumers.

The strategic priorities of the business model of the Group, which support and ensure the realization of its goals, are the following:

- The renewal and expansion of our product portfolio through the creation of new products and the entrance into new dynamic subcategories, and also through the utilization of innovative ideas in both the creation of new products and the consumer approach.
- The acquisitions of brands similar to the Group's existing portfolio, with strong market shares and with the ability to generate added value in our profitability.

- The successful new exclusive agreements for representation and distribution of international trademarks.
- The aggressive sales policy via dynamic promotion and support across all distribution channels.
- The constantly growing presence of the Group in the international markets as well as the geographic expansion through both organic growth and acquisitions.
- The maintenance of the Group's healthy financial position which allows the smooth financing of its strategic growth plans.

II. Description of the applied policies with regard to environmental, social and labor issues, the respect for human rights and the fight against corruption, including the applied procedures for the proper diligence.

The policy of the Group's corporate responsibility determines the general framework of principles with which the Group broadly activates.

The policies with regard to environmental, social, labor issues, respect for human rights and fight against corruption adopted and applied by the Group are presented in synopsis in the Code of Conduct of the Group.

Responsibility Policy

The Group has adopted the following principles:

- **Responsibility:** The Groups is responsible for the effect generated by its business activities on the society, the economy and the environment. As a result, it accepts the audit from institutional bodies operating according to the Legislation in effect.

- **Transparency:** It adopts principles of transparency, which are reflected in both the Code of Conduct and the Corporate Governance Code which have been prepared by the Group, as well as in the Internal Operation Regulation.

- **Ethics:** The business activity of the Group is based on the values of honesty, justice and integrity. These values indicate strong interest for the people, the animals and the environment. These values set the framework with which the Group manages any potential repercussions from its activities and decisions upon the interests of the stakeholders.

- **Respect for the Interests of the Stakeholders:** The Group respects the expectations of the Stakeholders and through communication with them it considers solutions of mutual benefit in the issues which may arise, by applying prudent and rational practices during the solution of these matters.

- **Respect for Law:** In any case, the Group respects the legislative framework upon which it broadly operates and activates.

- **Respect for the International Rules of Conduct:** The Group shows respect for the international rules of conduct to the extent that these rules are not in disagreement with the regulatory framework governing the Parent Company, the articles of association, the policies, regulations and generally the culture of the Group.

- **Respect for Human Rights:** The Group demonstrates high respect for the human rights and recognizes their importance and universality.

The above principles are included in the Code of Conduct of the Group which is presented in the following link: GR. SARANTIS Code of Conduct **PDF**

Regulatory Compliance System & Quality Management System

The Group has developed a Regulatory Compliance System which includes: Codes, Policies, Regulations Procedures, Work Guidelines, Organizational Structure Graphs, Job Descriptions, Forms and Control Mechanisms. Each subsidiary is obliged to make use of regulatory tools concerning the Group, whereas it is obliged to develop regulatory tools according to the guidelines of the pertinent Business Controller.

The Regulatory Compliance System is complemented by the Quality Management System which includes the standards: ISO 9001/2008, ISO 13485/2003 & ISO 22716/2007.

The Quality Management System places emphasis on the following:

- The satisfaction of demands of customers – consumers, which is achieved through constant communication and solution of any problems arising.
- The review of effectiveness of the Quality Management System with the goal of constant improvement.
- The evaluation of the degree of achievement of the appropriate quality targets through reviews.
- The continuous training and strengthening of awareness of the personnel with the goal to fully understand the applied quality policy, as well as the revaluation of this policy with regard to its suitability.
- The development of procedures covering all management cycles of the important operations, the reviewing of their compliance, as well as the evaluation of their effectiveness through a framework of indicators / ratios.
- The strict compliance and application of the provided rules with regard to the Good Manufacturing Practices (GMPs).
- The commitment to the provision of the necessary resources for the training of human force and the availability of contemporary technological equipment.
- The application of the appropriate measures concerning health and safety in the entire supply chain so that the full compliance of the products to the requirements of national and European legislations and of relevant derivative regulations is ensured.

III. The results of the presented policies

During the year 2016, there were no reports in relation to social and labor issues, the issues of respect for human rights and the fight against corruption, as well as to communication and customer protection issues.

With regard to the environmental issues, on 18th January 2017 the three-member magistrate's court of Thiva discussed the complaint of the Division for Environment and Urban Planning of the Periphery Authority of Central Greece, regarding the delay in the review of an Environmental Conditions Approval Decision (AEPO) with subsequent violation of certain limits in the Factory and Distribution Center at Oinofyta, County of Voiotia. The three-member magistrate's court found all defendants (namely representatives of Gr. Sarantis S.A.) as no guilty, since no violation of environmental conditions was justified with regard to the charges with which the Company was accused of. Similarly the Administrative Court which is about to follow, is committed due to the decision of the three-member court to accept the appeal of Gr. Sarantis S.A. and return a fine of EUR 24,500 to the Company on the ground that it was unjustifiably paid by the latter.

IV. The major risks related to the Law 4403/2016 (article 6) and their and management policy

Materiality Analysis 2016

A special study was carried out for the detection of essential issues, in which the project team of the first Corporate Social Responsibility and Sustainability Report determined and reviewed issues of relevant interest. The study for the detection of essential matters was based on the material and information possessed by the senior staff of the organization from their contacts with the interested, per case, parties (stakeholders) during the exercise of their duties. The study was prepared according to the following procedure.

I. The team determined the Sources from which the relevant information was collected and the relevant issues were recognized:

II. The criteria were determined for the ranking of the relevant issues.
The selection of the criteria was based on the following principles:

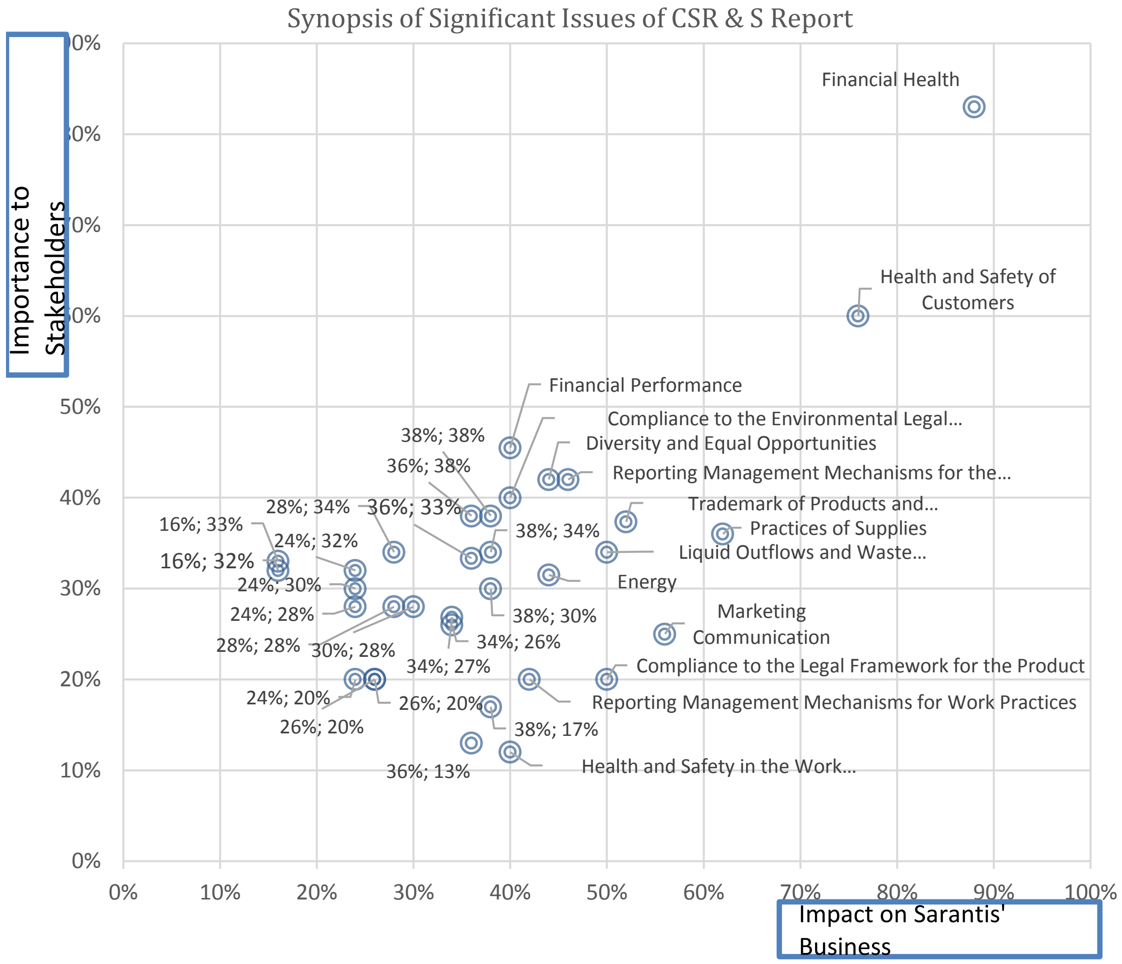
- The principle of the uninterrupted continuation of the business activity
- The potential impact on the image and goodwill of the Group or of an individual product
- The potential impact on the society and the application in more areas or ethnicities
- The potential opportunity for innovation
- The potential effect on the Group's activities from Legislation, Regulations, Standards and other frameworks of operation

III. The essential issues were recognized, ratified from the Management and their limits were determined with regard to their potential effect inside and outside the organization.

IV. Finally, the essential issues were documented according to the standards GRI-G4 whereas the relevant ratios and indicators were compiled.

The management of essential issues is performed on the basis of the risk management system and according to the regulatory compliance system of the Group as well as of its quality management system. The issues which have been deemed as essential during the significance analysis are the following:

1	Financial Health
2	Health and Safety of Customers
3	Practices of Supplies
4	Marketing Communication
5	Trademark of Products and Services
6	Liquid Outflows and Waste Materials
7	Compliance to the Legal Framework for the Product
8	Reporting Management Mechanisms for the Environment
9	Energy
10	Diversity and Equal Opportunities
11	Reporting Management Mechanisms for Work Practices
12	Financial Performance
13	Compliance to the Environmental Legal Framework
14	Health and Safety in the Work Environment



V. Non financial indicators - ratios 2016

Basic Figures	**2016**
Investments (€)	8,352,292
Dividends (€)	5,493,349
Environment	
CO2 Emissions (metric tons)	4,936.94
Consumed Energy (KWH)	13,574,714
Consumed Energy from Renewable Sources (KWH)	1,189,126
Employees	
Number of Employees (at year-end)	1,651
Employees covered by collective agreements (%)	97%
Percentage of females in total number of employees	53%
Participation of females in the BoD (%)	12.50%
Allocation of employee nativity in countries of activity	98%
Investment in Education (€)	132,950
Fatal Labor Accidents	0
Labor Accidents	2
Condemnatory court decisions for corruption issues against the company or its employees occurring in the context of the exercise of their duties.	0
Social Effect	
Amounts of expenditures in the total of the Group (€)	225,000

Analytical elements and data concerning the approach made by the Group and the performance of the Companies will be presented in the Report of Corporate Responsibility and Sustainability of the Group (June 2017).

2.12 ALTERNATIVE PERFORMANCE MEASURES ("APM")

The Group utilizes Alternative Performance Measures (APMs') in the context of its decision making with regard to the financial, operational and strategic planning as well as for the evaluation and public disclosure of its performance. These APMs' serve and facilitate the best understanding of the financial and operating results of the Group, its financial position and the statement of cash flows. The Alternative Performance Measures (APMs') should be always taken into consideration along with the financial results which have been prepared in accordance with the IFRS whereas in no case do they replace IFRS.

Definitions and reconciliation of Alternative Performance Measures ("APM")

a) Comparable financial figures

The Group in order to describe its performance utilizes comparable financial figures. These figures derive from the deduction of the effect of the changes related to discontinued activities from the financial results which have been calculated from the items of the annual financial statements.

The Group presents the above comparable figures in an effort to facilitate the understanding of the performance of its continued activities based on a common ground for all reporting periods.

Reconciliation Table

(Euro million)		FY 2016			FY 2015		
		Published	Discontinued Activities	Comparable	Published	Discontinued Activities	Comparable
EBITDA	Earnings before interest, taxes, depreciation and amortization	33.52	-2.4	35.92	28.55	-1.21	29.77
EBIT	Earnings before interest and taxes	29.12	-2.4	31.52	24.80	-1.24	26.04
EBT	Earnings before taxes	23.61	-5.23	28.84	22.91	-1.25	24.16
Net Income	Net Earnings	19.29	-5.23	24.52	18.53	-1.25	19.78

b) Profitability ratios

The Group utilizes the following profitability ratios for the purpose of the full analysis of its operating results:

EBITDA (Earnings before interest, taxes, depreciation and amortization)

EBITDA is calculated from the annual financial statements as follows: "Gross operating earnings" plus "Other operating income" minus the "Administrative Expenses" and the "Distribution Expenses" prior to depreciation and amortization. The depreciation and amortization for the Group are presented in the paragraph "Table of Changes in Fixed Assets" of the financial statements.

(Euro million)	FY 2016			FY 2015		
	Published	Discontinued Activities	Comparable	Published	Discontinued Activities	Comparable
Gross operating earnings	152.63	0	152.63	132.50	-	132.50
Other operating income	11.61	0	11.61	7.74	-	7.74
Administrative expenses	14.99	0	14.99	14.12	1.24	12.87
Distribution expenses	120.14	2.4	117.74	101.33	-	101.33
Depreciation and amortization	4.39	0	4.39	3.75	-0.03	3.72
Earnings before interest, taxes, depreciation and amortization	**33.52**	**2.40**	**35.92**	**28.55**	**1.21**	**29.77**

EBIT (Earnings before interest and taxes)

EBIT equals with the operating earnings of the Group as they are recorded in the annual financial statements.

EBT (Earnings before taxes)

EBT equals with the earnings deriving before the deduction of taxes from the annual financial statements.

Net Income (Net earnings)

It equals with the earnings after the deduction of taxes as they are recorded in the financial statements. These earnings are distributed to the shareholders of the parent company.

Profitability Margins

For all the above profitability figures, the corresponding profit margin is calculated by dividing each figure with the total turnover.

(Euro million)		FY 2016		FY 2015	
		Comparable	Margin	Comparable	Margin
EBITDA	Earnings before interest, taxes, depreciation and amortization	35.92	10.92%	29.77	10.68%
EBIT	Earnings before interest and taxes	31.52	9.58%	26.04	9.34%
EBT	Earnings before taxes	28.84	8.76%	24.16	8.67%
Net Income	Net Earnings	24.52	7.45%	19.78	7.10%

c) Net Debt

The net debt comprises a figure which depicts the capital structure of the Group. It is calculated by adding the short-term part of the long-term loans and the short-term loans to the long-term loans and then by deducting the cash and cash equivalents. Also, other financial assets are added to the above figure, such as the "Financial Assets Available for Sale" and the "Financial Assets at fair value through results", since they are considered to be liquid items. The relevant calculations are presented in the following table:

(Euro million)	FY 2016	FY 2016
Long-term loans	28.44	32.14
Short-term loans	6.24	2.02
Cash and cash equivalents	34.85	33.43
Other financial assets	6.87	7.93
Net Debt	**-7.05**	**-7.20**

d) Operating Working Capital

Operating working capital comprises a figure which depicts the liquidity of the Group. The calculations are presented as follows:

(Euro million)	FY 2016	FY 2015
Trade receivables	78.76	76.14
Inventories	60.71	53.60
Suppliers	50.72	50.53
Operating working capital	**88.75**	**79.21**
Operating working capital / Sales	**27.0%**	**28.4%**

Marousi, 16 March 2017

The Board of Directors

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN & CHIEF EXECUTIVE OFFICER	THE FINANCE DIRECTOR & BOARD MEMBER
GRIGORIS SARANTIS	**KYRIAKOS SARANTIS**	**KONSTANTINOS ROZAKEAS**
ID No. X 080619/03	**ID No. AI 597050/2010**	**ID No. AK 783631/13**

3. INDEPENDENT AUDITOR'S REPORT

Towards the shareholders of "GR. SARANTIS S.A."

Report on Stand-alone and Consolidated Financial Statements

We have audited the accompanying stand alone and consolidated financial statements of "GR. SARANTIS S.A.", which consist of the stand alone and consolidated financial position as at 31 December 2016, the stand alone and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing that have been incorporated into the Greek Legislation (Government Gazette /Β΄/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the stand-alone and consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the "GR. SARANTIS S.A." and of its subsidiaries as at December 31, 2016, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration that the Management is responsible for the preparation of the Management Report of the Board of Directors and the Statement of Corporate Governance included in the Report, in application of the clauses of paragraph 5 of article 2 (part B) of Law 4336/2015, we note the following:

a) The Management Report of the Board of Directors includes a statement of corporate governance which presents the sets of information required by article 43bb of Codified Law 2190/1920.

b) In our opinion, the Management Report of the Board of Directors has been prepared according to the effective legal requirements of articles 43a and 107a and of paragraph 1 (cases c' and d') of article 43bb of Codified Law

2190/1920, whereas its contents correspond to the attached separate and consolidated financial statements of the fiscal year ended on 31/12/2016.

c) According to our opinion formulated during the audit process, with regard to "GR. SARANTIS S.A." and its environment, we have not detected any material inaccuracies in the Management Report of the Board of Directors.

BDO

BDO Certified Public Accountant S.A.

449 Mesogion Av,

Athens- Ag. Paraskevi, Greece

Reg. SOEL: 173

Ag. Paraskevi, 21 March 2017

Certified Public Accountant

Evangelos N. Pagonis

Reg. SOEL: 14211

4. ANNUAL FINANCIAL STATEMENT

Those responsible for the preparation of the 2016 Annual Financial Statements (01/01/2016 – 31/12/2016) are the signatories at the end of the Financial Statements.

