



## **Announcement**

**Agios Stefanos, Thursday 15 November 2018**

The company under the trade name "FOLLI-FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE ANONYME", under the distinctive title "FF GROUP" (hereinafter the "Company"), provides the following update to the market.

### Highlights

- The employees of the Company jointly with the Company, have filed an application for the granting of protective measures pursuant to article 106 a par. 6 of Law 3558/2007, with strong support of over 50% of the Company's unsecured creditors
- Interim protection, in case provided, will grant the Company's Board with the necessary timeframe to agree a restructuring plan that puts the company on secure financial footing for the future
- Ongoing discussions with investors and creditors are taking place regarding a potential investment in the Company
- Significant actions have already been taken and continue being implemented to strengthen the procedures and the implementation framework of good corporate governance rules
- The Company's Board of Directors has authorised and established a Steering Committee to oversee the development of the implementation of the Company's restructuring plan.

Yesterday, November 14<sup>th</sup>, 2018, an application for the granting of protective measures under Article 106a of Law 3588/2007 was filed with the Athens Single Member Court of First Instance by approx. 400 employees jointly with the Company. A provisional order hearing regarding said application was held today, Thursday, November 15<sup>th</sup>, 2018. The application for the granting of protective measures was submitted in order to secure the timeframe needed to finalize the terms of the Company's restructuring plan, aiming to ensure its long-term sustainability in all business sectors. With the primary aim to ensure that the requested protective measures are granted, the Company received and submitted before the Court written support of over 50% of its unsecured creditors, including the Swiss Bondholder Trustee, the Schuldschein Holders and the Ad Hoc Committee of the Exchangeable Euronotes Holders.

The Company will provide an update to the investors regarding the Court's ruling in due course.

This interim protection is of great importance both for the Company and for all the financial stakeholders, as it will provide the Company with a stable platform and sufficient time for the finalization of its restructuring. In this way, the Company will mitigate the direct risk of a large number of job losses in Greece and abroad, and maximise value for its financial stakeholders.

In addition, the Company announces that its management is in the process of producing a revised business plan with the assistance of Deloitte, for the total restructuring of its operations, as well as for the protection of its shareholders, investors, creditors, as well as employees and partners.

Any new investment will need to be made in terms which are acceptable to the requisite majorities of the Company's stakeholders. Thus, the Company is seeking to expedite negotiations with its creditors and potential investors on the terms of its restructuring plan, so that such plan gains sufficient support from its stakeholders in order to be eligible for judicial ratification under the provisions relating to rehabilitation.

Significant progress has recently been made in this respect, following also the aforementioned support from over 50% of the Company's unsecured creditors. At the same time, the Company continues to cooperate with the Hellenic Capital Markets Commission in relation to the re-establishment of audited accounts for the Company and Group, on which a further update will be made as appropriate.

Furthermore, and as previously announced by the Company on 30/10/2018, the Company has already taken a number of steps to strengthen the procedures and the implementation framework of corporate governance rules and the future stability of the business.

These steps include:

- The election of a new Board of Directors, with experienced and competent members, the majority of which are independent and non-Executive.
- The appointment of a new President of the Board.
- The election of a new Audit Committee.
- The appointment of a Deputy CEO.
- The appointment of a new Chief Operating Officer and new Chief Financial Officer in Asia.

Additionally, the Company's Board of Directors has authorised and established a Steering Committee to oversee the progress of the Company's rehabilitation plan.

The Company's Board of Directors expects that, with the establishment of the Steering Committee and delegation of new authorities, the Board will be able to interact more

effectively with its creditors in order to achieve an early filing of the aforementioned rehabilitation agreement for ratification by the Court. The Company's Board of Directors will also invite proposals from other interested parties with the intention of maximising value for all stakeholders.

The Company is advised by Deloitte, Norton Rose Fulbright, iDeaLaw, Serafim Sotiriades & Associates Law Firm and Michail Poulitsas Law Office.

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

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