SARANTIS

Great brands for everyday

ANNUAL FINANCIAL STATEMENT OF SARANTIS BULGARIA LTD FOR THE YEAR 2015

Great brands for everyday

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ANNUAL REPORT OF BULGARIA Ltd Sarantis.

For the Year ended 31.12.2015

This report of Sarantis Bulgaria Ltd refers to the financial period from 01.01.2015 to 31.12.2015 and is in accordance with Art. 33 of the Act of Accounting and Art. 247 of the Commercial Code.

1. Company Info:

"Sarantis Bulgaria" Ltd. is a sole-owner limited liability company registered in the Registrar of Trading companies of the City Court in a judgment of 05.07.1994 years in act 13376 / in Volume 223, p.92, lot 17912.

The owner of the company is a legal entity "GR. SARANTIS CYPRUS" LIMITED - CYPRUS.

Headquarters and registered office of the company is Sofia, Botevgradsko shose 247, 4th floor.

The main activity of the company includes: sales and distribution activities of perfume and cosmetics products, with household goods and such for face care, body and personal hygiene products.

2. Financial position.

2.1. Summarized financial information of the annual financial statements as of 31/12/2015

	2015	2014
• Sales revenue	26 592 thousand BGN;	23 756 thousand BGN;
• Gross profit before taxation	3 226 thousand BGN;	3 288 thousand BGN;
• Net profit for the period	2 902 thousand BGN;	2 960 thousand BGN;
• Sum of Assets	13 448 thousand BGN;	11 896 thousand BGN;
• Share capital	4 756 thousand BGN.	4 756 thousand BGN.

The total as of 31.12.2015 of the non-current assets of the company is 738 thousand BGN, including equipment, vehicles and other tangible assets, and intangible assets of 662 thousand BGN, and deferred tax assets in the amount of 76 thousand BGN. The Company does not own any real property and buildings and primarily uses buildings and warehouse spaces on rent.

2.2. Basic financial ratios of the company

Ratios	2015	2014
Net Profit Margin (%)	10.91	12.46
Return of Equity (%)	37.89	38.36
Return on Assets (%)	21.62	24.93
Current Ratio	2.20	2.66
Quick Ratio	1.74	1.98
Cash Ratio	0.30	0.12
Debt to Equity	0.76	0.54
Inventory turnover (days)	44.56	49.37
Days Sales Outstanding (days)	90.73	95.95

2.3. Financial instruments and financial risk exposures:

In the reporting 2015 Sarantis Bulgaria Ltd has not used for its business banking and bond loans, also has not received external subsidies and funding for their projects and does not hold in possession securities.

Sarantis Bulgaria Ltd mainly distributes its goods in the internal market and generates revenue in BGN. Suppliers of the company are mainly from countries of the European Union, generating liabilities in euro. Another Part is from Switzerland and China and it generates obligations in Swiss francs and Unite States dollars. Concerning the obligations in euro, the currency risk is minimal because the BGN is attached to the EUR, and the risk from obligations in Swiss francs and United

States dollars - the exchange rate differences are negligible. In order to reduce further this risk, the company renegotiated in the beginning of 2015 part of the contracts, which triggered liabilities in Swis Francs and they are now in EUR.

Cash flows generated in 2015 were enough in volume not only to finance current operations, but also for the payment of dividends.

The credit risk of the company in 2015 comes mainly from receivables from customers, where the exposure to this risk is due to the individual characteristics of each customer. This exposure depends mostly on the condition of intercompany indebtedness on the domestic market, which the company operates.

The Company has no pending lawsuits, brought claims for opening and insolvency proceedings and judgments, therefore requests for winding up and Liquidation announcement. There are no pending administrative or arbitration proceedings and decisions in the event of a merger, acquisition or restructuring.

3. Managing the equity:

3.1. Amount of Registered capital and changes:

In the reporting 2015 there was no change in the amount of registered capital.

3.2. Structure of the company (branch offices, subsidiaries), related parties:

The Company has no direct or indirect interest in another company.