4.1 STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
	Note	31/12/2016	31/12/2015	31/12/2016	31/12/2015
ASSETS					
Non-current assets		**92,523,226.01**	**86,772,043.31**	**83,666,830.41**	**77,300,322.35**
Tangible fixed assets	4.10.16	38,329,382.76	33,966,044.51	28,881,982.08	26,796,917.93
Investments in Property	4.10.16	537,341.78	538,952.72	190,146.33	190,483.44
Intangible assets	4.10.16	34,018,503.48	34,122,041.39	16,623,675.17	16,421,014.04
Company goodwill	4.10.2	7,445,155.44	7,535,705.24	1,365,130.32	1,365,130.32
Deferred tax assets	4.10.11	827,049.95	594,543.32	379,892.49	139,577.15
Investments in subsidiaries, associates		10,396,533.49	8,761,420.54	35,686,148.74	31,573,648.74
Financial assets available for sale	4.9.3	700,664.80	908,520.28	400,064.80	587,820.28
Other long-term receivables		268,594.32	344,815.31	139,790.48	225,730.45
Current assets		**190,234,910.89**	**179,191,613.59**	**108,890,693.63**	**101,468,288.33**
Inventories	4.10.3	60,711,437.44	53,603,453.08	29,128,984.88	27,488,466.18
Trade receivables	4.10.4	78,756,302.96	76,142,726.97	41,248,806.12	39,889,121.26
Other receivables	4.10.4	7,700,436.37	7,228,672.44	9,318,811.40	8,128,848.48
Cash & cash equivalents	4.10.5	34,854,308.13	33,434,257.18	22,337,122.92	18,335,615.72
Financial assets at fair value through profit and loss	4.10.6	6,172,956.07	7,017,679.38	6,172,956.07	7,017,679.38
Prepayments and accrued income		2,039,469.92	1,764,824.55	684,012.24	608,557.31
Total Assets		**282,758,136.90**	**265,963,656.90**	**192,557,524.04**	**178,768,610.68**
Shareholders' EQUITY:					
Share capital	4.10.14	53,910,522.10	53,895,022.10	53,910,522.10	53,895,022.10
Share premium account		39,373,995.98	39,369,495.98	39,373,995.98	39,369,495.98
Reserves		17,423,981.41	13,479,332.19	81,376,402.44	67,816,109.59
Profit (losses) carried forward		72,256,173.75	59,661,472.81	-49,101,878.32	-48,573,351.03
Total Shareholders' Equity		**182,964,673.24**	**166,405,323.08**	**125,559,042.20**	**112,507,276.64**
Non controlling interest:		**1,069,305.42**	**1,005,222.91**	**0.00**	**0.00**
Total Equity		**184,033,978.66**	**167,410,545.99**	**125,559,042.20**	**112,507,276.64**
LIABILITIES					
Long-term liabilities		**32,375,464.15**	**36,756,315.58**	**29,634,950.18**	**33,043,413.83**
Loans	4.10.9	28,440,266.73	32,137,121.88	28,400,000.00	30,800,000.00
Deferred tax liabilities	4.10.11	2,003,866.14	1,865,505.39	0.00	0.00
Provisions for post employment employee benefits		1,160,133.19	973,925.00	1,076,329.00	973,925.00
Provisions - Long-term liabilities	4.10.8	771,198.10	1,779,763.32	158,621.18	1,269,488.83
Short-term liabilities		**66,348,694.08**	**61,796,795.33**	**37,363,531.66**	**33,217,920.21**
Suppliers	4.10.7	50,720,898.21	50,531,959.71	28,032,180.06	27,202,502.21
Other liabilities	4.10.7	4,909,517.52	4,730,878.25	5,598,335.00	3,359,375.20
Income taxes - other taxes payable		2,628,703.97	2,450,851.03	669,862.17	571,384.93
Loans	4.10.9	6,241,109.62	2,018,992.36	2,400,000.00	1,200,000.00
Accruals and deferred expenses		1,848,464.78	2,064,113.97	663,154.43	884,657.87
Total Equity & Liabilities		**282,758,136.90**	**265,963,656.90**	**192,557,524.04**	**178,768,610.68**

4.2 STATEMENT OF COMPREHENSIVE INCOME

		GROUP					
		01/01 – 31/12/16			01/01 – 31/12/15		
	Note	Continuing Operations	Discontinued Activities	Total Activities	Continuing Operations	Discontinued Activities	Total Activities
Revenue	4.10.1	329,017,645.69	-	329,017,645.69	278,760,551.85	-	278,760,551.85
Cost of sales	4.10.13	(176,384,097.42)	-	(176,384,097.42)	(146,262,092.82)	-	(146,262,092.82)
Gross operating profit		**152,633,548.27**	**-**	**152,633,548.27**	**132,498,459.04**	**-**	**132,498,459.04**
Other operating income		11,611,802.44	-	11,611,802.44	7,743,734.36	-	7,743,734.36
Administrative expenses	4.10.13	(14,986,186.66)	-	(14,986,186.66)	(12,872,428.84)	(1,242,947.73)	(14,115,376.57)
Distribution expenses	4.10.13	(117,737,890.47)	(2,400,000.00)	(120,137,890.47)	(101,325,722.75)	-	(101,325,722.75)
Operating profit (loss)		**31,521,273.58**	**(2,400,000.00)**	**29,121,273.58**	**26,044,041.80**	**(1,242,947.73)**	**24,801,094.08**
Financial income-expenses		(2,686,201.91)	(2,826,844.49)	(5,513,046.40)	(1,883,400.10)	(6,128.55)	(1,889,528.65)
Earnings (loss) before taxes		**28,835,071.67**	**(5,226,844.49)**	**23,608,227.18**	**24,160,641.70**	**(1,249,076.28)**	**22,911,565.42**
Income tax	4.10.10	(4,350,174.16)	-	(4,350,174.16)	(4,124,528.19)	-	(4,124,528.19)
Deferred tax	4.10.10	184,694.00	-	184,694.00	(255,314.62)	-	(255,314.62)
Earnings (loss) after the deduction of tax (A)		**24,669,591.51**	**(5,226,844.49)**	**19,442,747.02**	**19,780,798.89**	**(1,249,076.28)**	**18,531,722.61**
Shareholders of the parent		**24,518,174.05**	**(5,226,844.49)**	**19,291,329.56**	**19,780,798.89**	**(1,249,076.28)**	**18,531,722.61**
Non controlling interest		**151,417.46**	-	**151,417.46**		-	
Other Comprehensive Income:							
Items not transferred to the statement of comprehensive income:		992,272.14	-	992,272.14	10,302.67	-	10,302.67
Profit from revaluation of property		986,328.22	-	986,328.22	-	-	-
Profit/Loss from actuarial study		8,371.72	-	8,371.72	18,849.16	-	18,849.16
Actuarial study deferred tax		(2,427.80)	-	(2,427.80)	(8,546.49)	-	(8,546.49)
Items which may be transferred in future to the statement of comprehensive income:		(318,627.17)	2,826,844.49	2,508,217.32	(1,904,018.90)	(13,609.62)	(1,917,628.52)
Valuation of financial assets available for sale		(207,855.48)	-	(207,855.48)	(1,601,160.89)	-	(1,601,160.89)
Impairment of financial assets available for sale		770,339.53	2,826,844.49	3,597,184.02	-	-	-
Foreign exchange differences from subsidiaries abroad		(881,111.22)	-	(881,111.22)	(302,858.01)	(13,609.62)	(316,467.63)
Other total income after taxes (B)		**673,644.97**	**2,826,844.49**	**3,500,489.46**	**(1,893,716.23)**	**(13,609.62)**	**(1,907,325.85)**

Total comprehensive income after taxes (A) + (B)		**25,343,236.48**	**(2,400,000.00)**	**22,943,236.48**	**17,887,082.66**	**(1,262,685.90)**	**16,624,396.76**
Owners of the parent		25,228,076.54	(2,400,000.00)	22,828,076.54	17,887,082.66	(1,262,685.90)	16,624,396.76
Non controlling interest		115,159.94	-	115,159.94	-	-	-
Earnings (loss) per share, which correspond to the parent's shareholders for the period		**0.7049**	**(0.1503)**	**0.5547**	**0.5689**	**(0.0359)**	**0.5330**

		COMPANY					
		01/01 – 31/12/16			01/01 – 31/12/15		
	Note	Continuing Operations	Discontinued Activities	Total Activities	Continuing Operations	Discontinued Activities	Total Activities
Revenue	4.10.1	140,243,961.09	-	140,243,961.09	120,722,091.38	-	120,722,091.38
Cost of sales	4.10.13	(79,104,266.93)	-	(79,104,266.93)	(69,777,922.37)	-	(69,777,922.37)
Gross operating profit		**61,139,694.16**	**-**	**61,139,694.16**	**50,944,169.01**	**-**	**50,944,169.01**
Other operating income		4,489,664.36	-	4,489,664.36	1,958,011.82	-	1,958,011.82
Administrative expenses	4.10.13	(8,289,345.81)	-	(8,289,345.81)	(6,638,990.88)	-	(6,638,990.88)
Distribution expenses	4.10.13	(52,001,707.50)	(2,400,000.00)	(54,401,707.50)	(41,833,025.06)	-	(41,833,025.06)
Operating profit (loss)		**5,338,305.21**	**(2,400,000.00)**	**2,938,305.21**	**4,430,164.89**	**-**	**4,430,164.89**
Impairment of subsidiary company		-	-	-	(5,030,078.17)	-	(5,030,078.17)
Financial income-expenses		14,997,423.85	(2,826,844.49)	12,170,579.36	11,840,571.66	-	11,840,571.66
Earnings (loss) before taxes		**20,335,729.06**	**(5,226,844.49)**	**15,108,884.57**	**11,240,658.38**	**-**	**11,240,658.38**
Income tax	4.10.10	-	-	-	-	-	-
Deferred tax	4.10.10	242,743.14	-	242,743.14	(207,866.11)	-	(207,866.11)
Earnings (loss) after the deduction of tax (A)		**20,578,472.20**	**(5,226,844.49)**	**15,351,627.71**	**11,032,792.27**	**-**	**11,032,792.27**
Shareholders of the parent		**20,578,472.20**	**(5,226,844.49)**	**15,351,627.71**	11,032,792.27	**-**	11,032,792.27
Non controlling interest		-	-	-	-	-	-
Other Comprehensive Income:							
Items not transferred to the statement of comprehensive income:		**992,272.14**	**-**	**992,272.14**	**10,302.67**	**-**	**10,302.67**
Profit from revaluation of property		986,328.22	-	986,328.22	-	-	-
Profit/Loss from actuarial study		8,371.72	-	8,371.72	18,849.16	-	18,849.16
Actuarial study deferred tax		(2,427.80)	-	(2.427.80)	(8,546.49)	-	(8,546.49)
Items which may be transferred in future to the statement of comprehensive income:		**(187,755.48)**	**2,826,844.49**	**2,639,089.01**	(2,054,456.89)	-	(2,054,456.89)
Valuation of financial assets available for sale		(187,755.48)	-	(187,755.48)	(2,054,456.89)	-	(2,054,456.89)
Impairment of financial assets available for sale		-	2,826,844.49	2,826,844.49	**-**	-	**-**
Foreign exchange differences from subsidiaries abroad		-	-	-	**-**	-	**-**
Other total income after taxes (B)		**804,516.66**	**2,826,844.49**	**3,631,361.15**	**(2,044,154.22)**	**-**	**(2,044,154.22)**
Total		21,382,988.86	(2,400,000.00)	18,982988.86	**8,988,638.05**	-	**8,988,638.05**

comprehensive income after taxes (A) + (B)							
Owners of the parent		-	-	-	-	-	-
Non controlling interest		-	-	-	-	-	-
Proposed dividend		0.1750	-	0.1750	0.1600	-	0.1600
Earnings (loss) per share, which correspond to the parent's shareholders for the period		**0.5917**	**(0.1503)**	**0.4414**	**0.3173**	**-**	**0.3173**

4.3 STATEMENT OF CHANGES IN GROUP'S EQUITY FOR THE PERIOD

	Attributed to shareholders of the parent						
Amounts in €	**Share Capital**	**Share Premium**	**Readjustments Reserve and other reserves**	**Balance of profit / losses**	**Total**	**Non-controlling interests**	**Total**
Balance as at 1 January 2015	**53,895,022.10**	**39,369,495.98**	**5,212,658.59**	**61,160,483.60**	***159,637,660.27***	**0.00**	**159,637,660.27**
Total comprehensive income for the period							
Net profit for the period				18,531,722.61	18,531,722.61		18,531,722.61
Other comprehensive income							
Financial assets available for sale			-1,601,160.89		-1,601,160.89		-1,601,160.89
Foreign exchange differences				-316,467.63	-316,467.63		-316,467.63
Reserve due to actuarial study			10,302.67		10,302.67		10,302.67
Total other comprehensive income	**0.00**	**0.00**	**-1,590,858.22**	**-316,467.63**	**-1,907,325.85**	**0.00**	**-1,907,325.85**
Total comprehensive income after taxes	**0.00**	**0.00**	**-1,590,858.22**	**18,215,254.98**	**16,624,396.76**	**0.00**	**16,624,396.76**
Other transactions registered in Equity							
Purchase of treasury shares			-480,333.00		-480,333.00		-480,333.00
Distributed dividends				-5,150,014.95	-5,150,014.95		-5,150,014.95
Minority interests due to acquisition of interest in a subsidiary					0.00	1,005,222.91	1,005,222.91
Formation of reserves			12,408.12	-12,408.12	0.00		0.00
Circular recording of reserve			10,325,456.70	-10,325,456.70	0.00		0.00
Change from associates				-4,226,386.00	-4,226,386.00		-4,226,386.00
Total other transactions	**0.00**	**0.00**	**9,857,531.82**	**-19,714,265.77**	**-9,856,733.95**	**1,005,222.91**	**-8,851,511.04**
Balance as at 31 December 2015	**53,895,022.10**	**39,369,495.98**	**13,479,332.19**	**59,661,472.81**	**166,405,323.08**	**1,005,222.91**	**167,410,545.99**

Balance as at 1 January 2016	**53,895,022.10**	**39,369,495.98**	**13,479,332.19**	**59,661,472.81**	***166,405,323.08***	**1,005,222.91**	**167,410,545.99**
Total comprehensive income for the period							
Net profit for the period				19,291,329.56	19,291,329.56	151,417.46	19,442,747.02
Other comprehensive income							
Financial assets available for sale			3,389,328.54		3,389,328.54		3,389,328.54
Foreign exchange differences				-844,853.70	-844,853.70	-36,257.52	-881,111.22
Reserve due to actuarial study			5,943.92	0.00	5,943.92		5,943.92
Revaluation of property			986,328.22		986,328.22		986,328.22
Total other comprehensive income	**0.00**	**0.00**	**4,381,600.68**	**-844,853.70**	**3,536,746.98**	**-36,257.52**	**3,500,489.46**
Total comprehensive income after taxes	**0.00**	**0.00**	**4,381,600.68**	**18,446,475.86**	**22,828,076.54**	**115,159.94**	**22,943,236.48**
Other transactions registered in Equity							
Purchase of treasury shares			-457,718.72	0.00	-457,718.72		-457,718.72
Share capital increase	15,500.00	4,500.00			20,000.00		20,000.00
Distributed dividends			0.00	-5,493,349.58	-5,493,349.58		-5,493,349.58
Formation of reserves			20,767.26	-20,767.26	0.00		0.00
Capital Aggregation Tax				-155.00	-155.00		-155.00
Change from subsidiaries				-119,180.68	-119,180.68	-51,077.44	-170,258.12
Change from associates			0.00	-218,322.41	-218,322.41		-218,322.41
Total other transactions	**15,500.00**	**4,500.00**	**-436,951.46**	**-5,851,774.92**	**-6,268,726.38**	**-51,077.44**	**-6,319,803.82**
Balance as at 31 December 2016	**53,910,522.10**	**39,373,995.98**	**17,423,981.41**	**72,256,173.75**	**182,964,673.24**	**1,069,305.41**	**184,033,978.66**

4.4 STATEMENT OF CHANGES IN COMPANY'S EQUITY FOR THE PERIOD

	Attributed to shareholders of the parent				
Amounts in €	Share Capital	Share Premium	Readjustments Reserve and other reserves	Balance of profit / losses	Total
Balance as at 1 January 2015	**53,895,022.10**	**39,369,495.98**	**48,489,507.76**	**-32,605,039.30**	***109,148,986.54***
Total comprehensive income for the period					
Net profit for the period				11,032,792.27	11,032,792.27
Other comprehensive income					
Financial assets available for sale			-2,054,456.89		-2,054,456.89
Reserve due to actuarial study			10,302.67		10,302.67
Total other comprehensive income	**0.00**	**0.00**	**-2,044,154.22**	**0.00**	**-2,044,154.22**
Total comprehensive income after taxes	**0.00**	**0.00**	**-2,044,154.22**	**11,032,792.27**	**8,988,638.05**
Other transactions registered in Equity					
Purchase of treasury shares			-480,333.00		-480,333.00
Distributed dividends			-5,150,014.95		-5,150,014.95
Formation of reserve from collected dividends			27,001,104.00	-27,001,104.00	0.00
Total other transactions	**0.00**	**0.00**	**21,370,756.05**	**-27,001,104.00**	**-5,630,347.95**
Balance as at 31 December 2015	**53,895,022.10**	**39,369,495.98**	**67,816,109.59**	**-48,573,351.03**	**112,507,276.64**

Balance as at 1 January 2016	**53,895,022.10**	**39,369,495.98**	**67,816,109.59**	**-48,573,351.03**	***112,507,276.64***
Total comprehensive income for the period					
Net profit for the period				15,351,627.71	15,351,627.71
Other comprehensive income					
Financial assets available for sale			2,639,089.01		2,639,089.01
Reserve due to actuarial study			5,943.92		5,943.92
Revaluation of property			986,328.22		986,328.22
Total other comprehensive income	**0.00**	**0.00**	**3,631,361.15**	**0.00**	**3,631,361.15**
Total comprehensive income after taxes	**0.00**	**0.00**	**3,631,361.15**	**15,351,627.71**	**18,982,988.86**
Other transactions registered in Equity					
Purchase of treasury shares			-457,718.72		-457,718.72
Share capital increase	15,500.00	4,500.00			20,000.00
Capital Aggregation Tax				-155.00	-155.00
Distributed dividends			-5,493,349.58		-5,493,349.58
Formation of reserve from collected dividends			15,880,000.00	-15,880,000.00	0.00
Total other transactions	**15,500.00**	**4,500.00**	**9,928,931.70**	**-15,880,155.00**	**-5,931,223.30**
Balance as at 31 December 2016	**53,910,522.10**	**39,373,995.98**	**81,376,402.44**	**-49,101,878.32**	**125,559,042.20**

