

The company “Folli Follie Commercial Manufacturing and Technical Société Anonyme” announces the following:

A. RE-COMPOSITION OF THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE

During yesterday’s meeting of the Board of Directors it was resolved that Mrs. Vassiliki Anagnostopoulou be elected to substitute the resigned member, Mr. Michael Tsibris, for the remaining term of the Board of Directors.

Following the above, the Board of Directors of the Company, has been re-composed as follows:

1. DIMITRIOS KOUTSOLIOUTSOS - President, executive member
2. EKATERINI KOUTSOLIOUTSOU - Vice-President, executive member
3. GEORGE KOUTSOLIOUTSOS - Chief Executive Officer, executive member
4. EMMANOUIL ZACHARIOU - executive member
5. IRINI NIOTI - executive member
6. ZHANG HAOLEI - non-executive member
7. NICOLAOS KANELLOPOULOS - non-executive member
8. GEORGIOS KYRIAKOS - non-executive member
9. PANAYIOTIS ALEXAKIS - non-executive member
10. ILIAS PENTAZOS - non-executive member
11. VASSILIKI ANAGNOSTOPOULOU - executive member

Furthermore, following Mr. Tsibris’ resignation from the Audit Committee, Mr. Kanellopoulos was appointed as a new member of the Committee, for its remaining term.

Thereafter, the new Audit Committee of the Company shall comprise of the following Non-Executive members:

1. PANAYIOTIS ALEXAKIS (President of the Committee, independent non-executive member)
2. ILIAS PENTAZOS (Member of the Committee, independent non-executive member)
3. NICOLAOS KANELLOPOULOS (Member of the Committee, non-executive member)

B. DELIVERY OF ALVAREZ & MARSAL’S REPORT

During the Board of Directors’ meeting, which took place yesterday afternoon, the report of the advisory company, Alvarez & Marsal, which refers to the results of the audits conducted for the companies of the FFG group in Asia (APAC), was presented to the members of the Board. As announced by the company, Alvarez & Marsal conducted an investigation for the Financial Year 2017. The report of A&M with the title **“Preliminary Restatement Findings with respect to the FF ASIA GROUP consolidated financial statements for fiscal year 2017”** refers to the financial data for the year 2017, while the forensic report is expected to be delivered soon.

It is noted that the financial data delivered by A&M are not final and comprise the intermediary stage for the full audit of the financial statements of the group by a reputable auditing firm, which will demonstrate the actual position of FFG’s group for the financial year 2017. The main changes pointed out by A&M on the basic entries of FFG Sourcing in USD are the following:

Main Account	FS 2017	Alvarez & Marsal
Inventories	581,681,095	33,873,632
Trade Receivables	718,957,460	99,125,013
Other Receivable, Deposit & prepayment	310,742,476	7,568,415
Bank & cash balances	296,771,278	6,400,473
Trade & other payables	144,561,043	260,932,940
Revenue	1,112,348,021	116,847,155
Cost of sales	614,207,787	33,234,017
Profits	316,444,076	(44,702,304)

Retained earnings and other reserves	1,831,930,169	(-180,638,116)
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It is evident that these data, provided they are finalized by an auditor, modify significantly the group's position in relation to those presented in the published financial statements for 2017 (on 26 April 2018), regarding which the auditor has revoked his certificate (on 16 July 2018).

According to Alvarez & Marsal's findings, no embezzlement of money or other misappropriation of Company's assets has been ascertained.

The Board of Directors, after discussing the above results, has unanimously agreed that the basic objective remains the viable operation of the FFG group and to this end the following are already being implemented and progress:

1. Presentation of the actual position of the group at a financial and operational level.
2. Operational restructuring, rationalization in terms of efficiency and costs and a unified operation of the group.
3. Financial restructuring of the group for the purpose of the immediate collection of the financial information from all subsidiaries.
4. Development of a strategic road-map and drafting of a five-year business plan towards this direction.
5. Establishment of corporate governance with emphasis in the reinforcement of an environment of control in the parent company and within the group and reinforcement of the units of internal control, regulatory compliance and risk management of the group.

The following were also resolved:

1. The substitution of the Boards of Directors and the management of specific companies in Asia (APAC). The support of the financial function in the central offices in Hong Kong has been already supported by an experienced officer appointed through Deloitte.

2. Changes to the Board of Directors of FFG, appointment of an Authorized Director and Chief Financial Officer with the restructuring of the group being their immediate priority.
3. The investigation from every aspect of the findings of A&M as regards the factors that lead to the discrepancies of the financial statements 2017 of the Asian companies and the group and the exercise of all the appropriate legal remedies against any person responsible.