During 2015 the company operates through offices and warehouse sites in Sofia, Varna, Plovdiv and Pleven. In order to optimize further its expenses, from March 2015 the company closed the warehouse in Varna and moved the entire operations to the main warehouse in Sofia.

In 2015 carrying loans to related parties were not been assigned.

3.3. Policy of the company:

Maintaining a strong capital base is the main policy of the company for to be able to provide for the development of the company in the future.
For the reporting 2015 the company is not subject to specific capital requirements imposed by contract or regulatory framework.

4. Important events after the date of the financial statements:

After the date of the annual report and financial statements of the company there were no significant events that should be disclosed.

5. Forecast for the future development of the company:

Sarantis Bulgaria Ltd is planning development of its existing activities, despite the negative economic situation in the country. The company expects a slow recovery in the sector of fast moving consumer goods in which it will continue to operate within the next year.

6. Actions on Research & Development activities:

During the year the company has not carried out research and development activities.

7. Liability of the Management:

Under the Bulgarian law the management has to prepare a report on the activities and financial statements for each financial year which has to give a true and fair view of the financial position of the company at the end of the year, its financial performance and cash flows in accordance with applicable accounting framework. The company is applying for the Purpose of reporting the International Financial Reporting Standards (IFRS), applicable in the European Union.
Management confirms that it has acted in accordance with their responsibility and the financial statements for 2015 have been prepared in accordance with International Financial Reporting Standards adopted by the European Union.
The management also confirms that in the preparation of this report it has presented in a true and fair manner the development and results of the company for the past period as well as its state and the main facing risks.

Sofia
21.01.2016

General Manager:
/ Deana Stefanova /

ANNUAL FINANCIAL STATEMENTS
OF
"SARANTIS BULGARIA" Ltd.

for the period from 1 January to 31 December 2015 year

STATEMENT OF FINANCIAL POSITION OF SARANTIS BULGARIA LTD. AS OF DECEMBER 31, 2015

	31/12/2015	31/12/2014
	('000 BGN)	('000 BGN)
ASSETS		
NON-CURRENT ASSETS		
Equipment, transportation means and other assets	86	97
Intangible assets	576	620
Deferred tax asstes	76	53
TOTAL NON-CURRENT ASSETS	738	770
CURRENT ASSETS		
Inventories	2 636	2 844
Trade and other receivables	8 314	7 783
Cash	1 760	499
TOTAL CURRENT ASSETS	12 710	11 126
TOTAL ASSETS	13 448	11 896
EQUITY		
Authorised capital	4 756	4 756
Reserves	1	1
Profit carried forward	2 902	2 960
TOTAL EQUITY	7 659	7 717
LIABILITIES		
SHORT-TERM LIABILITIES		
Trade and other liabilities	5 251	3 707
Net current tax liabilities	428	352
Provisions	110	120
TOTAL SHORT-TERM LIABILITIES	5 789	4 179
TOTAL EQUITY AND LIABILITIES	13 448	11 896

"САРАНТИС БЪЛГАРИЯ" ЕООД София

Prepared by: (Diana Dishkova)

General Manager: (Deana Stefanova)

Date: 21/01/2016

The Statement of financial position should be read in conjunction with the notes to and forming part of the Annual financial statements.

16/2/2016
Auditor's signature:

0348 Красимир Димов Регистриран одитор

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF SARANTIS BULGARIA LTD. FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015

	2015 ('000 BGN)	2014 ('000 BGN)
Revenue	26 592	23 756
Cost of sales	(13 251)	(11 629)
Work performed by the entity and capitalised		123
Expenses for materials	(869)	(825)
Expenses for external services	(6 629)	(6 155)
Expenses for personnel	(2 125)	(2 154)
Depreciation/amortisation expenses	(74)	(57)
Other operating income	184	496
Other operating expenses	(554)	(257)
Operating profit	3 274	3 298
Net financial income/expenses	(48)	(10)
Profit before taxes	3 226	3 288
Income tax expense	(324)	(328)
Profit for the year after tax	2 902	2 960
Total comprehensive income for the year	2 902	2 960

"САРАНТИС БЪЛГАРИЯ" ЕООД София

Prepared by: (Diana Dishkova)

General Manager: (Deana Stefanova)

Date: 21/01/2016

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to and forming part of the Annual financial statements.