4.5 STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	01.01-31.12-2016	01.01-31.12-2015	01.01-31.12-2016	01.01-31.12-2015
Operating Activities				
Earnings / (loss) before tax (continuing activities)	28,835,071.67	24,160,641.70	20,335,729.06	11,240,658.38
Earnings / (loss) before tax (discontinued activities)	-5,226,844.49	-1,249,076.28	-5,226,844.49	-
Plus/minus adjustments for:				
Depreciation/Amortization	4,394,107.03	3,722,372.13	2,688,959.15	2,513,263.84
Foreign Exchange differences	608,255.49	259,254.24	2,559.16	203,500.41
Results (income, expenses, profits and losses) from investing activities	-7,431,105.07	-6,434,496.34	-16,583,341.64	-8,529,960.33
Interest expense and related expenses	2,160,637.44	2,022,156.61	1,654,132.58	1,628,175.19
Decrease / (increase) in inventories	-7,588,284.94	-3,035,206.51	-1,640,518.70	-2,360,476.34
Decrease / (increase) in receivables	-4,665,830.78	-10,013,353.00	-2,908,479.13	-6,990,394.49
(Decrease) / increase in liabilities (other than to banks)	-329,300.18	5,829,734.35	2,489,623.87	2,622,683.68
Less:				
Interest and related expenses paid	-2,155,237.31	-2,134,174.33	-1,620,219.75	-1,605,540.59
Tax paid	-3,589,816.63	-2,339,065.41	-750,808.10	0.00
Operating flows from discontinued activities	**5,226,844.49**	1,247,306.01	**5,226,844.49**	**-**
Total inflows / (outflows) from operating activities (a)	**10,238,496.71**	**12,036,093.18**	**3,667,636.50**	**-1,278,090.25**
Investing Activities				
Acquisition/Sale of subsidiaries, associates, joint ventures and other investments	749,569.64	-7,370,124.78	-3,090,581.76	-6,095,964.12
Purchase of tangible and intangible fixed assets	-8,352,292.89	-6,025,672.26	-4,063,061.95	-5,547,766.25
Proceeds from sale of tangible and intangible assets	337,205.50	260,345.84	1,931.79	44,305.45
Interest received	427,106.48	1,027,939.69	346,425.36	809,778.28
Dividends received	3,168,199.13	4,391,355.77	14,099,811.69	11,414,582.02
Investment flows from discontinued activities	**-**	**-17,474.76**	**-**	-
Total inflows / (outflows) from investing activities (b)	**-3,670,212.14**	**-7,733,630.51**	**7,294,525.13**	**624,935.38**
Financing Activities				
Proceeds from share capital increase	19,845.00	-	19,845.00	-
Proceeds from loans granted / assumed	1,725,262.10	34,800,000.00	0.00	34,800,000.00
Payment of loans	-1,200,000.00	-19,800,000.00	-1,200,000.00	-19,810,400.00
Dividends paid	-5,322,780.71	-4,892,593.25	-5,322,780.71	-4,892,593.25
(Payments)/Proceeds from (purchase)/sale of treasury shares	-457,718.72	-480,333.00	-457,718.72	-480,333.00
Financing flows from discontinued activities	**0.00**	**0.00**		**-**
Total inflows / (outflows) from financing activities (c)	**-5,235,392.33**	**9,627,073.75**	**-6,960,654.43**	**9,616,673.75**
Net increase / (decrease) in cash and cash equivalents (a+b+c)	**1,332,892.24**	**13,929,536.42**	**4,001,507.20**	**8,963,518.88**
Cash and cash equivalents at beginning of period	**33,434,257.18**	**19,478,988.10**	**18,335,615.72**	**9,372,096.84**
Effect from foreign exchange differences due to translation to euro	87,158.71	25,732.65	0.00	0.00
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**34,854,308.13**	**33,434,257.18**	**22,337,122.92**	**18,335,615.72**

4.6 NOTES ON THE ANNUAL FINANCIAL STATEMENTS

4.6.1 The Company

Gr. Sarantis SA (the Company) has the legal form of a société anonyme and is the parent company of the Gr. Sarantis SA Group (the Group).

The Company's domicile is located at 26 Amarousiou – Chalandriou Street, Marousi Greece, The Company's central offices are also located at the same address.

The shares of Gr. Sarantis SA are listed on the main market of the Athens Exchange.

4.6.2 Group Structure

The Group's companies, which are included in the consolidated financial statements, are the following:

GROUP STRUCTURE

COMPANY	DOMICILE	DIRECT PARTICIPATION PERCENTAGE	INDIRECT PARTICIPATION PERCENTAGE	TOTAL	TAX UN-AUDITED FISCAL YEARS
FULL CONSOLIDATION METHOD	-	-	-	-	-
GR. SARANTIS S.A.	GREECE	PARENT	-	-	-
SARANTIS BULGARIA LTD	BULGARIA	0.00%	100.00%	100.00%	2011-2016
SARANTIS ROMANIA S.A.	ROMANIA	0.00%	100.00%	100.00%	2011-2016
SARANTIS BELGRADE D.O.O	SERBIA	0.00%	100.00%	100.00%	2011-2016
SARANTIS BANJA LUKA D.O.O	BOSNIA	0.00%	100.00%	100.00%	2014-2016
SARANTIS SKOPJE D.O.O	F.Y.R.O.M.	0.00%	100.00%	100.00%	2006-2016
SARANTIS POLSKA S.A.	POLAND	0.00%	100.00%	100.00%	2011-2016
POLIPAK SP.Z.O.O.	POLAND	0.00%	70.00%	70.00%	2015-2016
SARANTIS CZECH REPUBLIC sro	CZECH REPUBLIC	0.00%	100.00%	100.00%	2011-2016
SARANTIS HUNGARY Kft.	HUNGARY	0.00%	100.00%	100.00%	2012-2016
GR SARANTIS CYPRUS LTD	CYPRUS	100.00%	0.00%	100.00%	2013-2016
ZETAFIN LTD	CYPRUS	0.00%	100.00%	100.00%	2013-2016
ZETA COSMETICS LTD	CYPRUS	0.00%	100.00%	100.00%	2011-2016
WALDECK LTD	CYPRUS	0.00%	100.00%	100.00%	2014-2016
SAREAST CONSUMER PRODUCTS TRADING LTD	CYPRUS	0.00%	100.00%	100.00%	2014-2016
ELODE FRANCE S.A.R.L	FRANCE	100.00%	0.00%	100.00%	2011-2016
ARPINA S.A.	GREECE	100.00%	0.00%	100.00%	-
SARANTIS PORTUGAL Lda	PORTUGAL	0.00%	100.00%	100.00%	2013-2016
ASTRID TM A.S.	CZECH REPUBLIC	0.00%	100.00%	100.00%	2014-2016

EQUITY CONSOLIDATION METHOD					
ELCA COSMETICS LTD	CYPRUS	0.00%	49.00%	49.00%	2013-2016
ESTEE LAUDER HELLAS S.A.	GREECE	0.00%	49.00%	49.00%	2015-2016
ESTEE LAUDER BULGARIA EOOD	BULGARIA	0.00%	49.00%	49.00%	2011-2016
ESTEE LAUDER ROMANIA S.A.	ROMANIA	0.00%	49.00%	49.00%	2011-2016
THRACE-SARANTIS S.A.	GREECE	0.00%	50.00%	50.00%	2016

Business activity

The Group is active in the production and trade of cosmetics, household use products and parapharmaceutical items.

The Group's basic activities have not changed from the previous year.

4.7 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

4.7.1 Compliance with IFRS

The consolidated and individual financial statements of "GR. SARANTIS S.A." are in accordance with the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board (IASB) as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB that have been adopted by the European Union.

4.7.2 Basis for the preparation of the financial statements

The consolidated and parent financial statements of "GR. SARANTIS SA" have been compiled on the basis of the "going concern" principle as well as on the basis of the historical cost principle, apart from the financial assets at fair value through results, available for sale, which based on the requirements of IFRS are recorded at fair value.

4.7.3 Approval of financial statements

The annual consolidated financial statements have been approved by the Company's Board of Directors on 16/03/2017.

4.7.4 Covered period

The present annual consolidated financial statements include the financial statements of "GR. SARANTIS S.A." and its subsidiaries, which together are referred to as the Group, and cover the period from January 1st 2016 to December 31st 2016.

4.7.5 Presentation of the financial statements

The present financial statements are presented in €, which is the Group's operating currency, namely the currency of the primary economic environment in which the parent Company operates.

4.7.6 Significant judgments and estimations by Management

The preparation of the Financial Statements according to the International Accounting Standards requires the implementation of estimations, judgments and assumptions that may affect the accounting balances of assets and liabilities and the required disclosures for contingent receivables and liabilities, as well as the amount of income and expenses recognized.

The use of adequate information and the implementation of subjective judgment constitute inseparable data for the conduct of estimations in the valuation of assets, liabilities for employee benefits, impairment of assets, recognition of deferred tax assets and pending judicial cases. The estimations are considered significant but not binding. Actual future results may differ from the aforementioned estimations.

4.7.7 New standards, interpretations, and amendments to existing standards

Adoption of New and Revised International Standards

New standards, amendments of standards and interpretations have been issued and are mandatory for the accounting periods beginning on or after 1st January 2016. The effect from the adoption of these new standards, amendments and interpretations are presented below.

Standards and Interpretations mandatory for the current financial year 2016

Amendments to IAS 1: «Disclosure Initiative» (effective for annual accounting periods beginning on or after 1 January 2016)

On 18 December 2014, the IASB proceeded with the publication of amendments to the IAS 1. The amendments concern the significance, the sequence of the notes, the subtotals and the separation, the accounting policies and the presentation of the figures of the other comprehensive income which is generated from investments recorded with the equity method. The amendments were made in order to resolve issues with regard to existing presentation and disclosure requirements and ensure the ability of economic entities to make judgments when preparing their financial statements.

The amendment is applied for accounting periods beginning on or after 1st January 2016 and was adopted by the European Union on 18 December 2015.

IAS 16 and IAS 38 (Amendments): "Clarifications of Acceptable Methods of Depreciation and Amortization" (effective for annual accounting periods beginning on or after 1 January 2016)
These amendments clarify that the use of methods based on income are not appropriate in the calculation of the depreciation of an asset and also clarify that income is not the appropriate basis in the measurement of consumption of the economic benefits incorporated into an intangible asset.
The amendment is applied for accounting periods beginning on or after 1st January 2016 and was adopted by the European Union on 2 December 2015.

IAS 27 (Amendment) "Separate Financial Statements" (effective for annual accounting periods beginning on or after 1 January 2016)
This amendment allows economic entities to use the equity method in order to record the investments in subsidiaries, joint ventures and associate companies in their separate financial statements. It also clarifies the definition of separate financial statements.
The amendment is applied for accounting periods beginning on or after 1st January 2016 and was adopted by the European Union on 18 December 2015.

<u>Annual Improvements in IFRS, Cycle 2012-2014</u>
The amendments of the Cycle 2012 – 2014 were issued by the Board on 25 September 2014, are applicable for accounting periods beginning on or after 1st January 2016 and have been adopted by the European Union on 15 December 2015. The following amendments are not expected to have a material effect on the financial statements of the Company and the Group unless it is stated otherwise.

- **IFRS 5 "Non-current assets held for sale and discontinued operations".**

  The amendment clarifies that when an asset (or group of assets) is reclassified from "held for sale" to "held for distribution", or vice versa, this does not constitute change in the plan for sale or distribution and therefore must not be recorded as a change.

- **IFRS 7 "Financial Instruments: Disclosures".**

  The amendment adds certain guidance in order to assist the management to define whether the terms of a servicing contract is continuing involvement in a transferred asset. It also clarifies that additional disclosures required according to the amendment of IFRS 7 "Disclosures – Offsetting financial asset and financial liabilities" are not required for all interim periods unless such requirement is defined by IAS 34.

- **IAS 19 "Employee Benefits".**

  The amendment clarifies that, when the discount rate is defined with regard to liabilities for post retirement personnel benefits, the important issue is the currency at which the relevant liabilities are recorded and not the country from which the liabilities originate.

- **IAS 34 "Interim Financial Reporting".**

  The amendment clarifies that requirements of disclosure of interim financial statements must be placed either in the financial statements or incorporated via footnotes between the interim financial statements and the field where they are included in the interim financial report (for example in the Management Report). It is also clarified that the other sets of information, within the interim financial report must be available to users under the same terms and at the same time as in the case of the interim financial statements. If the users do not have access to the other sets of information in this manner, then the interim financial report is incomplete.

IFRS 10, IFRS 12 and IAS 28 (Amendments): "Investment entities: Applying the consolidation exception" (effective for annual accounting periods beginning on or after 1 January 2016)
On 18 December 2014, the Board issued amendments to IFRS 10, IFRS 12 and IAS 28 concerning issues that have arisen in the context of the consolidation exemptions for Investment Entities. The amendments clarify the application of the consolidation exception with regard to investment entities and their subsidiaries.
More analytically, the exception from the presentation of consolidated financial statements is valid in the case of a parent company which is subsidiary of an investment company even if the investment company measures all subsidiaries at fair value instead of consolidating them, under the condition that the financial statements prepared by the latter are in accordance with the requirements of IFRS 10. Furthermore, the amendments clarify that only

the subsidiaries which themselves are not investment companies and offer support services to a parent investment company, are consolidated. All other subsidiaries of the investment company are measured at fair value. Finally, the amendments clarify that for an entity which does not constitute an investment company but it participates in an associate company or joint venture which constitutes an investment company, the investor may, during the application of the equity method, maintain the fair value measurement which is applied from the associate investment company or joint venture in the case of the latter's participation in subsidiaries.
The amendment is applied for accounting periods beginning on or after 1st January 2016 and was adopted by the European Union on 15 December 2015.

IFRS 11 (Amendment) "Joint Arrangements" (effective for annual accounting periods beginning on or after 1 January 2016)
This amendment was adopted by the European Union on 24 November 2015 and requires from an investor to apply the purchase method (according to IFRS 3) when the investor acquires an interest in a joint arrangement that constitutes a "company".

<u>Standards and Interpretations mandatory for subsequent periods and without earlier adoption by the Company and the Group</u>

The following new standards, amendments of standards and interpretations have been issued but they are mandatory for subsequent periods. The Company and the Group has not applied earlier the following standards and contemplates their effect on the financial statements.

IFRS 14 "Regulatory Deferral Accounts"

On 30 January 2014, the IASB issued the above standard with the objective to determine the requirements in terms of financial information concerning the balances of the "Regulatory Deferral Accounts" which emerge when an economic entity provides goods or services to customers at a price or percentage which is subject to special regulatory arrangement by the state.
IFRS 14 allows an economic entity, which adopts IFRS for the first time, to continue accounting for, although with minor changes, the balances of the "regulatory deferral accounts" according to the previous accounting standards not only at the time of the first adoption but also in subsequent periods' financial statements. The balances and the movements of these accounts are presented separately in the statements of financial position, results and other comprehensive income, whereas certain disclosures are required.
The new standard is applied for accounting periods beginning on or after 1st January 2016 and has not been adopted by the European Union.

IFRS 9 "Financial Instruments" and subsequent amendments in IFRS 9 (effective for annual accounting periods beginning on or after 1 January 2018)
The final version of IFRS 9 replaces the provisions of IAS 39 "Financial Instruments: Recognition and measurement" referring to the classification and measurement of financial assets and financial liabilities and also includes a single, forward-looking 'expected loss' impairment model which replaces the model of actual loss currently in effect. Furthermore, if a financial liability has been classified (according to IFRS 9) based on fair value via the results, then any change in the fair value of the particular financial liability due to changes of the credit risk of the economic entity, will be recorded in the Other Comprehensive Income instead of the results. The standard IFRS 9 also establishes an approach to hedge accounting based on principles and handles inconsistencies and weaknesses in the current model of IAS 39.
The Company and the Group are in the process of assessing the effect of IFRS 9 on their financial statements. IFRS is mandatorily applicable for accounting periods beginning on or after 1 January 2018 and was adopted by the European Union on 22 November 2016.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual accounting periods beginning on or after 1 January 2018)
IFRS 15 was issued in May 2014 and includes the most immediate and accurate requirements compared to the existing standards (IAS 18 and IAS 11). The purpose of the standard is to provide a unified and clear model for the recognition of income from all customer contracts and to improve the comparability among companies of the same sector, different sectors and different capital markets. It includes the principles which must be applied by an economic entity in order to define the measurement of income and the timing of recognition. The basic principle is that an economic entity will recognize income in a manner that depicts the actual transfer of goods or services to customers at the amount expected to fairly collect in exchange for these goods or services with the application of five stages.

- Recognition of contract,
- Recognition of criteria for the measurement of liability' return,
- Determination of the transaction's price,
- Allocation of the transaction's price to each part of the liability,
- Recognition of income when each part of the liability is satisfied.

The Company and the Group currently assess the potential effect of IFRS 15 on their financial statements. The standard was adopted by the European Union on September 22nd, 2016.

IFRS 16 «Leases» (effective for annual accounting periods beginning on or after 1 January 2019)
IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that the lessor and the lessee provide useful information that fairly presents the substance of the transactions concerning leasing agreements. IFRS 16 introduces a new model for the accounting treatment from the side of the lessor. The model requires that the lessor recognizes assets and liabilities for all leasing agreements with duration longer than 12 months, unless the underlying asset has no significant value. With regard to the accounting treatment from the side of the lessee, IFRS 16 practically incorporates the requirements of IAS 17. As a result, the lessee continues to categorize the leasing agreements between operating and financial ones, and to follow different accounting treatment for each type of leasing agreement.
The Company and the Group currently assess the potential effect of IFRS 16 on their financial statements. The standard has not been yet adopted by the European Union.

IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 (Amendment) "Investments in Associates and Joint Ventures" – Sales or Contributions of assets between an investor and its associate / joint venture (the mandatory adoption was postponed indefinitely)
The amendments, issued by the Board on 11 September 2014, clarify the accounting treatment of transactions in which the parent company loses control of a subsidiary, which does not constitute a business as defined in the IFRS 3 "Business Combinations", by transferring the entire or part of its investment in the particular subsidiary to an associate or joint venture which is recorded via the equity method. With regard to the investment in the former subsidiary which has been sold to the associate or the joint venture, the profit recognized is limited to the amount which corresponds to the interests of the unrelated investors in that associate or joint venture.

IAS 12 (Amendment): "Recognition of deferred tax assets for unrealized losses" (effective for annual accounting periods beginning on or after 1 January 2017)
The amendments clarify the accounting treatment with regard to the recognition of deferred tax assets for unrealized losses which have derived from securities measured at fair value.
The Company and the Group currently assess the potential effect of the amendments of IAS 12 on their financial statements. The amendments of IAS 12 have not been yet adopted by the European Union.