C. DELIVERY OF THE ALVAREZ & MARSAL REPORT TO THE SUPERVISING AUTHORITIES

Following a relevant request by the Hellenic Capital Markets Commission, the above report of Alvarez & Marsal was filed today with the supervising authority, with the remark that the content thereof includes non-final information, which is subject to the final audit by an international reputable auditing firm.

D. RESIGNATION OF THE INTERNATIONAL FINANCIAL FIRM ROTHSCHILD

The Company confirms that the international financial firm Rothschild submitted its resignation on 24.9.2018. At this stage, the Company's task force, which has undertaken the restructuring of the Company is sufficiently staffed and continues its contacts with potential investors and its creditors, while at the same time it is engaged in discussions for the engagement of a new financial advisor.

E. DELIVERY OF THE COMPANY'S NEW BUSINESS RESTRUCTURING PLAN

Further to the Company's previous announcement, Deloitte Business Solutions S.A. (**Deloitte**) continues to assist the Company in its production of short and medium-term liquidity forecasts and in the development of its latest business restructuring plan. The results of this work are expected to be completed by early October 2018. In order to

complete the aforementioned plan and specifically the Asian operations, a team comprising of Deloitte and the CRO is currently working in Hong Kong.

E. SHARES IN DUFRY AG

The Company refers to the stock purchase agreement dated 11 December 2013 (**S.P.A.**) between the Company and Dufry AG, pursuant to which the Company sold its remaining 49% equity stake in Hellenic Duty Free. As the Company reported in its announcement of 12 December 2013, the consideration received by the Company for the transfer was EUR 328m, which was paid by Dufry AG through a combination of cash and newly issued shares in Dufry AG (the Dufry Shares). The Company received 1,231,233 Dufry Shares as part of the transaction. The Company has since sold 426,505 Dufry Shares for cash consideration. The balance of the Dufry Shares held by the Company at the date of this announcement (being 804,728 shares), remain subject to contractual restrictions contained in the stock purchase agreement and other transaction documents. The Company is initiating mediation and arbitration proceedings for the release of 603,543 additional Dufry Shares which should have been already released, in accordance with the S.P.A.

F. LIQUIDITY POSITION

As widely reported, the Company is seeking to manage an increasingly difficult operating environment. These conditions have had a direct, and negative, impact on the Company's available liquidity headroom, which has been put under particular pressure by increased working capital requirements for merchandise payments. The Company recognises that the short and medium term outlook remains challenging

In response to these events, the Company and its CRO have been working with Deloitte to implement a number of cash conservation measures. These measures are already helping to mitigate the current pressures on the Company's liquidity. Furthermore, the Company is exploring a number of additional options to alleviate the current position, to the extent that such actions are permissible within the terms of the Provisional Order of the Court. Any actions taken in this respect will be taken carefully, with due regard

to protecting value for all creditors, and in light of the strategic thinking which is underpinning the formulation of the Company's restructuring plan.

In connection with this, the Company has approached, and is in preliminary discussions with, potential providers of new money in the near term. The Company is also in the process of commencing discussions with its creditors to consider other means by which the Company's liquidity position might be improved, and to discuss the potential terms of an operational and financial restructuring that will secure the long term viability of the Group.

G. RESIGNATION OF DIMITRIOS AND EKATERINI KOUTSOLIOUTSOU.

After the end of the meeting of the Board of Directors and the above resolutions, Messrs. Dimitrios Koutsolioutsos and Aikaterini Koutsolioutsou submitted their resignation, proposing their immediate substitution by new members with recognized repute, who will support the Company's effort for its radical reorganization through the adoption of a new model of corporate governance, which will secure the long-term viability of the Company in all its business sectors.

Following the above, the radical reorganization of the Board of Directors, which will undertake the implementation of the restructuring plan, is expected within the next days.

The outgoing President and founder of the Company, Mr. Dimitrios Koutsolioutsos, has stated the following: It is with profound grief and during the current crisis for our Company, which I have founded and served for 30 years, starting a small vendor and manufacturer of jewelry, that I resign today from my position as President of the Board of Directors. I have asked my wife, with whom I served the Company all these years, to do the same. Unfortunately, it has not been possible to successfully control the business of the Asian group of companies under my responsibility, which led to the present unpleasant condition in the group's finances. However, I have every confidence in my son, George Koutsolioutsos, who is successfully managing the crisis with the assistance of the other members of the Boards of Directors and his renowned team and I affirm that I will assist them in their difficult task with anything deemed necessary.

Market Abuse Regulation

This announcement is released by Folli Follie Commercial Manufacturing and Technical Société Anonyme and 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.