16/2/2016

Auditor's signature:

0348 Красимир Димов Регистриран одитор

STATEMENT OF CHANGES IN EQUITY OF SARANTIS BULGARIA LTD.
AS AT DECEMBER 31, 2015

All amounts are in thousand BGN

	Main capital	Other reserves	Retained profit	Total equity
Balance at 01.01.2014	4 756	1	2 506	7 263
Changes in equity for 2014:				
Net profit for the period			2 960	2 960
Dividend			(2 506)	(2 506)
Balance at 31.12.2014	4 756	1	2 960	7 717
Balance at 01.01.2015	4 756	1	2 960	7 717
Changes in equity for 2015:				
Net profit for the period			2 902	2 902
Dividend			(2 960)	(2 960)
Balance 31.12.2015	4 756	1	2 902	7 659

"САРАНТИС БЪЛГАРИЯ" ЕООД СОФИЯ

Prepared by: (Diana Dishkova)

General Manager: (Deana Stefanova)

Date: 21/01/2016

The Statement of changes of equity should be read in conjunction with the notes to and forming part of the Annual financial statements

16/2/2016
Auditor's signature:

0348 Красимир Пичов Регистриран одитор

CASH FLOWS REPORT OF SARANTIS BULGARIA LTD.
FOR THE PERIOD ENDED ON 31/12/2015

	2015 ('000 BGN)	2014 ('000 BGN)
Cash flows from operating activities		
Cash receipts from customers	26 907	23 572
Cash paid to suppliers	(17 372)	(17 546)
Cash paid to employees and social security institutions	(2 012)	(1 907)
Paid taxes (except income taxes)	(3 345)	(3 119)
Income taxes paid	(348)	(336)
Interest paid	(55)	(31)
Other payments from operating activities	(1)	(2)
Net cash from operating activities	3 774	631
Cash flows from investment activities		
Proceeds from sale of equipment		40
Purchase of property, plant and equipment	(22)	(211)
Interest received	5	16
Net cash from investing activities	(17)	(155)
Cash flows from financing activities		
Dividends paid	(2496)	(499)
Principal payments for reduction of registered capital		
Net cash from financing activities	(2496)	(499)
Net change in cash	1 261	(23)
Cash at beginning of period	499	522
Cash at end of period	1 760	499

САРАНТИС БЪЛГАРИЯ СОФИЯ ЕООД

Prepared by: (Diana Dishkova)

General Manager: (Deana Stefanova)

Date: 21/01/2016

The cash flow statement should be read in conjunction with the notes to and forming part of the Annual financial statements.

16/2/2016

Auditor's signature:

0348 Красимир Димов Регистриран одитор

INDEPENDENT AUDITOR'S REPORT

To the Attention of sole owner of

SARANTIS BULGARIA Ltd.

Report on the Financial Statement

We have audited the accompanying financial statement of SARANTIS BULGARIA Ltd. , which comprise the statement of financial position as at December 31, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to the express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statement.

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 financial statements presents fairly, in all material respects the financial position of SARANTIS BULGARIA Ltd. as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

We confirm that the information presented in the Annual Report of Activities prepared by the Management matches the data contained in the financial statements and is in compliance with the Commercial Law and the Accounting Law of the Republic of Bulgaria.

Auditor's signature: ....

0348 Красимир Димов Регистриран одитор

Krasimir Dimov

Date of the auditor's report: February 16, 2016

Auditor's address: Sofia Bulgaria 1729; Ap 16 En 3 Bl 550 Mladost 1 A

1. Explanatory note to the financial statements:

1.1. Legal Status

"Sarantis Bulgaria" Ltd. is a sole-owner limited liability company registered in the Registrar of Trading companies of the City Court in a judgment of 05.07.1994 years in act 13376 / in Volume 223, p.92, lot 17912.