IAS 7 (Amendment): "Statement of Cash Flows" (effective for annual accounting periods beginning on or after 1 January 2017)
Based on the amendment of IAS 7, a company is required to provide disclosures which assist the users of the financial statements to evaluate the changes of those liabilities which have cash flows classified under the financing activities in the statement of cash flows.
The Company and the Group currently assess the potential effect of the amendments of IAS 7 on their financial statements. The amendments of IAS 7 have not been yet adopted by the European Union.

IFRS 2 "Share-based Payments" (Amendment) "Clarification and Measurement of Share-based Payment Transactions" (effective for annual accounting periods beginning on or after 1 January 2018)
The amendment provides clarifications regarding the basis of measurement of share-based payments which are arranged in cash and the accounting treatment concerning the amendments of the terms which may change a payment that is arranged in cash or in a payment that is arranged in shares. Furthermore they introduce an exemption with regard to the principles of IFRS 2 according to which a payment should be treated as an arrangement only and fully in shares, in those cases where the employer is obliged to withhold an amount for the coverage of the employees' tax obligations emanating from the share-based payments and return it to the tax authorities.
The amendment is applied for accounting periods beginning on or after 1st January 2018 and has not been adopted by the European Union.

IFRS 4 (Amendment) “Applying the new IFRS 9 with the IFRS 4” (effective for annual accounting periods beginning on or after 1 January 2018)

The Board issued on 12 September amendments on IFRS 4 in an effort to address concerns about the application of the new standard of financial instruments (IFRS 9), prior to the application of the new amended, by the Board, IFRS 4. The amendments introduce two approaches: overlay and deferral. The amended standard will:

- provide the companies issuing insurance contracts with the option to recognize in the other comprehensive income, and not in the profit and loss, the instability arising when the IFRS 9 is applied prior to the new insurance contracts.
- provide the companies with activities mainly related to insurance, with a temporary exemption from the application of IFRS 9 until the year 2021.

The amendment is applied for accounting periods beginning on or after 1st January 2018 and has not been adopted by the European Union.

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

In April 2016, the IASB proceeded with the issuance of clarifications on IFRS 15. The amendments of IFRS 15 do not alter the basic principles of the Standard, however they provide clarifications with regard to the application of these principles. The amendments clarify the manner by which a commitment to execution of a contract is recognized, the principle which determines whether a business entity constitutes a principal or an agent, and the principle which determines whether the revenue from granting a license should be recognized at a point in time or over time. The Company and the Group will review the effect of all the above on their Financial Statements although they expect that no effect will finally materialize.

The amendment is applied for accounting periods beginning on or after 1st January 2018 and has not been adopted by the European Union.

Annual Improvements in IFRS, 2014 – 2016 Cycle

The amendments of 2014 – 2016 Cycle were issued by the Board on 8 December 2016, are effective for annual accounting periods beginning on or after 1st January 2018 and have not been adopted by the European Union. The following amendments are not expected to significantly affect the financial statements of the Company and the Group unless it is stated otherwise.

- **IFRS 1 “First-time Adoption of International Financial Reporting Standards”**

  The amendment deletes the “Short-term Exemptions from IFRS” which were required from the appendix E’ of IFRS 1, under the justification that they have already served their purposes and they are no longer necessary.

- **IAS 28 (Amendment) “Measurement of Associates or Joint Ventures at Fair Value”**

  The amendment clarifies that the offered option -according to which investments in associates or joint ventures held by an entity which is an investment management organization or by another entity which fulfils the conditions are measured at fair value through the results- is available for each investment in associate or joint venture on a separate basis at the time of the initial recognition.

- **IFRS 12 “Disclosure of Interests in Other Entities”: Clarification of the scope of the standard**

  The amendment clarified the scope of the standard’s application by defining that the requirements of disclosure of the standard, apart from those of paragraphs B10-B16, are effective for the interests of the entity independently of whether they have been classified as held for sale, as held for distribution or as discontinued activities according to the IFRS 5 “Non-current assets held for sale and discontinued activities”.

IAS 40 “Investment Property” Transfers of Investment Property (effective for annual accounting periods beginning on or after 1 January 2018)

The amendment of IAS 40 issued by the Board on 8 December 2016 clarifies that a business entity may transfer a property to or from the investment properties only and only when there is evidence for change of use. A change of use occurs when the property fulfils or ceases to fulfill the definition of investment property. On stand-alone basis, a change in the intention of the management with regard to the use of the property does not constitute evidence for change of use.

The amendment is applied for accounting periods beginning on or after 1st January 2018 and has not been adopted by the European Union.

IFRIC 22 Interpretation "Foreign Currency Transactions and Advance Consideration" (effective for annual accounting periods beginning on or after 1 January 2018)
The Interpretation 22 clarifies the accounting treatment for the transactions referring to the cash collection or the payment of advances in foreign currency. Specifically, it is applied for the transactions in foreign currency when the business entity recognizes a non-monetary asset or a non-monetary liability that derives from the payment or the cash collection of advances before the business entity recognizes the relevant asset as expense or income. According to the interpretation, the date of the transaction, for the purpose of defining the currency rate, is the date of the initial recognition of the non-monetary advance payments of the asset or the liability from the collection of the advance. If there are multiple payments or cash collections in advance, the date of the transactions is determined with regard to each payment or cash collection.
The interpretation is applied for accounting periods beginning on or after 1st January 2018 and has not been adopted by the European Union.

4.8 BASIC ACCOUNTING PRINCIPLES

4.8.1 Consolidation

4.8.1.1 Subsidiaries

The Group's subsidiaries are legal entities on which the Group has the ability to set the operational and financial policies, usually by participating in their share capital with a voting right over 50%. The existence and effect of voting rights that may be exercised or converted are taken into account when establishing whether the Group controls a legal entity.

Subsidiaries are consolidated with the full consolidation method from the date that control is transferred to the Group and cease to be consolidated from the date that this control no longer exists.

The accounting method of the acquisition is used for the accounting entries of the subsidiaries' acquisition by the Group. The acquisition cost is calculated as the fair value of assets acquired, liabilities assumed or existing and financial products issued during the transaction date. Expenses related to the acquisition are registered in the results. The assets acquired, the liabilities and contingent liabilities assumed during a business combination are initially recognized at fair value during the acquisition date. According to the case, the Group recognizes the value of the minority interest either at fair value or as a percentage of the minority shareholders on the net assets acquired. The difference between the acquisition cost, the proportion of the minority interest plus fair value during the acquisition date of a previous participation and the Group's share in the net assets acquired, is booked as goodwill. If this value is less than the fair value of net assets acquired, the difference is registered directly in the results.

Transactions between group companies and unrealized profit related to transactions between Group companies are eliminated. Unrealized losses are also eliminated. The accounting principles of subsidiaries have been amended when necessary in order to conform to the accounting principles of the Group. In the financial statements of the parent company, investments in subsidiaries are valued at acquisition cost minus any cumulative impairment loss.

4.8.1.2 Investments in associate companies

Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. Significant influence is the authority to participate in decisions that regard decisions for the issuer's financial and business policies, but not control on such polices. Significant influence is usually implied when the group holds a percentage between 20% and 50% of the voting rights through ownership of shares or another type of agreement.

Investments in associates are initially recognized at cost and are subsequently valued using the equity method for consolidation purposes. Goodwill is included in the book cost of the investment and is examined for impairment as part of the investment.

When an economic unit of the group transacts with a group's associate company, any possible intra-company profit and losses are written-off by the participation percentage of the group in the relevant associate company.

All subsequent changes of the participation percentage in the associate company's net position are recognized in book value of the group's investment.

Changes that arise from the profit or losses of associates are registered in the consolidated profit and loss account.

Changes that have been directly recognized in equity of the associates are recognized in the group's consolidated equity.

Any changes recognized directly in equity that are not related to a result, such as the distribution of dividends or other transactions with shareholders of the associate, are registered in the book value of the participation. No effect in the net result or equity is recognized in the context of such transactions.

When the share of losses in as associate for the group is equal or over the book value of the investment, including any other secured receivables, the group does not recognize further losses, unless it has been burdened with commitments or has proceeded with payments on behalf of the associate.

The accounting policies of associates are amended when deemed necessary in order to render such consistent with the policies adopted by the group.

In the parent's financial statements, investments in associates are valued, according to IAS 28, at acquisition cost minus any accumulated impairment loss.

4.8.1.3 Joint Ventures

Economic units whose financial activities are controlled jointly by the group and by other joint venture entities independent to the group, are accounted for using proportionate consolidation.

In the case where the group sells assets to the joint-venture, it recognizes only the profit or loss from the transaction that corresponds to the participation of the other members.

However, if the group purchases assets from the joint-venture, it does not recognize its share in the profit or loss until it sells the asset to third parties. In the case of indications of impairment of assets acquired by the joint-venture, then any loss is recognized in whole.

Intra-company balances of the group with the joint-venture are written-off, canceling the balances of the joint-venture by the share of the investing company.

4.8.2 Foreign currency translation

Transactions in foreign currency are translated to the operating currency using exchange rates in effect during the date of the transactions.

Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.

Foreign exchange differences from non-monetary items valued at fair value, are considered as part of the fair value and thus are registered accordingly as fair value differences.

Items of the financial statements of the group's companies are calculated based on the currency of the economic environment in the country where each group company operates.

The individual financial statements of companies participating in the consolidation, and which are initially presented in a currency different than the group's presentation currency, have been converted to €. The assets and liabilities have been converted to € according to the closing exchange rate during the balance sheet date. Income and expenses have been converted to the group's presentation currency at average exchange rates of each reported period. Any differences that arise from this procedure have been transferred to an equity reserve.

4.8.3 Financial information by segment

The company's Board of Directors is the main decision maker and controls the internal financial reporting in order to assess the company's and Group's performance and make decisions relating to the allocation of resources.

The Management has defined activity sectors based on such internal reports according to IFRS 8. Operating segments are defined as the segments in which the Group operates and on which the Group's internal information system is based.

For the breakdown per operating segment, the following have been taken into account:

- The nature of products and services.

- The quantitative limits defined by IFRS 8.

The Group offers information per geographic segment as additional information to readers of the financial statements.

4.8.4 Goodwill

Goodwill which is acquired during a business combination, is initially recognized at cost, which is the excess cost of the combination, over the group's proportion in the fair value of net assets acquired.

Following the initial recognition, goodwill is calculated at cost minus any accumulated impairment losses. The group examines goodwill for impairment at least on an annual basis. Impairment losses that are registered for goodwill are not reversed in subsequent periods.

4.8.5 Intangible assets

Intangible assets of the group are initially recognized at acquisition cost. Following the initial recognition, intangible assets are calculated at cost minus accumulated amortization and any impairment loss that may have emerged.

The useful economic life and depreciation method are reviewed at least at the end of each financial period. If the estimated useful life or expected burn-up rate of future economic benefits incorporated in another intangible asset have changed, the changes are accounted for as changes in accounting estimations.

Intangible assets mainly include the acquired software used in production or management.

4.8.6 Tangible assets

Land-plots and buildings are presented in the financial statements at readjusted values minus accumulated depreciations.

The fair value of land-plots and buildings is defined periodically by an independent evaluator.

As of 31/12/2016 a fair value assessment by an approved Surveyor was conducted according to instructions and rules as laid down by the Royal Institution of Chartered Surveyors (RICS Valuation - Professional Standards 2014) and as formed by integrating the International Valuation Standards (IVSC or the International Appraisers Standards)

The mechanical equipment and other tangible fixed assets are presented at acquisition cost minus accumulated depreciations and possible impairment losses.

The acquisition cost of fixed assets includes all expenses directly attributed to the acquisition of the assets. Subsequent expenses are registered as in increase of the tangible assets' book value or as a separate fixed asset, only to the extent where such expenses increase the future economic benefits expected to arise from the use of the fixed assets, and the cost of such may be reliably calculated. The cost of repairs and maintenance is registered in the results of the period where such are realized.

Self-produced tangible assets constitute and addition to the acquisition cost of tangible assets at values that include the direct payroll cost for staff that participates in the construction, the cost of used materials and other general costs.

The depreciations of tangible fixed assets are calculated with the straight line method during their useful life, which is as follows:

Buildings	from 20 to 60 years
Mechanical Equipment	from 8 to 10 years
Vehicles	from 5 to 9 years
Other Equipment	from 4 to 20 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the residuals values, the expected useful life or expected burn-up rate of future economic benefits incorporated in an asset have changed, the changes are accounted for as changes in accounting estimations.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

The book value of tangible fixed assets is examined for impairment when there are indications, namely events or changes in circumstances, that the book value may not be recoverable. If there is such an indication and the book value exceeds the estimated recoverable amount, the assets or cash flow creation units are impaired to the recoverable amount. The recoverable amount of property, facilities and equipment is the largest between their net sales price and their value in use. For the calculation of the value in use, the expected future cash flows are discounted to present value using a pre-tax discount rate that reflects the market's current expectations for the time value of money and related risks as regards to the asset. When the book values of tangible assets exceed their recoverable value, the difference (impairment) is registered initially as a reduction of the created fair value reserve (if there is such for the relevant fixed asset), which is presented in equity accounts. Any impairment loss that emerges over the created reserve for the specific fixed asset, is recognized directly as an expense in the profit and loss account.

4.8.7 Investments in Property

The investments in property include privately owned land plots and buildings, which are possessed by the Company with the objective to receive lease payments or / and to generate capital gains. The investments in property are initially recorded at their acquisition cost, which also includes the transaction costs. In a following stage, the investments in property are recorded at fair value.

As of 31/12/2016 a fair value assessment by an approved Surveyor was conducted according to instructions and rules as laid down by the Royal Institution of Chartered Surveyors (RICS Valuation - Professional Standards 2014) and as formed by integrating the International Valuation Standards (IVSC or the International Appraisers Standards).

4.8.8 Impairment of non financial assets

Assets with an indefinite useful economic life are not depreciated and are subject to impairment reviews annually and also when several events or changes in conditions indicate that the book value may not be recoverable. The assets depreciated are subject to impairment review when there are indications that their book value will not be recovered. Impairment losses are recognized for the amount for which the book value of the fixed asset exceeds its recoverable value. The recoverable value is the largest between fair value less the relevant cost required for the sale and value in use (present value of cash flows expected to be generated according to management's estimation on the future financial and operating conditions). To estimate impairment losses, assets are classified in the smallest possible cash flow generating units. Non-financial assets apart from goodwill that have suffered impairment are re-assessed for possible reversal of the impairment during each balance sheet date.

4.8.9 Inventories

The cost of inventories is defined using the weighted average method, and includes all the expenses realized in order to render inventories to their current position and condition and which are directly attributable to the production process, as well as part of general expenses related to the production. During the Balance Sheet date, inventories are presented at the lowest price between acquisition cost and net realizable value.

Net realizable value is the estimated sales price during the normal conduct of the company's activities, minus the estimated cost necessary to realize the sale.

4.8.10 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another. The financial instruments of the Group are classified in the following categories: Financial assets at fair value through profit and loss, investments held until maturity, investments available for sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management defines the classification during the initial recognition and reviews the classification at each balance sheet date.

4.8.10.1 Financial assets at fair value through profit and loss

A financial asset is included in this category if it is acquired with the intention to be sold in a short period of time or if it has been characterized as such by management. Derivatives are also included in the category for sale unless such are intended for risk hedging. Assets in this category are included in current assets either because such are intended for sale or are to be liquidated within twelve months from the balance sheet date.

4.8.10.2 Loans and receivables

Such included non-derivative financial assets with fixed or pre-defined payments, which are not traded on active markets and there is no intention to sell such. Loans and receivables are included in current assets, except for those with a maturity over 12 months from the balance sheet date. The latter are included in non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

4.8.10.3 Financial assets held until maturity

Such include non-derivative financial assets with fixed or pre-defined payments and a specific maturity date, which the Group's management intends and has the ability to hold until maturity. In case such assets are sold entirely or partially (unless the amount is trivial) then the entire category will be eliminated and the relevant assets must be re-classified to available for sale.

4.8.10.4 Financial assets available for sale

Such include non-derivative financial assets that are either defined in this category or cannot be included in any of the above categories. Financial assets available for sale are included in non-current assets given that Management has no intention of liquidating such within 12 months from the Balance Sheet date.

4.8.11 Recognition and measurement

Financial assets measured at fair value through profit and loss are initially recognized at fair value and the transaction expenses are presented in the profit and loss account.

Fair value is an amount which can be the basis for an asset exchange, or for the settlement of an obligation, between two parties that willingly and knowledgeably proceed into a transaction purely on a trading basis.

The purchases and sales of financial assets are recognized during the transaction date that is also the date when the Group commits to purchasing or selling the investment. Financial assets are initially recognized at fair value plus the expenses directly attributed to the transaction, for all financial assets recognized at fair value through profit and loss. Financial assets are eliminated when the right to cash flows from the investments matures or is transferred and the Group has essentially transferred all the risks and rewards emanating from ownership. Financial assets available for sale are valued subsequently at cost minus impairment losses, given that equity instruments cannot be valued accurately.

Loans and receivables, as well as financial assets held until maturity are recognized at present value using the effective interest rate method. Realized and valuation profit or losses that result from a change in the fair value of assets in the category “financial assets through profit and loss” are registered in the results during the period when such are realized. Valuation profit or losses that result from the change in fair value of non-financial assets available for sale are included directly in equity. When investments available for sale are sold or impaired, the cumulative change in their fair value is transferred to the results as profit or loss from investments in securities. The fair values of financial assets that are traded on active markets are defined by the current market prices. For non-traded assets, the fair values are defined by the use of valuation techniques, such as analysis of recent transactions, comparable traded assets and discounted cash flows, that are specialized at reflecting the actual conditions of the issuer.

4.8.12 Impairment of financial assets

At each balance sheet date, the Group assesses whether there are objective indications that lead to the conclusion that financial assets have suffered impairment. For shares of companies listed as financial assets available for sale, such an indication refers to the significant or continuous reduction in fair value compared to the acquisition cost. If impairment is evidenced, the cumulative loss in equity – which corresponds to the difference between the acquisition cost and fair value minus previous impairment losses that had been recognized in the results for the specific financial asset – is transferred to the results. The impairment losses of equity instruments registered in the results are not reversed through the results. If there is objective indication for impairment of financial assets held until maturity that are presented at their net book value, then the impairment loss is calculated as the difference between the book value of the asset and the present value of estimated future cash flows (excluding future losses from credit risks that have not been realized), discounted with the initial effective interest rate of the financial assets. The current amount of the asset, is decreased using a provision account for impairment and the loss is recognized in the results.

4.8.13 Trade receivables

Trade receivables are initially recognized at fair value and are measured subsequently at net book value using the effective interest rate, minus any impairment provisions. Impairment provisions are recognized when there is objective indication that the Group is not in a position to collect all amounts due according to the contractual terms. Trade receivables include bills of exchange and notes receivables from customers. Serious financial problems of a customer, the possibility of default or financial restructuring and the inability to perform normal payments are considered indications that the receivables are impaired. The amount of the impairment provision is the difference between the book value of receivables and the present value of estimated future cash flows, discounted with the effective interest rate. The amount of the impairment loss is registered in the results as an expense.

4.8.14 Cash & cash equivalents

Cash & cash equivalents include cash in banks and in hand, as well as short-term highly liquid investments such as repos and bank deposits with a maturity less than three months.

4.8.15 Share capital

The share capital includes the Company's common shares. Direct expenses realized for the issue of shares are presented after the deduction of the relevant income tax, and reduce the product of the issue.

4.8.16 Loans

Loans are initially registered at fair value, minus any direct expenses realized for the transaction. Subsequently loans are valued at net book cost. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the borrowing term according to the effective interest rate method. Loans are characterized as short-term liabilities unless the Group has the final right to postpone payment for at least 12 months following the balance sheet date.

4.8.17 Leases

Leases of fixed assets where the Group essentially maintains all the risks and benefits of ownership are classified as financial leases. Financial leases are capitalized at the inception of the lease at the lower value between the fair value of the fixed asset and the present value of minimum leases. Each lease payment is allocated between the liability and the financial expenses so as to achieve a fixed interest rate on the balance of the liability. The corresponding liabilities from leases, net of financial expenses, are presented in liabilities. The part of the lease's financing cost that refers to interest, is recognized in the results throughout the lease period in a way that assures a fixed rate on the balance of the liability during each period. Fixed assets acquired with financial leasing are depreciated within the smallest period between the useful life of the assets and the duration of their lease. Leases where essentially all the risks and benefits of ownership are maintained by the lessor, are classified as operating leases. The lease payments of an operating lease (net of any incentives offered by the lessor) are registered proportionately in the results throughout the duration of the lease period.

4.8.18 Employee benefits

4.8.18.1 Short-term benefits

Short-term employee benefits (apart from employment termination benefits) in money and in kind, are recognized as an expense on an accrual basis.

4.8.18.2 Liabilities for staff retirement indemnities

Payments are defined by Greek law and the regulation of the pension funds. The Group has both defined contribution and defined benefit plans.

Defined benefit plans are those pension plans that define a specific amount of pension that will be received by the employee during retirement, which usually depends on one or more factors such as age, employment years and wage level.

Defined contribution plans are those pension plans in the context of which the Group realizes defined payments to a separate legal entity. The Group has no legal obligation to pay further contributions if the pension fund does not have adequate assets to pay all employees the benefits related to their employment service during the present and during the previous periods.

The liability registered in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit together with the changes that result from the non-recognized actuarial profit and losses and the prior employment service cost. The liability of the defined benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit liability is calculated by discounting the future cash outflows using the yield of long-term Greek government bonds with a similar duration with the pension plan as the discount rate. The cumulative actuarial profit and losses that result from the adjustments based on historic data and the assumptions of the actuarial study and which exceed 10% of the defined benefit liability are registered in the results during the expected average insurance employment period of those participating in the plan. The prior employment service cost is registered directly in the results except for the case where changes in the plan depend on the remaining employment service of employees. In the latter case, the employment service cost is registered in the results with the straight line method throughout the maturity period.

For defined contribution plans the Group pays contributions to State pension funds on a mandatory basis. The Group has no other liability given it has paid its contributions. Contributions are recognized as employee expenses when due. Contributions that are prepaid are recognized as an asset when there is the possibility of a rebate or offset with new dues.

4.8.18.3 Share based payments

The Group has a stock option plan in effect. The total amount of the expense during the maturity period of the option is defined according to the fair value of the plan during the period when the option is provided. The conditions not related to the purchase are included in the assumptions for the definition of the number of options expected to be exercised. At each balance sheet date, the Group revises its estimations on the number of stock options expected to be exercised. It recognizes the effect of the revision of initial estimations in the results with a corresponding adjustment of equity.

4.8.19 Recognition of income and expenses

Income includes the fair value of sales of goods and provision of services, net of Value Added Tax, tariffs, discounts and rebates. Income is recognized when it is likely that economic benefits will arise for the Group. Income between Group companies consolidated with the full consolidation method, are fully written-off. Expenses are recognized in the results on an accrual basis. Payments realized for operating leases are transferred to the results as an expense, during the use of the lease. Interest expenses are recognized on an accrual basis.

The recognition of income is as follows:

4.8.19.1 Provision of services

Income from agreements for provision of services at a predefined price is recognized based on the completion stage of the transaction during the balance sheet date.

When the result of the transaction that concerns provision of services cannot be reliably estimated, the income is recognized only to the extent where the recognized expenses are recoverable.

4.8.19.2 Sales of goods

Sales of goods are recognized when the Group delivers ownership and all the risks related to ownership of the goods to customers, the goods are accepted by the latter and the collection of the receivable is reasonably secured.

4.8.19.3 Interest income

Interest income is recognized based on the time proportion and by using the real interest rate.

4.8.19.4 Income from Dividends

Dividends are accounted for as income when the right to receive such is established

4.8.20 Government grants

The Group recognizes the government grants that cumulatively satisfy the following criteria:

- There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- It is probable that the amount of the grant will be received.

Government grants that relate to acquisition of fixed assets are presented as a deferred income in liabilities and recognized in the results during the useful life of the fixed assets such refer to.

4.8.21 Contingent Liabilities and Provisions

Provisions are booked when the Group has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured. The provisions are reviewed at every balance sheet date and are adjusted so as to reflect the present value of the expense deemed necessary to settle the liability. Contingent liabilities are not recorded in the financial statements but are disclosed, except if the probability of an outflow of resources that embody economic benefits is very small. Contingent assets are not recorded in the financial statements but are disclosed if the inflow of economic benefits is probable.

4.8.22 Dividend distribution

Dividend distribution to shareholders of the parent from the period's profit, are recognized as a liability in the individual and consolidated financial statements on the date when the distribution is approved by the General Shareholders' Meeting.

4.8.23 Current and deferred taxation

The period's charge with income tax consists of current taxes and deferred taxes. Tax is recognized in the "Statement of comprehensive income", unless it is related to amounts recognized directly in "Equity". In the latter case tax is also recognized in Equity.

Income tax on earnings, is calculated based on the tax law in effect during the balance sheet date in countries where the Group's activities are carried out and is recognized as an expense during the period when earnings are gained. Management periodically reviews cases where the relevant tax law needs clarifications when interpreted. When deemed necessary provisions are made on the amounts expected to be paid to the tax authorities.

Deferred income tax is calculated according to the liability method which results from the temporary differences between the book value of assets or liabilities in the financial statements with their respective tax base. Deferred income tax is not recorded if such results from the initial recognition of an asset or liability in a transaction, apart from a business combination, which did not affect the accounting or the tax profit or loss when realized. Deferred tax is defined according to the tax rates and laws in effect during the balance sheet date and those expected to be effective when the deferred tax assets will be realized or the deferred tax liabilities repaid.

Deferred tax assets are recognized to the extent that there will be future taxable profit for the use of the temporary difference that creates the deferred tax asset. Deferred tax assets and liabilities are offset only when the law permits the offsetting of tax assets and liabilities and given that the deferred tax assets and liabilities arise from the same tax authority on one entity that is taxed or on different entities when the settlement is intended to take place through offsetting.

4.8.24 Noncurrent assets held for sale and discontinued operations

Assets held for sale include tangible fixed assets that the Group intends to sell within one year from their classification as "held for sale".

Assets classified as "held for sale" are valued at the lowest between their book value directly prior to their classification as held for sale, and their fair value less any sale cost. Assets classified as "held for sale" are not subject to depreciation. The profit or loss that results from the sale and revaluation of assets "held for sale" is included in the results.

The Group has not classified noncurrent assets as held for sale.

4.9 FINANCIAL RISK MANAGEMENT

4.9.1 Capital Management

The Group's objectives as regards to management of capital, is to reassure the ability for the Group's smooth operation, aiming at providing satisfactory returns to shareholders and to maintain an ideal capital structure by reducing thus the cost of capital. The Group monitors its capital based on the leverage ratio. The leverage ratio is calculated by dividing net debt with total employed capital. Net debt is calculated as "Total debt" (including "short-term and long-term debt" as presented in the Statement of Financial Position) minus "Cash and cash equivalents", "Financial assets available for sale" and "financial assets at fair value through the profit and loss". The calculation of net debt does not include the purchase of treasury shares. Total employed capital is calculated as "Shareholders' Equity" as presented in the statement of financial position plus net debt. The leverage ratio on 31 December 2016 was as follows:

	GROUP	
	31/12/2016	31/12/2015
TOTAL DEBT	34,681,376.34	34,156,114.24
MINUS		
CASH & CASH EQUIVALENTS	-34,854,308.13	-33,434,257.18
FINANCIAL ASSETS AVAILABLE FOR SALE	-700,664.80	-908,520.28
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	-6,172,956.07	-7,017,679.38
NET DEBT	**-7,046,552.66**	**-7,204,342.60**
SHAREHOLDERS' EQUITY	182,964,673.24	166,405,323.08
TOTAL EMPLOYED CAPITAL	**175,918,120.58**	**159,200,980.48**
LEVERAGE RATIO	**-4.01%**	**-4.53%**

4.9.2 Financial Instruments

The Group's financial instruments mainly consist of bank deposits, bank overdrafts, trade debtors and creditors, investments in securities, other liabilities.

The financial assets and liabilities during the date of the financial statements can be classified as follows:

	Group		**Parent**	
Non-current assets	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Financial assets available for sale	700,664.80	908,520.28	400,064.80	587,820.28
Other long-term receivables	268,594.32	344,815.31	139,790.48	225,730.45
Total	**969,259.12**	**1,253,335.59**	**539,855.28**	**813,550.73**
Current assets				
Trade receivables	78,756,302.96	76,142,726.97	41,248,806.12	39,889,121.26
Other receivables	7,700,436.38	7,228,672.44	9,318,811.40	8,128,848.48
Cash & cash equivalents	34,854,308.13	33,434,257.18	22,337,122.92	18,335,615.72
Financial assets at fair value through profit and loss	6,172,956.07	7.017.679,38	6,172,956.07	7.017.679,38
Total	**127,484,003.55**	**123.823.335,96**	**79.077.696,51**	**73.371.264,84**

Long-term Liabilities

Loans	28.440.266,73	32.137.121,88	28.400.000,00	30.800.000,00
Provisions and other long-term liabilities	771.198,10	1.779.763,32	158.621,18	1.269.488,83
Total	**29,211,464.83**	**33,916,885.20**	**28,558,621.18**	**32,069,488.83**

Short-term Liabilities

Suppliers	50,720,898.21	50,531,959.71	28,032,180.06	27,202,502.21
Other liabilities	4,909,517.52	4,730,878.25	5,598,335.00	3,359,375.20
Loans	6,241,109.62	2,018,992.36	2,400,000.00	1,200,000.00
Total	**61,871,525.34**	**57,281,830.33**	**36,030,515.06**	**31,761,877.41**

4.9.3 Definition of fair values

The following table presents the financial assets measured at fair value, according to the measurement method. The different categories are as follows:

• Publicized market prices (without amendment or adjustment) for the financial assets traded in active money markets (level 1)

• Measurement or valuation techniques based directly on publicized market prices or calculated indirectly from publicized market prices for similar instruments (level 2).

• Measurement or valuation techniques that are not based on available information from current transactions in active money markets (level 3).

The financial assets measured at fair value during 31 December 2015, are as follows:

	Group			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Available for Sale	700,664.80	-	-	**700,664.80**
Financial Assets at Fair Value through Profit and Loss	6,172,956.07	-	-	**6,172,956.07**

	Company			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Available for Sale	400,064.80	-	-	**400,064.80**
Financial Assets at Fair Value through Profit and Loss	6,172,956.07	-	-	**6,172,956.07**

The fair value of financial assets traded on active markets (i.e. derivatives, equity, bonds, mutual funds), is defined based on the published prices in effect during the end of the reporting period. A market is considered "Active" when there are available and revised prices in frequent intervals, that are published by a stock exchange, broker, sector, rating agency or regulatory authority. Such financial instruments are included in level 1.

The fair value of financial assets not traded on active markets (i.e. over the counter derivative contracts) is defined using valuation techniques that are based primarily on available information for transactions carried out in active markets, while they use the least possible estimations by the entity. Such financial instruments are included in level 2.

If the valuation techniques are not based on available market information, then the financial instruments are included in level 3.

4.9.4 Foreign exchange risk

The Group operates in an environment characterized by relatively high foreign exchange risk given that almost 63% of the Group's total turnover comes from Eastern European countries where the volatility of foreign exchange rates has recently been high. The Management of the Group is constantly examining the currencies' fluctuations, but at the moment has not taken any measures against the foreign exchange risk due to the lack of appropriate hedging tools.

On 31 December 2016, if the euro had depreciated by 5% against the following currencies, with all other variables remaining constant, the effect on the statement of comprehensive income and on the equity of the Group for each currency separately, would be as follows:

Effect	Results	Equity
PLN	224,884	2,026,108
RON	242,165	753,880
YUD	89,970	963,329

An appreciation by 5% against the relevant currencies, would have an equivalent but opposite effect on the above currencies with the amounts presented above, given that all other variables remain constant.

4.9.5 Interest Rate Risk

The Group's objective is to achieve an optimal balance between borrowing cost and the potential effect of interest rate changes on earnings and cash flows. The Group monitors and manages its debt and overall financing strategies using a combination of short and long-term debt. It is Group policy to continuously review interest rate trends along with its financing needs. Daily working capital requirements are typically financed with operational cash flow and through the use of various committed lines of credit. The interest rate on these short-term borrowing arrangements, is generally determined as the inter-bank offering rate at the borrowing date plus a pre-set margin. The mix of fixed-rate debt and variable-rate debt is managed within Group policy guidelines. In case of an interest rate increase, the Group will not be affected as regards to next year's results as part of the Group's current strategy is the continuous reduction of its existing bank loans.
An increase of the borrowing rate by 0.5%, taking into account the total debt on 31/12/2016, would result in a reduction of net results and Equity by € 173,406.

4.9.6 Credit Risk

The Group's trade receivables mainly come from wholesale clients. All Group companies monitor the financial position of their debtors on an ongoing basis and control the granting of credit as well as the credit lines. When considered appropriate, credit guarantee insurance cover is purchased. When there is a possibility that receivables will not be collected, provisions are made for bad debts. On 31 December 2016 and 2015, the maturity of outstanding receivables from customers was as follows:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
From 0 to 180 days	68,464,691.42	71,193,449.72	32,611,284.28	36,561,971.58
Between 180 and 360 days	3,104,455.45	2,817,280.90	1,625,966.13	1,290,229.69
Longer than 360 days	7,187,156.08	2,131,996.36	7,011,555.71	2,036,919.99
	78,756,302.96	**76,142,726.97**	**41,248,806.12**	**39,889,121.26**

4.9.7 Liquidity risk

Prudent liquidity risk management implies the existence of a balance between cash flows as well as funding through adequate amounts of committed credit facilities. The Group closely monitors the amount of short-term and long-term funding as well as the proportion of such towards total debt and the composition of total debt, manages the risk that could arise from the lack of sufficient liquidity and secures that necessary borrowing facilities are maintained. The Group has sufficient credit line facilities that could be utilized to fund any potential shortfall in cash resources.

The Group manages and monitors its working capital in order to minimize any possible liquidity and cash flow risks. The maturity of financial liabilities on 31 December 2016 and 2015 for the Company and Group, is analyzed as follows:

			Company		
Maturity of Liabilities 2016	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans	-	-	28,400,000.00	-	**28,400,000.00**
Short-term Loans	1,200,000.00	1,200,000.00	-	-	**2,400,000.00**
Suppliers	25,789,605.66	2,242,574.40	-	-	**28,032,180.06**
Other Liabilities	5,486,368.30	111,966.70	-	-	**5,598,335.00**
	32,475,973.96	**3,554,541.10**	**28,400,000.00**	**0,00**	**64,430,515.06**

			Company		
Maturity of Liabilities 2015	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans	-	-	30,800,000.00	-	**30,800,000.00**
Short-term Loans	-	1,200,000.00	-	-	**1,200,000.00**
Suppliers	25,026,302.03	2,176,200.18	-	-	**27,202,502.21**
Other Liabilities	3,292,187.70	67,187.50	-	-	**3,359,375.20**
	28,318,489.73	**3,443,387.68**	**30,800,000.00**	**0.00**	**62,561,877.41**

			Group		
Maturity of Liabilities 2016	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans	-	-	28,440,266.73	-	**28,440,266.73**
Short-term Loans	4,638,119.68	1,602,989.94	-	-	**6,241,109.62**
Suppliers	46,663,226.35	4,057,671.86	-	-	**50,720,898.21**
Other Liabilities	4,811,327.16	98,190.35	-	-	**4,909,517.52**
	56,112,673.19	**5,758,852.15**	**28,440,266.73**	**0.00**	**90,311,792.07**

	Group				
Maturity of Liabilities 2015	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**	**Total**
Long-term Loans	-	-	32,137,121.88	-	**32,137,121.88**
Short-term Loans	818,992.36	1,200,000.00	-	-	**2,018,992.36**
Suppliers	46,489,402.94	4,042,556.78	-	-	**50,531,959.71**
Other Liabilities	4,163,172.86	567,705.39	-	-	**4,730,878.25**
	51,471,568.15	**5,810,262.17**	**32,137,121.88**	**0.00**	**89,418,952.20**

4.9.8 Raw material price risk

The Group is exposed to the volatility of market prices of metals (aluminum), as aluminum is one of the basic raw materials used in its production process. In order to protect itself against adverse aluminum price movements, the Group hedges against fluctuations of the aluminum price over short term periods of time.

4.10 EXPLANATORY NOTES ON THE FINANCIAL STATEMENTS

4.10.1 Segment reporting

For management purposes, the Group is organized in three basic business segments: Mass Market Cosmetics, Household Products and Other Sales. According to IFRS 8 – Operating Segments, the management monitors the operating results of the business segments separately with the objective to evaluate the performance and decision making as regards to the allocation of resources.