"Sarantis Bulgaria" Ltd. is a sole-owner limited liability company registered in the Registrar of Trading companies of the City Court in a judgment of 05.07.1994 years in act 13376 / in Volume 223, p.92, lot 17912.

The owner of the company is a legal entity "GR. SARANTIS CYPRUS" LIMITED - CYPRUS.

The parent company and final owner of the group of enterprises, part of which are "GR.SARANTIS CYPRUS" LIMITED-Cyprus and ""Sarantis Bulgaria" Ltd", is GR.SARANTIS S.A. – Greece.

1.2. Scope of activity

The main activity of the company includes: sales and distribution activities of perfume and cosmetics products, household goods and such to face care, body and personal care products.

There was no change to the core activity of the company over the previous fiscal year.

2. Basis of preparation of the financial statements:

2.1. Accordance

The present individual financial statement have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) , as well as interpretations on them, issued by the Committee for interpretations on International Financial Reporting Interpretations Committee (IFRIC) of the IASB adopted by the European Commission.

2.2.1. Basis of preparation

The financial statement has been prepared based on a going concern basis, assuming that the company will continue to operate for the foreseeable future.

The financial statement has been prepared in accordance with the historical cost convention.

The methods used for disclosing fair values are discussed in detail in the notes.

2.2.2. Consistency of presentation

The presentation and classification of the items in the financial statement of the current period is retained from the previous reporting periods.

2.2.3. Form, structure and content of the financial statement.

The company has retained the form, structure and content of the financial statement from the previous reporting periods.

- **Statement of the financial position as at the end of the period**

  Each material group of similar positions is presented separately in the statement of financial position. The assets and liabilities are presented as current and non-current, compensation between assets and liabilities is not allowed.

  Current assets are assets that the company expects to realize, or intends to sell or consume in the normal operational cycle, which doesn't exceed 12 months after the end of the reporting period. Current assets are also receivables and cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

  All other assets are classified as non-current.

  The company classifies a given liability as current when it expects to settle the liability in its normal operating cycle, which doesn't exceed 12 months after the end of the reporting period. Current are also liabilities for which the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The company classifies as part of its equity the following elements:

- Registered capital, comprising of one share with a nominal value of 4 756 210 BGN
- Reserves
- Retained Earnings, comprising of net profit of the current and prior reporting periods

- **Statement of profit or loss and other comprehensive income for the period**

The company does not present separately the statement of profit or loss from the statement presenting the other comprehensive income.

The classification of expense line items recognized in profit or loss and other comprehensive income is based on their nature and not on their function within the entity.

The company presents additional line items, headings and subtotal, when such presentation is relevant to an understanding of its financial performance. The company does not present any items of income or expense as extraordinary items, in the statement presenting profit or loss and other comprehensive income or in the notes.

The company recognizes all items of income and expense in a period in profit or loss unless IFRS requires or permits otherwise.

The company presents separately each material class of similar items.

The company offsets its financial income and expenses (on a net basis) because of that they are immaterial. Despite that in point 4.8 of the notes to the annual financial statement, accurate and correct information is presented regarding their size and nature.

- **Statement of changes in equity for the period**

The company presents separately each material class of similar items in the statement of changes in equity providing reconciliation between the carrying amounts at the beginning of the period and at the end of the period. Separately are disclosed changes resulting from:

- Profit or loss
- Other comprehensive income
- Transactions with owners in their capacity as owners, showing separately contributions from owners and returning these contributions back to the owners; distribution to the owners (dividends paid).

- **Statement of cash flows for the period**

The company reports cash flows from operating activities using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed. The statement of cash flows reports cash flows during the period classified by operating, investing and financing activities.

Operating activity is the main activity of the company that generates income as well as any other activity, which is not classified as investment or financial. Cash flows, arising from taxes on income are disclosed separately and categorized as cash flows from operating activity.

Investing activity are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the company. Cash flows from interest and dividends received and paid are disclosed separately.