The Group's results per segment are analyzed as follows:

For the period 01/01/2016 – 31/12/2016:

COMMERCIAL ACTIVITY SECTORS	Mass Market Cosmetics	Household Products	Other Sales	Private Label (Polipak)	Income from associate companies	Continuing Activities	Discontinued Activities	Group Total
INCOME FROM EXTERNAL CUSTOMERS	155,638,694.28	117,866,728.25	39,896,456.39	15,615,766.77	-	**329,017,645.69**	0,00	**329,017,645.69**
EARNINGS BEFORE INTEREST & TAX (EBIT)	9,482,523.99	11,333,796.74	3,065,044.45	331,642.86	7,308,265.54	**31,521,273.58**	-2,400,000.00	**29,121,273.58**
INTEREST INCOME	74,023.27	56,058.55	18,975.14	7,427.01	-	**156,483.97**	0,00	**156,483.97**
INTEREST EXPENSES	-743,078.22	-562,740.51	-190,480.83	-74,555.60	-	**-1,570,855.15**	0,00	**-1,570,855.15**
EARNINGS BEFORE TAX	8,211,841.52	10,371,496.28	2,739,317.43	204,150.91	7,308,265.54	**28,835,071.67**	-5,226,844.49	**23,608,227.18**
INCOME TAX	1,127,633.68	1,424,193.16	376,157.60	28,033.59	1,209,462.13	**4,165,480.16**	0,00	**4,165,480.16**
EARNINGS / LOSSES AFTER TAX	7,084,207.84	8,947,303.12	2,363,159.83	176,117.31	6,098,803.41	**24,669,591.51**	-5,226,844.49	**19,442,747.02**
DEPRECIATION/ AMORTIZATION	1,820,115.81	1,378,391.77	466,568.88	729,030.58	-	**4,394,107.03**	0,00	**4,394,107.03**
EARNINGS BEFORE INTEREST, TAX, DEPRCIATION & AMORTIZATION (EBITDA)	11,302,639.80	12,712,188.50	3,531,613.33	1,060,673.44	7,308,265.54	**35,915,380.61**	-2,400,000.00	**33,515,380.61**

For the period 01/01/2015 – 31/12/2015:

COMMERCIAL ACTIVITY SECTORS	Mass Market Cosmetics	Household Products	Other Sales	Income from associate companies	Continuing Activities	Discontinued Activities	Group Total
INCOME FROM EXTERNAL CUSTOMERS	134,475,516.94	113,613,189.40	30,671,845.51	-	**278,760,551.85**	0.00	**278,760,551.85**
EARNINGS BEFORE INTEREST & TAX (EBIT)	8,231,424.60	9,244,985.87	2,468,131.50	6,099,499.83	**26,044,041.80**	-1,242,947.73	**24,801,094.07**
INTEREST INCOME	50,780.51	42,902.50	11,582.27	-	**105,265.29**	0.00	**105,265.29**
INTEREST EXPENSES	-615,802.31	-520,267.68	-140,455.26	-	**-1,276,525.25**	0.00	**-1,276,525.25**
EARNINGS BEFORE TAX	7,322,862.75	8,477,376.93	2,260,902.19	6,099,499.83	**24,160,641.70**	-1,249,076.28	**22,911,565.42**
INCOME TAX	1,157,442.51	1,339,923.58	357,355.37	1,525,121.35	**4,379,842.81**	0.00	**4,379,842.81**
EARNINGS / LOSSES AFTER TAX	6,165,420.23	7,137,453.35	1,903,546.82	4,574,378.48	**19,780,798.89**	-1,249,076.28	**18,531,722.61**
DEPRECIATION/ AMORTIZATION	1,795,691.37	1,517,110.54	409,570.23	-	**3,722,372.13**	30,311.01	**3,752,683.14**
EARNINGS BEFORE INTEREST, TAX, DEPRCIATION & AMORTIZATION (EBITDA)	10,027,115.96	10,762,096.41	2,877,701.73	6,099,499.83	**29,766,413.93**	-1,212,636.72	**28,553,777.22**

Notes

- Income from Associate Companies refers to income from the joint venture Estee Lauder JV between the Company and Estee Lauder Hellas and from the related company Thrace-Sarantis SA. They are presented in the above table for reconciliation purposes.
- The calculation of financial income & expenses and depreciation, amortization has been proportionate based on the sales of each business activity of the Group. The calculation of income tax is based proportionately on the earnings before tax of each of the Group's business activity.

The allocation of consolidated assets and liabilities to the Group's business segments, is analyzed as follows:

	GROUP		Mass Market Cosmetics		Household Products		Other Sales		Private Label (Polipak)	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Total Assets	282,758,136.90	265,963,656.90	133,756,069.93	128,302,229.32	101,294,799.59	108,397,616.25	34,287,059.75	29,263,811.33	13,420,207.63	-
Total Liabilities	98,724,158.24	98,553,110.91	46,700,531.97	47,542,525.11	35,366,776.47	40,166,849.94	11,971,224.42	10,843,735.86	4,685,625.38	-

4.10.2 Goodwill

	Group	Company
BALANCE 01/01/2016	***7,535,705.24***	***1,365,130.32***
Additions / Eliminations	-90,549.80	0.00
Balance 31/12/2016	***7,445,155.44***	***1,365,130.32***

ANALYSIS OF GOODWILL

		TOTAL
Foreign Exchange Differences	-90,549.80	**-90,549.80**
Recognition of Goodwill	0.00	**0.00**
Total	-90,549.80	**-90,549.80**

4.10.3 Inventories

Inventories are analyzed as follows:

INVENTORIES		
A. Parent Company	31/12/2016	31/12/2015
Merchandise	11,781,189.62	10,915,160.27
Products	9,501,027.27	8,963,357.08
Raw Materials	7,846,767.99	7,609,948.83
	29,128,984.88	**27,488,466.18**
B. Group	31/12/2016	31/12/2015
Merchandise	39,882,626.60	34,645,510.40
Products	10,086,087.49	9,316,215.26
Raw Materials	10,742,723.35	9,641,727.42
	60,711,437.44	**53,603,453.08**

4.10.4 Trade and other receivables

The trade receivables account is analyzed as follows:

TRADE RECEIVABLES		
	31/12/2016	31/12/2015
A. Parent company		
Trade receivables	25,801,317.29	20,370,803.77
Minus provisions	899,872.46	599,872.46
Net trade receivables	24,901,444.83	19,770,931.31
Checks and notes receivable	18,747,361.29	20,118,189.95
Minus provisions	2,400,000.00	0.00
Net checks and notes receivable	16,347,361.29	20,118,189.95
	41,248,806.12	**39,889,121.26**
B. Group	31/12/2016	31/12/2015
Trade receivables	62,768,981.34	56,081,060.22
Minus provisions	1,310,135.34	691,001.94
Net trade receivables	61,458,846.01	55,390,058.28
Checks and notes receivable	19,697,456.95	20,752,668.69
Minus provisions	2,400,000.00	0.00
Net checks and notes receivable	17,297,456.95	20,752,668.69
	78,756,302.96	**76,142,726.97**

Other receivables are analyzed as follows:

OTHER RECEIVABLES		
	31/12/2016	31/12/2015
A. Parent Company		
Accounts receivable in legal contest	490,148.38	519,562.20
Sundry Debtors	8,773,565.51	7,563,205.22
Accounts for management of prepayments & credits	55,097.51	46,081.06
	9,318,811.40	**8,128,848.48**
B. Group	31/12/2016	31/12/2015
Accounts receivable in legal contest	688,087.61	649,729.57
Sundry Debtors	6,957,251.27	6,532,861.81
Accounts for management of prepayments & credits	55,097.51	46,081.06
	7,700,436.38	**7,228,672.44**

4.10.5 Cash & cash equivalents

Cash & cash equivalents represent cash in hand of the Group and company and bank deposits available at first demand, which are analyzed as follows:

CASH & CASH EQUIVALENTS		
-	31/12/2016	31/12/2015
A. Parent Company		
Cash in hand	248,959.53	172,796.78
Bank deposits	22,088,163.39	18,162,818.94
	22,337,122.92	**18,335,615.72**
B. Group	**31/12/2016**	**31/12/2015**
Cash in hand	274,876.78	202,854.14
Bank deposits	34,579,431.36	33,231,403.04
	34,854,308.13	**33,434,257.18**

4.10.6 Financial assets at fair value through profit and loss

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Opening balance	**7,017,679.38**	**5,775,794.16**	**7,017,679.38**	**5,775,794.16**
Additions/Sales	-1,095,511.88	1,486,136.64	-1,095,511.88	1,486,136.64
Fair value adjustments	250,788.57	-244,251.42	250,788.57	-244,251.42
Closing balance	**6,172,956.07**	**7,017,679.38**	**6,172,956.07**	**7,017,679.38**

Such are placements with a short-term investment horizon that are traded on active markets.

4.10.7 Trade and other liabilities

The Company's and Group's trade and other liabilities are analyzed as follows:

SUPPLIERS		
	31/12/2016	31/12/2015
A. Parent Company		
Suppliers	23,733,326.66	22,105,331.16
Checks payable	4,298,853.40	5,097,171.05
	28,032,180.06	**27,202,502.21**
B. Group	31/12/2016	31/12/2015
Suppliers	46,422,044.81	45,395,005.26
Checks payable	4,298,853.40	5,097,171.05
Notes payable	0.00	39,783.40
	50,720,898.21	**50,531,959.71**

OTHER LIABILITIES		
	31/12/2016	31/12/2015
A. Parent company		
Social Security Funds	893,918.86	782,618.91
Customer Prepayments	3,315,714.66	1,854,382.58
Short-term Liabilities towards Related Companies	483,500.00	483,500.00
Dividends Payable	17,394.13	13,276.09
Sundry Creditors	887,807.35	225,597.62
	5,598,335.00	**3,359,375.20**
B. Group	31/12/2016	31/12/2015
Social Security Funds	1,541,123.61	1,226,620.64
Customer Prepayments	1,838,687.58	1,284,637.77
Dividends Payable	17,394.13	13,276.09
Long-term Liabilities payable in the following year	145,195.29	252,106.41
Sundry Creditors	1,367,116.90	1,954,237.32
	4,909,517.52	**4,730,878.25**

4.10.8 Provisions and other long-term liabilities

The provisions and other long-term liabilities are analyzed as follows:

PROVISIONS – OTHER LONG-TERM LIABILITIES		
	31/12/2016	31/12/2015
A. Parent Company		
Taxes for tax un-audited fiscal years	0.00	909,488.83
Other provisions	158,621.18	360,000.00
	158,621.18	**1,269,488.83**

B. Group	31/12/2016	31/12/2015
Taxes for tax un-audited fiscal years	0.00	909,488.83
Other provisions	236,270.92	360,000.00
Other Long-term Liabilities	534,927.18	510,274.49
	771,198.10	**1,779,763.32**

4.10.9 Loans

Loans are analyzed as follows:

	Group		Company	
Short-term loans	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Bank loans	6,241,109.62	2,018,992.36	2,400,000.00	1,200,000.00
Long-term loans				
Bank loans	28,440,266.73	32,137,121.88	28,400,000.00	30,800,000.00
Total	**34,681,376.34**	**34,156,114.24**	**30,800,000.00**	**32,000,000.00**

4.10.9.1 Parent Company

Parent Company		
ANALYSIS OF CORPORATE BOND LOANS		
BANK	**MATURITY**	**AMOUNT**
NBG	20/03/2017	1,200,000
NBG	20/09/2017	1,200,000
NBG	20/03/2018	1,200,000
NBG	20/09/2018	1,200,000
NBG	20/03/2019	9,000,000
EUROBANK	29/01/2019	17,000,000
TOTAL		**30,800,000**

4.10.9.2 Group

Group		
ANALYSIS OF CORPORATE BOND LOANS		
BANK	**MATURITY**	**AMOUNT**
NBG	20/03/2017	1,200,000
NBG	20/09/2017	1,200,000
NBG	20/03/2018	1,200,000
NBG	20/09/2018	1,200,000
NBG	20/03/2019	9,000,000
EUROBANK	29/01/2019	17,000,000
TOTAL		**30,800,000**

4.10.10 Income Tax

	GROUP		COMPANY	
	1/1 - 31/12/2016	1/1 - 31/12/2015	1/1 - 31/12/2016	1/1 - 31/12/2014
Income tax	(4,350,174.16)	(4,124,528.19)	0.00	0.00
Tax differences	0.00	0.00	0.00	0.00
Deffered tax	184,694.00	(255,314.62)	242.743,14	(207,866.11)
Total	**(4,165,480.16)**	**(4,379,842.81)**	**242.743,14**	**(207,866.11)**
Profit/(Loss) before tax	**23,608,227.18**	**22,911,565.42**	**15,108,884.57**	**11,240,658.38**
+/- Temporary differences in income	(6,800,429.38)	(3,404,660.98)	(5,557,900.45)	(2,061,777.21)
+/- Temporary differences in expenses	3,449,837.42	1,571,631.20	3,611,971.27	1,409,761.11
Adjustments to tax for income not subject to tax				
- Untaxed Income	0.00	0.00	(15,880,000.00)	(12,850,000.00)
- Income differences	(4,087,490.34)	(5,368,477.55)	(173,534.38)	(3,280,725.57)
- Profit from acquisitions	0.00	0.00	0.00	0.00
- Other adjustments	(16,994.54)	18,821.92	0.00	0.00
Adjustments to tax for expenses not deductible for tax purposes				
-Differences in costs	3,055,379.18	5,375,315.60	2,943,498.55	5,369,765.60
-Non deductible expenses	4,440,356.66	10,676,306.49	3,446,887.24	5,438,504.57
Offsetting of previous years' losses	0.00	0.00	(25,039,245.64)	(30,618,784.21)
	23.648.886,18	**31,780,502.09**	**(21,539,438.84)**	**(25,352,597.33)**
Tax rate (average rate for the Group)	*18,57%*	*12.90%*	*29.00%*	*29.00%*
Expected tax expense	4,392,753.42	4,100,938.93	0.00	0.00
Tax adjustments for tax rate changes	0.00	(44,155.96)	0.00	(44,155.96)
Tax recognition for tax losses	(807,062.60)	62,937.40	(807,062.60)	62,937.40
Tax for temporary differences	622,368.60	236,533.18	564,319.46	189,084.67
Other items	(42,579.25)	23,589.26	0.00	0.00
Provisions and expenses for additional tax liabilities	0.00	0.00	0.00	0.00
Total tax	**4,165,480.17**	**4,379,842.81**	**(242,743.14)**	**207,866.11**

With regard to the fiscal year 2016, the Company is subject to the tax audit of the Certified Auditors stipulated by the provisions of article 65A of Law 4174/2013. The audit is under progress and the relevant tax certificate is expected to be granted after the release of the annual financial statements for the fiscal year 2016. The Management of the Company does not expect any significant tax obligations apart from those already depicted in the financial statements.

4.10.11 Deferred taxes

A. Parent Company

DEFERRED TAX ASSETS		
	31/12/2016	**31/12/2015**
Differences of intangible assets	-1,638,349.26	-538,590.71
Differences of tangible assets	118,575.24	76,332.75
Provisions for employee benefits	312,135.41	282,438.25
Recognition of tax loss	870,000.00	62,937.39
Provisions	717,531.10	256,459.47
Total	**379,892.49**	**139,577.15**

DEFERRED TAXES		
	31/12/2016	**31/12/2015**
Differences of intangible assets	-1,099,758.55	-223,296.17
Differences of tangible assets	42,242.49	36,061.33
Provisions for employee benefits	29,697.16	44,823.21
Recognition of tax loss	807,062.61	-62,937.40
Provisions	461,071.63	-11,063.57
Total	**240,315.34**	**-216,412.60**
Total deferred tax recognized in the statement of comprehensive income (a)	242,743.14	-207,866.11
Total deferred tax recognized in the statement of comprehensive income (b)	-2,427.80	-8,546.49

B. Group

DEFERRED TAX ASSETS		
	31/12/2016	**31/12/2015**
Differences of intangible assets	-1,638,349.26	-538,590.71
Differences of tangible assets	128,253.54	106,331.69
Write-off of trade receivables	10,375.02	7,460.65
Provisions for employee benefits	375,439.50	288,097.91
Provisions	1,065,320.07	659,501.09
Recognition of tax loss	870,000.00	62,937.39
Foreign exchange differences	16,011.08	8,805.29
Total	**827,049.95**	**594,543.32**

DEFERRED LIABILITIES		
	31/12/2016	**31/12/2015**
Differences of tangible assets	50,771.83	37,334.22
Differences of intangible assets	1,949,675.05	1,824,618.96
Provisions	-2,458.01	-948.34
Foreign exchange differences	5,877.26	4,500.55
Total	**2,003,866.14**	**1,865,505.39**
DEFERRED TAXES		
	31/12/2016	**31/12/2015**
Differences of intangible assets	-1,224,814.64	-406,255.43
Differences of tangible assets	8,484.24	-15,037.00
Write-off of trade receivables	2,914.36	-6,334.96
Provisions for employee benefits	84,913.79	35,825.17
Provisions	407,328.65	60,822.55
Recognition of tax loss	807,062.61	-62,937.40
Foreign exchange differences	-29,387.53	12,537.65
Sub total	**56,501.48**	**-381,379.42**
Proportion of deferred tax from associate companies	125,764.72	117,518.31

Total	**182,266.20**	**-263,861.11**
Total deferred tax recognized in the statement of comprehensive income (a)	184,694.00	-255,314.62
Total deferred tax recognized in the statement of comprehensive income (b)	-2,427.80	-8,546.49

4.10.12 Employee benefits

Employee salaries and expenses are analyzed as follows:

	31/12/2016	31/12/2015
A. Parent Company		
Employee salaries	14,990,922.59	13,437,387.38
Employee benefits	536,146.83	315,172.32
Employer contributions	3,545,717.67	3,170,303.50
Employment termination indemnities	143,275.34	471,808.68
Attendance fees of BoD members	347,049.00	328,758.00
Remuneration of BoD members	908,943.30	874,423.92
Total	**20,472,054.73**	**18,597,853.80**
Average number of employees	**648**	**578**
B. Group	31/12/2016	31/12/2015
Employee salaries	27,624,266.18	23,690,404.01
Employee benefits	968,644.81	587,230.40
Employer contributions	6,018,896.43	5,225,937.70
Employment termination indemnities	182,522.70	600,022.49
Attendance fees of BoD members	537,378.80	515,069.52
Remuneration of BoD members	908,943.30	874,423.92
Total	**36,240,652.23**	**31,493,088.04**
Average number of employees	**1,651**	**1,563**

4.10.13 Expenses per category

Expenses per category are analyzed as follows:

-	31/12/2016	31/12/2015
A. Parent company		
Cost of sales	79,104,266.93	69,777,922.37
Employee expenses	18,394,552.01	16,630,809.42
Third-party fees	2,947,249.74	2,297,196.04
Third-party benefits	3,347,978.56	2,987,350.28
Taxes – duties	1,188,566.18	1,080,958.46
Sundry expenses	32,358,717.24	23,512,558.65
Fixed asset depreciation	2,053,989.58	1,963,143.09
Continued Activities	**139,395,320.24**	**118,249,938.31**
Impairment of Subsidiary Company	-	**5,030,078.17**
Discontinued Activities	**2,400,000.00**	**0.00**
Total Activities	***141,795,320.24***	***123,280,016.48***
B. Group	31/12/2016	31/12/2015
Cost of sales	176,384,097.42	146,262,092.82
Employee expenses	31,541,187.37	28,935,052.34
Third-party fees	5,737,884.51	5,032,803.32
Third-party benefits	8,282,475.77	7,418,558.54
Taxes – duties	2,247,542.81	1,658,582.39
Sundry expenses	81,863,482.67	68,049,190.12
Fixed asset depreciation	3,051,504.00	3,103,964.87
Continued Activities	**309,108,174.55**	**260,460,244.41**
Discontinued Activities	**2,400,000.00**	**1,242,947.73**
Total Activities	***311,508,174.55***	***261,703,192.13***

Note: The above expenses are reduced by the amount of expenses that have been charged to the production of the parent Company and Group.

4.10.14 Share capital

SHARE CAPITAL					
	NUMBER OF SHARES	NOMINAL VALUE OF SHARES	SHARE CAPITAL	SHARE PREMIUM	TOTAL
31.12.2016	34,780,982	1.55	53,910,522.10	39,373,995.98	93,284,518.08
31.12.2015	34,770,982	1.55	53,895,022.10	39,369,495.98	93,264,518.08
31.12.2014	34,770,982	1.55	53,895,022.10	39,369,495.98	93,264,518.08
31.12.2013	34,770,982	1.54	53,547,312.28	39,369,495.98	92,916,808.26
31.12.2012	34,770,982	1.54	53,547,312.28	39,369,495.98	92,916,808.26
31.12.2011	38,350,940	1.54	59,060,447.60	39,252,195.98	98,312,643.58
31.12.2010	38,350,940	1.54	59,060,447.60	39,252,195.98	98,312,643.58
31.12.2009	38,350,940	1.54	59,060,447.60	39,252,195.98	98,312,643.58
31.12.2008	38,350,940	1.54	59,060,447.60	39,252,195.98	98,312,643.58
31.12.2007	38,146,940	1.50	57,220,410.00	38,750,355.98	95,970,765.98

4.10.15 Treasury shares

The Company's Extraordinary General Shareholders' Meeting dated June 9th 2016 approved the purchase through the Athens Exchange according to the provisions of article 16 of PL 2190/1920 of up to 10% of the company's shares (the 10% currently represents 3,477,098 shares), including the 437,549 shares already acquired by the company based on the resolutions of the General Shareholders Meeting of 26/06/2014.
The maximum buy back price was set at fifteen euros (15.00 €) per share and the lowest at one euro and fifty five cents (1.55 €) and the time limit for acquiring own shares was set to twenty four months from the date of the General Meeting, that is until June 09th 2018.
The purpose of the program is to serve the objectives and uses permitted by law from time to time, which today include share capital reduction, settlement of obligations arising by convertible securities or employee stock options as well as the purposes of future acquisition of another company's shares.
Finally, the Board of Directors was authorized to act accordingly for the completion of the buyback program.
As of 31/12/2016, the Company held 488,400 treasury shares with an average price of EUR 5.71 per share, representing 1.40% of its total share capital.

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4.10.16 Table of changes in fixed assets

4.10.16.1 Parent company

	ACQUISITION COST 31/12/2014	ADDITIONS	TRANSFERS	REDUCTIONS	VALUE AS AT 31/12/2015
LAND-FIELDS	6,057,641.00	0.00	0.00	0.00	6,057,641.00
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	27,204,637.35	48,215.32	0.00	124,625.70	27,128,226.97
INVESTMENTS IN PROPERTY	203,997.02	0.00	0.00	0.00	203,997.02
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	9,397,612.68	1,169,280.22	261,311.32	201,797.15	10,103,784.43
VEHICLES	875,028.69	84,255.22	33,755.28	0.00	925,528.63
FURNITURE & OTHER EQUIPMENT	7,826,704.15	501,464.00	19,530.79	259,552.39	8,049,084.97
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	1,500.00	145,159.32	0.00	0.00	146,659.32
INTANGIBLE ASSETS	15,282,690.21	3,599,392.17*	0.00	0.00	18,882,082.38
TOTAL	**66,849,811.10**	**5,547,766.25**	**314,597.39**	**585,975.24**	**71,497,004.72**

* The AVA brand, acquired at the end of April 2015, has been added.

	DEPRECIATIONS 31/12/2014	DEPRECIATIONS FOR THE PERIOD	DEPRECIATIONS OF REDUCTIONS	DEPRECIATIONS OF WRITE-OFFS	DEPRECIATIONS 31/12/2015	NET BOOK VALUE AS AT 31/12/2015
LAND-FIELDS	0.00	0.00	0.00	0.00	0.00	6,057,641.00
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	10,509,750.09	981,288.25	0.00	89,351.73	11,401,686.61	15,726,540.36
INVESTMENTS IN PROPERTY	13,513.58	0.00	0.00	0.00	13,513.58	190,483.44
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	6,969,728.56	431,270.15	267.54	166,177.88	7,234,553.29	2,869,231.14
VEHICLES	676,713.56	52,265.41	32,967.70	0.00	696,011.27	229,517.36
FURNITURE & OTHER EQUIPMENT	6,105,745.76	452,854.38	19,530.49	257,313.43	6,281,756.22	1,767,328.75
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	0.00	0.00	0.00	0.00	0.00	146,659.32
INTANGIBLE ASSETS	1,865,482.69	595,585.65	0.00	0.00	2,461,068.34	16,421,014.04
TOTAL	**26,140,934.24**	**2,513,263.84**	**52,765.73**	**512,843.04**	**28,088,589.31**	**43,408,415.41**

	ACQUISITION COST 31/12/2015	ADDITIONS	RECLASSIFICATIONS	REVALUATION	REDUCTIONS	WRITE-OFFS	VALUE AS AT 31/12/2016
LAND-FIELDS	6,057,641.00	0.00	0.00	-332,956.14	0.00	0.00	5,724,684.86
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	27,128,226.97	25,098.48	1,323,286.11	2,258,904.45	0.00	0.00	30,735,516.01
INVESTMENTS IN PROPERTY	203,997.02	0.00	0.00	-337.11	0.00	0.00	203,659.91
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	10,103,784.43	467,340.91	0.00	0.00	0.00	80,337.81	10,490,787.53
VEHICLES	925,528.63	4,574.99	0.00	0.00	4,491.06	0.00	925,612.56
FURNITURE & OTHER EQUIPMENT	8,049,084.97	838,459.44	172,476.59	0.00	159,049.45	2,338.93	8,898,632.62
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	146,659.32	1,874,244.23	-1,495,762.70	0.00	0.00	0.00	525,140.85
INTANGIBLE ASSETS	18,882,082.38	853,343.90	0.00	0.00	0.00	0.00	19,735,426.28
TOTAL	**71,497,004.72**	**4,063,061.95**	**0.00**	**1,925,611.20**	**163,540.51**	**82,676.74**	**77,239,460.62**

	DEPRECIATIONS 31/12/2015	DEPRECIATIONS FOR THE PERIOD	REVALUATION	DEPRECIATIONS OF REDUCTIONS	DEPRECIATIONS OF WRITE-OFFS	DEPRECIATIONS 31/12/2016	NET BOOK VALUE AS AT 31/12/2016
LAND-FIELDS	0.00	0.00	0.00	0.00	0.00	0.00	5,724,684.86
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	11,401,686.61	989,085.60	939,620.09	0.00	0.00	13,330,392.30	17,405,123.71
INVESTMENTS IN PROPERTY	13,513.58	0.00	0.00	0.00	0.00	13,513.58	190,146.33
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	7,234,553.29	506,439.22	0.00	0.00	9,112.37	7,731,880.14	2,758,907.39
VEHICLES	696,011.27	43,197.36	0.00	4,485.32	0.00	734,723.31	190,889.25
FURNITURE & OTHER EQUIPMENT	6,281,756.22	499,554.20	0.00	158,733.96	1,179.86	6,621,396.60	2,277,236.02
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	0.00	0.00	0.00	0.00	0.00	0.00	525,140.85
INTANGIBLE ASSETS	2,461,068.34	650,682.77	0.00	0.00	0.00	3,111,751.11	16,623,675.17
TOTAL	**28,088,589.31**	**2,688,959.15**	**939,620.09**	**163,219.28**	**10,292.23**	**31,543,657.04**	**45,695,803.58**

It is noted that as of 31/12/2016 the fair value of the company's investments in property, lands-fields and buildings was analyzed. The assessment was conducted by an approved Surveyor according to instructions and rules as laid down by the Royal Institution of Chartered Surveyors (RICS Valuation - Professional Standards 2014) and as formed by the integrating the International Valuation Standards (IVSC or the International Appraisers Standards). The method used for the calculation of the fair value of the aforementioned assets is included in Level 3.

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4.10.16.2 Group

	ACQUISITION COST 31/12/2014	ADDITIONS	RECLASSIFICATIONS	ACQUISITION OF SUBSIDIARY	REDUCTIONS	WRITE-OFFS	FOREIGN EXCHANGE DIFFERENCES	NET BOOK VALUE AS AT 31/12/2015
LAND-FIELDS	6,400,878.22	0.00	0.00	166,938.87	0.00	0.00	-64.44	6,567,881.52
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	28,322,406.25	65,690.08	0.00	2,509,748.70	608.61	729,539.97	40,326.01	30,127,370.44
INVESTMENTS IN PROPERTY	555,762.77	0.00	0.00	0.00	0.00	0.00	3,296.47	552,466.30
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	12,587,159.32	1,342,653.28	670.56	5,541,023.33	658,724.11	380,452.30	-3,382.13	18,435,712.21
VEHICLES	3,347,929.37	117,152.78	17,134.91	179,899.19	773,720.85	191.21	-6,971.57	2,895,175.77
FURNITURE & OTHER EQUIPMENT	8,528,168.12	560,235.68	0.00	0.00	19,530.79	291,959.45	3,710.00	8,773,203.57
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	52,040.52	310,505.19	-50,599.79	2,235.89	0.00	0.00	-1,587.62	315,769.43
INTANGIBLE ASSETS	36,060,811.08	3,646,910.02	32,794.32	88,774.26	310.71	42,417.04	-2,901.21	39,789,463.14
TOTAL	**95,855,155.66**	**6,043,147.03**	**0.00**	**8,488,620.24**	**1,452,895.07**	**1,444,559.96**	**32,425.52**	**107,457,042.38**

	DEPRECIATIONS 31/12/2014	DEPRECIATIONS FOR THE PERIOD	ACQUISITION OF SUBSIDIARY	DEPRECIATIONS OF REDUCTIONS	DEPRECIATIONS OF WRITE-OFFS	FOREIGN EXCHANGE DIFFERENCES	DEPRECIATIONS 31/12/2015	NET BOOK VALUE AS AT 31/12/2015
LAND-FIELDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,567,881.52
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	10,830,543.61	1,034,386.63	559,604.12	245.70	263,891.64	10,399.68	12,149,997.34	17,977,373.10
INVESTMENTS IN PROPERTY	13,513.58	0.00	0.00	0.00	0.00	0.00	13,513.58	538,952.72
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	9,438,605.69	648,466.67	2,790,877.25	391,336.06	298,821.45	-1,867.46	12,189,659.56	6,246,052.64
VEHICLES	2,168,817.05	396,287.66	92,149.92	656,700.89	2,296.49	-3,471.64	2,001,728.89	893,446.88
FURNITURE & OTHER EQUIPMENT	6,618,956.62	500,777.99	0.00	19,530.49	289,720.49	2,801.01	6,807,682.63	1,965,520.93
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	0.00	0.00		0.00	0.00	0.00	0.00	315,769.43
INTANGIBLE ASSETS	4,459,045.51	1,172,764.17	87,464.86	310.71	42,417.04	9,125.05	5,667,421.75	34,122,041.39
TOTAL	**33,529,482.05**	**3,752,683.14**	**3,530,096.15**	**1,068,123.86**	**897,147.10**	**16,986.64**	**38,830,003.75**	**68,627,038.62**

	ACQUISITION COST 31/12/2015	ADDITIONS	RECLASSIFICATIONS	REVALUATION	REDUCTIONS	WRITE-OFFS	FOREIGN EXCHANGE DIFFERENCES	NET BOOK VALUE AS AT 31/12/2016
LAND-FIELDS	6,567,881.52	0.00	0.00	-332,956.14	0.00	0.00	18,741.88	6,216,183.50
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	30,127,370.44	117,720.48	1,323,286.11	2,258,904.45	0.00	0.00	108,732.31	33,718,549.16
INVESTMENTS IN PROPERTY	552,466.30	0.00	0.00	-337.11	0.00	0.00	1,273.83	550,855.36
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	18,435,712.21	3,806,073.98	-5,730.27	0.00	245,205.32	285,416.57	305,569.02	21,399,865.01
VEHICLES	2,895,175.77	144,483.72	0.00	0.00	695,419.17	889.69	35,951.41	2,307,399.21
FURNITURE & OTHER EQUIPMENT	8,773,203.57	854,342.47	178,206.86	0.00	160,549.58	2,338.93	15,226.30	9,627,638.08
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	315,769.43	2,385,930.52	-1,662,583.74	0.00	0.00	0.00	7,168.31	1,031,947.90
INTANGIBLE ASSETS	39,789,463.14	1,043,741.72	166,821.04	0.00	17,019.47	0.00	166,516.29	40,816,490.14
TOTAL	**107,457,042.38**	**8,352,292.89**	**0.00**	**1,925,611.20**	**1,118,193.55**	**288,645.19**	**659,179.37**	**115,668,928.35**

	DEPRECIATIONS 31/12/2015	DEPRECIATIONS FOR THE PERIOD	REVALUATION	DEPRECIATIONS OF REDUCTIONS	DEPRECIATIONS OF WRITE-OFFS	FOREIGN EXCHANGE DIFFERENCES	DEPRECIATIONS 31/12/2016	NET BOOK VALUE AS AT 31/12/2016
LAND-FIELDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,216,183.50
BUILDINGS, BUILDING FACILITIES AND TECHNICAL PROJECTS	12,149,997.34	1,076,504.92	939,620.09	0.00	0.00	27,043.66	14,139,078.68	19,579,470.48
INVESTMENTS IN PROPERTY	13,513.58	0.00	0.00	0.00	0.00	0.00	13,513.58	537,341.78
MACHINERY, TECHNICAL INSTALLATIONS & OTHER EQUIPMENT	12,189,659.56	1,338,258.85	0.00	165,430.26	214,191.13	157,605.84	12,990,691.19	8,409,173.82
VEHICLES	2,001,728.89	240,382.73	0.00	551,440.28	286.68	22,900.29	1,667,484.37	639,914.83
FURNITURE & OTHER EQUIPMENT	6,807,682.63	541,477.65	0.00	160,234.09	1,179.86	12,800.47	7,174,945.85	2,452,692.24
FIXED ASSETS UNDER CONSTRUCTION AND PREPAYMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,031,947.90
INTANGIBLE ASSETS	5,667,421.75	1,197,482.89	0.00	17,019.47	0.00	49,898.51	6,797,986.66	34,018,503.48
TOTAL	**38,830,003.75**	**4,394,107.03**	**939,620.09**	**894,124.11**	**215,657.67**	**270,248.77**	**42,783,700.33**	**72,885,228.02**

4.10.17 Number of Employees

The number of employees for the Group and Company is as follows:

	GROUP		COMPANY	
	01/01-31/12/2016	01/01-31/12/2015	01/01-31/12/2016	01/01-31/12/2015
Regular employees (during the presented date)	1,492	1,414	580	507
Day-wage employees (during the presented date)	159	149	68	71
Total Employees	**1,651**	**1,563**	**648**	**578**

4.10.18 Provisions for post-employment employee benefits

The liability for post employment benefits is presented in the Financial Statements according to IAS 19 and is based on an actuarial study that was carried out based on 31 December 2016.

The calculations of the study were based on the following actuarial assumptions:

a. Average annual long-term inflation rate: 2%

b. Annual Increase of Wages: 1.3%

c. Discount rate: According to guidance of IAS 19, the discount rate for the calculation of present values, and the investment of reserves must be defined prudently. In our case, this rate was set at 4.17%, in nominal terms.

d. Employee mobility: We assumed that no dismissals will occur and all employees will receive indemnity during their retirement.

e. Retirement ages and condition: According to the statutory provisions of the Main Social Insurance fund of each employee.

f. Indemnities: In application of the legal provisions of Law 4093/2012.

g. Assets for the indemnity of Law 2112/20: zero (0)

The expense for the provision for staff retirement indemnities that was recognized in the results, is as follows:

	GROUP		COMPANY	
	31/12/2016	***31/12/2015***	***31/12/2016***	***31/12/2015***
Current Employment Service Cost	142,016.96	78,602.00	86,716.00	78,602.00
Financial cost	69,115.90	36,556.16	40,612.67	36,556.16
Actuarial Losses (Profit)	-8,371.72	-18,849.16	-8,371.72	-18,849.16
Total	**202,761.14**	**96,309.00**	**118,956.95**	**96,309.00**
Further Payments	-16,552.95	-36,288.00	-16,552.95	-36,288.00
Retirement expenses	**186,208.19**	**60,021.00**	**102,404.00**	**60,021.00**
Balance of Liability at beginning of period	**973,925.00**	**913,904.00**	**973,925.00**	**913,904.00**
Retirement expenses	186,208.19	60,021.00	102,404.00	60,021.00
Reductions due to discontinued activities	0.00	0.00	0.00	0.00
Closing Balances	**1,160,133.19**	**973,925.00**	**1,076,329.00**	**973,925.00**

4.10.19 Discontinued Activities

The Discontinued Activities which are depicted in the Statement of Comprehensive Income and the Cash Flow Statement of the Company and the Group concern the following:

Fiscal Year 2015

The discontinued activities of 2015 present the impact from the liquidation of SARANTIS ANADOL S.A., 100% subsidiary of GR. SARANTIS S.A., which was completed within the fourth quarter of 2015.