The components of cash and cash equivalents are: cash and bank accounts as well as advances to employees. The total of cash in the cash flows report is equal to the sum of cash, presented in the Statement of Financial Position and part of the trade receivables, correlating to the amount of advances to employees.

Investing and financing transactions that do not require the use of cash or cash equivalents are excluded from the statement of cash flows.

2.3. Approval

Financial statements prepared for the year ended 31 December 2015, was approved by Management of the company on 22.01.2016.

2.4. Period

The present financial statement covers the period from 1 January 2015 to 31 December 2015.

2.5. Functional currency and presentation currency

The Financial statements are presented in Bulgarian leva (BGN), which is the functional currency of the Company. The financial information contained in the Annual financial statements is presented in thousand BGN.

2.6. Estimates and Assumptions by the Management

The preparation of the Financial Statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. Although the accounting estimates and assumptions are based on information available to management as of the date of preparation of the financial statements, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed regularly. Changes to accounting estimates are recognized in the period of change, or in the period of change and future periods, when they are affected by them.

The management of the company has complied with all standards and clarifications that are applicable to its operations and are officially adopted for use by the European Union on the date of preparation of these financial statements. In the absence of an IFRS that specifically applies to a transaction, other event or condition, management uses its judgment in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users.

2.7. Others

The annual financial statement of the company is subject to an independent financial audit by a registered auditor. The registered auditor Mr Krasimir Dimov has provided the company with a service only related to the audit of the annual financial statement, for which he has charged a fee amounting to 14 thousand BGN.

3. Significant accounting policies:

Significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Transactions in foreign currencies

The operations of foreign currencies are translated into the functional currency at the official exchange rate applicable at the date of the transaction. Gains and losses from exchange rate differences resulting from the settlement of transactions and such from the translation of monetary items in foreign currencies at the end of the period are recognized in the Statement of profit or loss and other comprehensive income.

3.2 Property, plant and equipment

Property, plant and equipment are valued at its initial acquisition cost. The cost includes the purchase price, including import duties and non-refundable taxes and purchase, as well as any directly attributable costs of the asset to bringing working condition about its intended for use.

When plant and equipment comprises of major components having different useful lives, they are depreciated with different depreciation rate.

Subsequent expenditure relating to specific fixed asset is capitalized in the asset only when they respond to the criteria for acknowledgement, as pointed at IAS 16. All other subsequent expenditure is as an expense recognized in the period in which are they incurred.

Depreciation of non-current tangible assets is calculated in the Statement of profit or loss and other comprehensive income in line "Depreciation/amortisation expenses", using the straight-line method over the expected useful lives of assets as follows:

- machinery and equipment up to 5 years;
- Computers 2-4 years;
- Furniture 6,7 years;
- Other Buildings and equipment up to 25 years.

The company implements a policy of capitalization of assets in the event that their cost is equal to or exceeds the materiality level of 700 BGN.

The company accepts that the remaining value of an asset as of properties, plants and equipments are insignificant if the remaining value is up to 10% from the initial value of acquiring.

At the end of each reporting period the company tests the assets for impairment comparing whether their balance sheet value differs substantially from their fair value, taking into consideration their moral and physical wear.

3.3 Intangible Assets

For intangible assets acquired by the company only expenses are capitalized, which respond to the criteria intangible asset and for acknowledgement, as pointed at IAS 38. From the Licenses for Windows operation system are expected not to increase substantially the future economic benefits of investments and therefore not capitalized. On the applicable accounting criteria these expenses are recognized as incurred.

The company defines as separate comprehensive asset the intangible asset which is ERP system SAP and connected peripheral systems, which are acknowledged in the Statement of finance position.

Subsequent expenditure relating to specific intangible asset is capitalized in the asset only when they respond to the criteria for acknowledgement, as pointed at IAS 38. All other subsequent expenditure is as an expense recognized in the period in which are they incurred.

Depreciation of intangible assets is calculated in the Statement of profit or loss and other comprehensive income in line "Depreciation/amortisation expenses", using the straight-line method over the expected useful lives of assets.