Fiscal Year 2016

The discontinued activities of 2016 include 5.23 mil. Euros in total, out of which 2.4 mil. euro refer to provisions from doubtful debt from Marinopoulos S.A., and 2.83 mil. euros refer to impairment from financial assets.

4.10.20 Legal Cases

There are no pending or under arbitration legal cases and decisions by judicial or arbitration bodies which may significantly affect the financial statements of the Group and the Company, apart from the case of Marinopoulos S.A., where the Company has a claim of 2.4 million euros.

4.10.21 Contingent Liabilities

The company εταιρεία POLIPAK SP.Z.O.O. is under an administrative procedure by the Energy Regulatory Office (ERO), for breaching the limits imposed on commercial entities on energy usage between August 10, 2015 and August 31, 2015. According to the Energy Law of 10.10.1997, the President of the Energy Regulatory office may impose a penalty. At this moment the penalty is not possible to estimate, while ERO has postponed the decision till June 2017.

It is noted that POLIPAK SP.Z.O.O. was acquired by Sarantis Group in December of 2015.

4.10.22 Events after the Balance Sheet Date

GR. SARANTIS CYPRUS LTD, subsidiary of GR. SARANTIS S.A., proceeded on March 6th, 2017, with the sale of its participation, of 50%, in the company under the name “THRACE SARANTIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME” with the distinctive title “THRACE SARANTIS S.A.” for a total consideration of one million (1,000,000) euro. Following the above transaction, “GR. SARANTIS S.A.” has no other participation in the company “THRACE SARANTIS S.A.”. The above sale is not expected to significantly affect the financial results of the Group.

4.10.23 Intra-Group Transactions

Period : 01/01-31/12/2015

SALES / PURCHASES & OTHER INCOME / EXPENSES	GR. SARANTIS S.A.	SARANTIS BANJA LUKA D.O.O.	ASTRID TM A.S.	SARANTIS ROMANIA S.A.	SARANTIS BULGARIA LTD	SARANTIS BELGRADE D.O.O	SARANTIS SKOPJE D.O.O	SARANTIS POLSKA S.A	SARANTIS CZECH REPUBLIC sro	SARANTIS HUNGARY Kft.	GR SARANTIS CYPRUS LTD	ARPINA S.A.	SARANTIS PORTUGAL	Grand Total
GR. SARANTIS S.A.		2,508.16		4,490,039.37	1,755,761.75	1,798,959.91	505,248.76	6,282,138.37	2,165,110.24	913,462.02		2,026,211.96	814,281.02	**20,753,721.56**
SARANTIS ROMANIA S.A.	43,934.90	1,719.59			14,800.76	23,199.98	1,580.03	4,997.10	25,480.25	565.87				**116,278.48**
GR SARANTIS CYPRUS LTD			30,167.12			79,500.00			41,466.44	40,200.00			3,406.03	**194,739.59**
SARANTIS SKOPJE D.O.O	3,245.49	1,478.04				23,783.89					145,446.58			**173,954.00**
SARANTIS BANJA LUKA D.O.O.						7,852.69								**7,852.69**
SARANTIS BULGARIA LTD	221,763.89			15,193.68				4,408.94	4,915.82					**246,282.32**
SARANTIS CZECH REPUBLIC sro	1,676.76			620.09	1,929.51	978.53		39,936.78		2,733.69				**47,875.35**
SARANTIS BELGRADE D.O.O	504,997.35	590,590.09		355,047.25	62,569.85		719,199.03	135,222.82	31,918.51	55,911.72			17,312.76	**2,472,769.38**
SARANTIS POLSKA S.A.	852,863.99			1,609,602.08	513,349.52	2,013,648.79			933,400.53	1,631,836.90			54,074.72	**7,608,776.52**
THRACE-SARANTIS S.A	1,108,256.86													**1,108,256.86**
SARANTIS HUNGARY Kft.	51,273.17					3,488.10		250,461.87	11,668.88					**316,892.03**
WALDECK LTD	161.20													**161.20**
SAREAST CONSUMER PRODUCTS TRADING LTD	22,059.70													**22,059.70**
ARPINA S.A.	869,429.60													**869,429.60**
ASTRID TM A.S.									1,425,722.49					**1,425,722.49**
TOTAL	**3,679,662.90**	**596,295.88**	**30,167.12**	**6,470,502.47**	**2,348,411.39**	**3,951,411.89**	**1,226,027.82**	**6,717,165.88**	**4,639,683.17**	**2,644,710.19**	**145,446.58**	**2,026,211.96**	**889,074.53**	**35,364,771.77**

Period : 01/01-31/12/2016

SALES / PURCHASES & OTHER INCOME / EXPENSES	GR. SARANTIS S.A.	SARANTIS BANJA LUKA D.O.O.	SARANTIS ROMANIA S.A	SARANTIS BULGARIA L.T.D	SARANTIS BELGRADE D.O.O	SARANTIS SKOPJE D.O.O	POLIPAK SP.Z.O.O.	SARANTIS POLSKA S.A	SARANTIS CZECH REPUBLIC sro	SARANTIS HUNGARY Kft.	ARPINA S.A.	SARANTIS PORTUGAL LDA	Grand Total
GR. SARANTIS S.A.		3,088.34	4,840,568.13	1,661,603.52	2,147,503.26	536,284.70		6,436,607.81	3,817,100.28	1,022,637.31	-1,568.41	456,852.79	**20,920,677.73**
SARANTIS ROMANIA S.A	90,078.87			9,818.82	9,784.56	3,420.36		24,862.55	4,343.16				**142,308.33**
GR SARANTIS CYPRUS LTD			2,849.32		79,500.00					40,200.00			**122,549.32**
SARANTIS SKOPJE D.O.O			130,179.02		15,473.17								**145,652.19**
SARANTIS BANJA LUKA D.O.O.					6,235.32	823.84							**7,059.16**
SARANTIS BULGARIA L.T.D	402,964.65	4,313.49	12,139.58		2,875.66			1,585.45					**423,878.83**
SARANTIS CZECH REPUBLIC sro	12,875.36		21,785.66	1,249.19	16,464.53			96,498.65		4,838.34			**153,711.73**
SARANTIS BELGRADE D.O.O	137,428.80	468,841.51	145,440.92	32,524.32		987,624.41		38,248.64	3,158.19	20,213.18		7,229.69	**1,840,709.67**
SARANTIS POLSKA S.A	488,319.80		1,943,954.62	569,077.49	2,231,406.36		52,306.27		1,239,145.51	2,012,430.12		65,390.31	**8,602,030.50**
THRACE-SARANTIS S.A	144,219.26												**144,219.26**
SARANTIS HUNGARY Kft.	40,822.49				9,883.72			5,634.68					**56,340.88**
SAREAST CONSUMER PRODUCTS TRADING LTD	22,120.13												**22,120.13**
ASTRID TM A.S.									264,170.18				**264,170.18**
POLIPAK SP.Z.O.O.	2,101,722.11							4,306,209.79	502,122.16	123,150.69			**7,033,204.75**
TOTAL	**3,440,551.48**	**476,243.34**	**7,096,917.25**	**2,274,273.35**	**4,519,126.58**	**1,528,153.31**	**52,306.27**	**10,909,647.57**	**5,830,039.47**	**3,223,469.64**	**-1,568.41**	**529,472.79**	**39,878,632.64**

Period : 01/01-31/12/2015

RECEIVABLES / LIABILITIES	GR. SARANTIS S.A.	SARANTIS BANJA LUKA D.O.O.	ASTRID TM A.S.	ZETAFIN LTD	ZETA COSMETICS LTD	SAREAST LTD	WALDECK LTD	SARANTIS BELGRADE D.O.O	SARANTIS BULGARIA L.T.D	SARANTIS SKOPJE D.O.O	SARANTIS ROMANIA S.A	SARANTIS CZECH REPUBLIC sro	SARANTIS POLSKA S.A	GR SARANTIS CYPRUS LTD	ELODE FRANCE SARL	POLIPAK SP.Z.O.O.	SARANTIS HUNGARY Kft.	SARANTIS PORTUGAL LDA	THRACE-SARANTIS S.A	ARPINA S.A.	TOTAL
GR. SARANTIS S.A.									90,951.99		657,725.79	694,556.64	1,148,547.54		9,058.97	178,449.64	947,537.30	1,370,998.28			**5,097,826.15**
SARANTIS BANJA LUKA D.O.O.								3,940.35													**3,940.35**
THRACE-SARANTIS S.A	154,355.33																				**154,355.33**
ZETAFIN LTD							6,394.92														**6,394.92**
SARANTIS POLSKA S.A	199,465.90								97,286.64		410,629.53	136,921.37					522,045.74	26,363.68			**1,392,712.86**
SARANTIS CZECH REPUBLIC sro			11,691.79					987.66													**12,679.45**
SARANTIS BELGRADE D.O.O	826,103.84	767,442.23							10,491.22		135,887.74		972,518.00				7,734.87				**2,720,177.90**
SARANTIS ROMANIA S.A	9,612.37							3,662.46		1,589.50			235.23								**15,099.56**
SARANTIS BULGARIA LTD	78,993.68										18,736.32										**97,730.00**
SAREAST CONSUMER PRODUCTS TRADING LTD	507,380.07																				**507,380.07**
WALDECK L.T.D	697.77																				**697.77**
GR SARANTIS CYPRUS LTD							3,143.08	79,500.00									40,200.00				**122,843.08**
POLIPAK SP.Z.O.O.	67,310.40											122,434.74	1,365,432.89				33,163.16				**1,588,341.19**
SARANTIS SKOPJE D.O.O	148,125.48	1,476.00						392,973.41													**542,574.89**
ASTRID TM A.S.												265,745.38									**265,745.38**
SARANTIS HUNGARY Kft.	38,228.61												8,217.31								**46,445.92**
ARPINA S.A.	161,165.11																				**161,165.11**
TOTAL	**2,191,438.56**	**768,918.23**	**11,691.79**	**0.00**	**0.00**	**0.00**	**9,538.00**	**481,063.88**	**198,729.85**	**1,589.50**	**1,222,979.38**	**1,219,658.13**	**3,494,950.97**	**0.00**	**9,058.97**	**178,449.64**	**1,550,681.07**	**1,397,361.96**	**0.00**	**0.00**	**12,736,109.94**

Period : 01/01-31/12/2016

RECEIVABLES / LIABILITIES	GR. SARANTIS S.A.	SARANTIS BANJA LUKA D.O.O.	ZETAFIN LTD	ZETA COSMETICS LTD	WALDECK LTD	SARANTIS BELGRADE D.O.O	SARANTIS BULGARIA LTD	SARANTIS ROMANIA S.A	SARANTIS CZECH REPUBLIC sro	SARANTIS POLSKA S.A	ELODE FRANCE SARL	POLIPAK SP.Z.O.O.	SARANTIS HUNGARY Kft.	SARANTIS PORTUGAL LDA	ARPINA S.A.	TOTAL
GR. SARANTIS S.A.							81,292.91	1,763,046.90	787,864.15	680,262.68	12,849.52	104,608.36	349,665.87	1,014,675.40	138,721.61	**4,932,987.40**
THRACE-SARANTIS S.A.	773.32															**773.32**
ZETAFIN LTD					6,394.92											**6,394.92**
SARANTIS POLSKA S.A	199,911.84						158,326.11	346,140.04	66,472.11			3,059,426.59	421,559.09	14,191.38		**4,266,027.16**
SARANTIS CZECH REPUBLIC sro	12,875.80							14,735.28		79,872.93						**107,484.01**
SARANTIS BELGRADE D.O.O	1,243,881.97	67,858.54						32,148.90		382,491.21						**1,726,380.62**
SARANTIS ROMANIA S.A.							-15,982.00		2,676.48							**-13,305.52**
SARANTIS BULGARIA LTD	37,023.31							4,437.00		1,585.45						**43,045.76**
WALDECK LTD	527,985.96															**527,985.96**
GR SARANTIS CYPRUS LTD			5,950.00	8,178.90	8,611.08	79,500.00							40,200.00			**142,439.98**
POLIPAK SP.Z.O.O.	514,239.32								63,896.40	1,040,360.04			12,219.86			**1,630,715.62**
SARANTIS SKOPJE D.O.O	516,564.82					208,388.47										**724,953.29**
ASTRID TM A.S.									282,800.33							**282,800.33**
SARANTIS HUNGARY Kft.	40,059.52					1,529.85				4,826.64						**46,416.01**
TOTAL	**3,093,315.86**	**67,858.54**	**5,950.00**	**8,178.90**	**15,006.00**	**289,418.32**	**223,637.02**	**2,160,508.12**	**1,203,709.47**	**2,189,398.95**	**12,849.52**	**3,164,034.95**	**823,644.82**	**1,028,866.78**	**138,721.61**	**14,425,098.86**

All transactions (income and expenses) cumulatively from the beginning of the financial year as well as the balances of receivables and liabilities of the Company and the Group at the end of the period that have resulted from their transactions with related parties, as such are defined by IAS 24, are as follows:

TABLE OF DISCLOSURE OF RELATED PARTIES		
	Group	***Company***
a) Income	0.00	20,920,677.73
b) Expenses	0.00	3,440,551.48
c) Receivables	0.00	4,932,987.40
d) Liabilities	0.00	3,093,315.86
e) Transactions and remuneration of senior executives and management	1,827,324.11	1,636,994.31
f) Receivables from senior executives and management	0.00	0.00
g) Liabilities towards senior executives and management	0.00	0.00

4.10.24 Business Unit and Geographical Analysis

4.10.24.1 Breakdown by Business Unit

Consolidated Turnover Breakdown

SBU Turnover (€ mil)	***FY '16***	***%***	***FY '15***
Cosmetics	**155.64**	**15.74%**	**134.48**
% of Total	**47.30%**		**48.24%**
Own	102.86	9.01%	94.36
% of SBU	66.09%		70.17%
Distributed	52.78	31.56%	40.12
% of SBU	33.91%		29.83%
Household Products	**117.87**	**3.74%**	**113.61**
% of Total	**35.82%**		**40.76%**
Own	113.67	4.95%	108.31
% of SBU	96.44%		95.33%
Distributed	4.20	-20.82%	5.30
% of SBU	3.56%		4.67%
Private Label	**15.62**	**0.00%**	**0.00**
% of Total	**4.75%**		**0.00%**
Other Sales	**39.90**	**30.08%**	**30.67**
% of Total	**12.13%**		**11.00%**
Health Care Products	10.27	10.96%	9.26
% of SBU	25.75%		30.19%
Selective	29.62	38.34%	21.41
% of SBU	74.25%		69.81%
Total Turnover	**329.02**	**18.03%**	**278.76**

Consolidated EBIT Breakdown*

SBU EBIT (€ mil)		*FY '16*	*%*	*FY '15*
Cosmetics		**9.48**	**15.20%**	**8.23**
	Margin	6.09%		6.12%
	% of EBIT	30.08%		31.61%
Own		7.79	7.77%	7.23
	Margin	7.57%		7.66%
	% of EBIT	24.71%		27.75%
Distributed		1.69	68.70%	1.00
	Margin	3.21%		2.50%
	% of EBIT	5.37%		3.85%
Household Products		**11.33**	**22.60%**	**9.24**
	Margin	9.62%		8.14%
	% of EBIT	35.96%		35.50%
Own		11.27	23.30%	9.14
	Margin	9.91%		8.44%
	% of EBIT	35.74%		35.08%
Distributed		0.07	-37.34%	0.11
	Margin	1.61%		2.03%
	% of EBIT	0.21%		0.41%
Private Label		**0.33**	0.00%	**0.00**
	Margin	2.12%		0.00%
	% of EBIT	1.05%		0.00%
Other Sales		**3.07**	**24.18%**	**2.47**
	Margin	7.68%		8.05%
	% of EBIT	9.72%		9.48%
Health Care Products		**1.13**	6.42%	**1.07**
	Margin	11.03%		11.50%
	% of EBIT	3.60%		4.09%
Selective		**1.93**	37.67%	**1.40**
	Margin	6.52%		6.55%
	% of EBIT	6.13%		5.39%
Income from Associated Companies		**7.31**	**19.82%**	**6.10**
	% of EBIT	23.19%		23.42%
Total EBIT		**31.52**	**21.03%**	**26.04**
	Margin	**9.58%**		**9.34%**

4.10.24.2 Geographical Breakdown

Consolidated Turnover Analysis

Country Turnover (€ mil)	*FY '16*	*%*	*FY '15*
Greece	**119.76**	**16.77%**	**102.56**
% of Total Turnover	**36.40%**		**36.79%**
Poland	63.00	-1.39%	63.89
Poland - Polipak	15.62		
Romania	56.30	24.89%	45.08
Bulgaria	14.48	11.26%	13.01
Serbia	16.85	4.33%	16.15
Czech Republic	21.62	12.56%	19.21
Hungary	11.88	5.82%	11.22
FYROM	4.09	33.81%	3.06
Bosnia	2.76	22.85%	2.24
Portugal	2.67	14.27%	2.34
Foreign Countries Subtotal	**209.26**	**18.76%**	**176.20**
% of Total Turnover	**63.60%**		**63.21%**
Total Turnover	**329.02**	**18.03%**	**278.76**

Consolidated EBIT Breakdown*

Country EBIT (€ mil)	*FY '16*	*%*	*FY '15*
Greece	**18.68**	**20.07%**	**15.56**
% of Total Ebit	**59.28%**		**59.75%**
Poland	3.17	11.17%	2.85
Poland-Polipak	0.33	0.00%	0.00
Romania	4.06	14.79%	3.54
Bulgaria	1.68	37.11%	1.23
Serbia	1.62	1.60%	1.60
Czech Republic	1.32	19.44%	1.11
Hungary	0.14	213.34%	-0.12
FYROM	0.65	31.64%	0.50
Bosnia	-0.07	38.41%	-0.11
Portugal	-0.07	24.28%	-0.09
Foreign Countries Subtotal	**12.84**	**22.45%**	**10.48**
% of Total Ebit	**40.72%**		**40.25%**
Total EBIT	**31.52**	**21.03%**	**26.04**

*Note

Comparable financial figures- Explanations given in the paragraph "Alternative Performance Measures"

Marousi, 16 March 2017

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN	THE FINANCIAL DIRECTOR & BOARD MEMBER	THE HEAD ACCOUNTANT
GRIGORIS SARANTIS	**KYRIAKOS SARANTIS**	**KONSTANTINOS ROZAKEAS**	**VASILIOS D. MEINTANIS**
ID No. X 080619/03	ID No. AI 597050/2010	ID No. AK 783631/13	ID No. AB 656347/06