The company implements a policy of capitalization of assets in the event that their cost is equal to or exceeds the materiality level of 700 BGN.

The company accepts that the remaining value of an intangible asset is insignificant if the remaining value is up to 10% from the initial value of acquiring.

At the end of each reporting period the company tests the assets for impairment comparing whether their balance sheet value differs substantially from their fair value, taking into consideration their moral and physical wear.

3.4 Leased Assets

Leasing contracts under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon the initial recognition leased asset are reported on the lower among the fair value and the present value of the minimum lease payments. After initial recognition, the asset is depreciated according to the applicable accounting policy for that asset.

All other leases are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the period of the lease contract. Subsequent costs associated with maintenance and insurance of the leased assets, are reflected in the comprehensive income statement when they originate.

3.5 Inventories

Tangible commodity inventories are stated at the lower among cost and net realizable value and include expenditure incurred in acquiring, processing and other direct costs, associated with delivery to their present location and condition.

At the end of each reporting period, inventories are valued at lower of the cost and net realizable value. The amount of the devaluation of the inventories to their net realizable value as an expense is recognized in the period of devaluation.

Net realizable value represents the estimated selling price for inventories less estimated costs for selling. If inventories have already been written down to net realizable value in a subsequent period and if it appears that conditions leading to its devaluation are no longer present, it is a new net realizable value that is adopted. Amount of the refund may be only to the extent of the balance amount before inventories depreciation.

Inventories at their consumption are written out using the average - weighted value.

On sale of inventories, their balance amount is recognized as an expense in the period in which the related revenue is recognized in line "cost of goods and other assets sold" in the statement of profit or loss and other comprehensive income.

3.6 Financial Assets

As of 31.12.2015 there are no changes in the classification of the financial assets of the company, due to the changes of their balance sheet values (based on the criteria for measurement under IAS 39), coming from a change of subsequent measurement following the replacement of IAS 39 with IFRS 9. The financial assets of the company, before the initial implementation of IFRS 9, were measured at amortized cost. The short-term receivables, along with short-term liabilities, represent financial instruments for the company. Their balance sheet value is reasonably close (approximated) to their fair value. The receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. Trade and other receivables fall into this category of financial instruments.

Upon initial recognition, financial assets are measured at fair are value. Transaction costs that can be directly attributable to the issue or acquisition of financial assets relate to the value of financial assets, except for financial assets reported at fair value through profit or loss.

Writing-off of financial instruments occurs after evaluation by the company for any specific circumstances, including the loss of control over the contractual rights that comprise the financial asset or has transferred a significant portion of the risks and rewards of ownership. Devaluation testing is performed at each date of the statement of financial position in order to determine whether there is objective evidence of impairment of a financial asset.

The method of impairment of receivables remains unchanged to the previous reporting periods. The company applies the method of "impairment, based on a specific base" (not "impairment, based on the portfolio base"). This method consists of individual impairment of the receivables from the individual clients. The impairment is booked to expense account in the respective period and respectively a corrective balance sheet account of receivables, in which there's an analytical line for each client, depending on their ageing. The balance sheet value of the assets is decreased with the amount in the corrective balance sheet account and the criteria for write-off of the amounts from the corrective balance sheet account against the devaluated value of the financial asset are:

- Inability to collect the receivables or part of them due to different reasons;
- Expiry of the legally possible time-limit for payment, after the company has exhausted all possible means to collect the receivables

The amount of the loss from impairment is reported in the statement of profit or loss or other comprehensive income as loss for the period.

The financial assets of the company are not encumbered with weights.

3.7 Cash and Cash equivalents

Cash and cash equivalents consist of cash amounts in cash safes, bank balances and bank deposits, and letters of credit.

3.8 Amounts owed to employees

The company considers short-term compensated absences liabilities arising on the basis of unused annual leave in cases when they are expected to occur within one year after the date of the reporting period in which the employees performed the work, associated with these holidays. Short term dues to the personnel include payables for wages and social security. The company has not developed and has not implemented plans for employee post-employment or other long-term liabilities.

Short-term employee benefits, including legal holidays are included in current liabilities to staff on undiscounted value, expected to be paid to employees in return for their labor for the period.

3.9.1. Capital

The company's equity structure is as follows:

- Registered capital, comprising of one share with a nominal value of 4 756 210 BGN
- Reserves, representing additional capital
- Retained Earnings, comprising of net profit of the current and prior reporting periods

The equity of the company is not subject to externally imposed requirements. The company retains an optimal amount of registered capital, which allows it to do business normally without a need for using external financing. The Retained earnings consist of net profit from the current and prior reporting periods. The trend is that net profit from the previous reporting period is distributed in full amount as dividend payment to the sole shareholder. The dividend distribution is done with a resolution from the sole shareholder after the sole shareholder accepts the annual financial statement report. The amount of the distributed dividend is presented in the statement of changes in equity in line "dividend", and the sum of the paid dividend is presented in the statement of cash flows in section "cash flows from financial activity", line "dividend payments". Non-cash assets are not distributed as dividends.

3.9.2. Financial liabilities

As of 31.12.2015 there are no changes in the classification of the financial liabilities of the company, due to the changes of their balance sheet values (based on the criteria for measurement under IAS 39), coming from a change of subsequent measurement following the replacement of IAS 39 with IFRS 9. The financial liabilities of the company, before the initial implementation of IFRS 9, were measured at amortized cost. The short-term liabilities, along with short-term receivables, represent financial instruments for the company. Their balance sheet value is reasonably close (approximated) to their fair value.

Financial liabilities of the company are mainly trade and other payables.

Financial liabilities are recognized when there is a contractual obligation to deliver cash or another financial asset to another entity, or a contractual obligation to exchange financial instruments with another entity on potentially unfavorable terms.

Trade payables are recognized initially at their nominal value and are subsequently measured at amortized cost less settlement payments required.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when it is probability present obligations resulting from past events to lead to an outflow of resources from the company and can be made reliable estimate of the amount of the obligation. Present obligation arises from the presence of a legal or constructive obligation as a result of past events, such as guarantees, litigation and onerous contracts.

The amount recognized as a provision is calculated based on the most reliable estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties, including those related to current debt. The company applies the method of "provision, based on a specific base", according to the period of overdue payments.

Provisions are discounted when the effect of the time value of money is significant. In cases where it cannot be made reliable estimate of the amount of the obligation, it is disclosed as a potential liability. The company does not recognize their contingent assets recognition since it may result in the recognition of income that may never be realized.

3.11 Income and Expenses

Revenues include revenue from the sale of goods, provision of services and other revenue.

Revenues are measured at the fair value of the consideration received or receivable payment or compensation, after deduction of any trade discounts and volume rebates.

On sale of goods, the revenue is recognized when the conditions are fulfilled on that, that the significant risks and rewards of the ownership are transferred to the buyer, it is not retained continuing involvement in the management of the goods, effective control over the amount of revenue can be reliably measured, it is likely that the economic benefit from the transaction will be obtained and the associated costs can be estimated reliably.

Revenue from rendering of services is recognized when the outcome of the transaction can be properly assessed. Completion of the stage is usually determined by analysis of the work.

The gain or loss on disposal of an asset is determined as the difference of the proceeds and the balance sheet value of the asset and is recognized in the Statement of profit or loss and other comprehensive income.

Current expenses are recognized in the Statement of profit or loss and other comprehensive income upon the criteria from IAS.

3.12 Financial expenses and income

Finance income includes interest income on funds invested in bank deposits and gains from foreign currency transactions. Interest income is accounted for using the effective interest method.

Financial expenses include commission fees and bank taxes, losses on transactions in foreign currency, interest expense on borrowings and finance lease. Expenses for bank taxes, commissions and interest are recorded on an accrual basis.

3.13 Duties on Income

Taxes that are recognized in the Profit or loss and other comprehensive income statement include the amount of deferred tax and current tax expense, which are not recognized directly in equity.

The current tax expense is calculated in accordance with the applicable tax rates and tax rules for income tax for taxation for the period to which they relate, based on transformed financial result for tax purposes.

Current income tax assets or liabilities comprise of those claims or liabilities to the budget which are relating to the current period and which are unpaid at the date of Statement of financial position.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their respective tax bases.

The amount of deferred tax assets and liabilities are calculated not discounted, using tax rates that are expected to be valid for the period of their realization and which are in force and are known at the date of Statement of financial position.

Deferred tax liabilities are recognized in their full size. Deferred tax assets are recognized only to the extent that they are likely to be offset against future tax income. Deferred tax assets are reduced to the size of those for future benefits which is more likely to be realized. Deferred tax asset and deferred tax liabilities are not compensated in the statement of financial position.

Significant part of the changes in deferred tax assets or liabilities are recognized as tax expenses in the Statement of profit or loss and other comprehensive income. Changes in deferred tax assets or liabilities due to changes in the fair value of assets or liabilities that are recognized in equity are recognized directly in the equity.

4. Explanatory notes to the financial statements

The company applies approved by management accounting policies. Presented information in the financial statements is based on current accounting and ERP software through system "SAP".

4.1. Gross sales revenue in the Statement of profit or loss and other comprehensive income:

	2015	2014
❖ Revenue from Sale of Goods	25 881 thousand BGN;	23 703 thousand BGN;
❖ Revenue from other services	711 thousand BGN;	20 thousand BGN;
❖ Revenue from sale of fixed assets		33 thousand BGN.

4. 2. Other income:

	2015	2014
❖ Reintegration provision charged for annual unused leaves;	120 thousand BGN;	118 thousand BGN;
❖ Excess of commodity material goods	8 thousand BGN;	14 thousand BGN;
❖ Revenues from written off payables	2 thousand BGN;	364 thousand BGN;
❖ Revenues from insurance claims	12 thousand BGN;	
❖ Other revenues	42 thousand BGN;	

4.3. Cost of goods sold:

Cost of goods sold and other assets in the Statement of profit or loss and other comprehensive income for 2015 is 13 251 thousand BGN and for 2014 is 11 629 thousand BGN.

4. 4. Cost of materials:

Material costs for the year 2015 are 869 thousand BGN and for the year 2014 amount to 825 thousand BGN and include:

	2015	2014
❖ Fuels and lubricants	141 thousand BGN;	146 thousand BGN;
❖ Vehicle Parts	4 thousand BGN;	10 thousand BGN;
❖ Electricity and water	52 thousand BGN;	42 thousand BGN;
❖ Stationery and supplies	53 thousand BGN;	57 thousand BGN;
❖ Advertising materials	618 thousand BGN;	569 thousand BGN;
❖ Other Materials	1 thousand BGN;	1 thousand BGN.

4.5. Expenses for outside services:

Hired services for 2015 are 6 629 thousand BGN and for 2014 years amounted to 6 155 thousand BGN and include:

	2015	2014
❖ Rent	605 thousand BGN;	664 thousand BGN;
❖ Transport and courier services	432 thousand BGN;	467 thousand BGN;
❖ Software and hardware support	70 thousand BGN;	57 thousand BGN;
❖ Miscellaneous fees	62 thousand BGN;	118 thousand BGN;
❖ Advertising services	2 795 thousand BGN;	2 537 thousand BGN;
❖ Repair and maintenance of vehicles	13 thousand BGN;	17 thousand BGN;
❖ Insurance	21 thousand BGN;	21 thousand BGN;
❖ Security	3 thousand BGN;	3 thousand BGN;
❖ Telecommunication services and internet	43 thousand BGN;	48 thousand BGN;
❖ Repair and maintenance of office and office equipment	11 thousand BGN;	9 thousand BGN;
❖ Legal and consulting services	116 thousand BGN;	147 thousand BGN;
❖ Annual Bonuses	2 379 thousand BGN;	1 996 thousand BGN;
❖ Merchandising services and commissions	51 thousand BGN;	47 thousand BGN;
❖ Other external services	28 thousand BGN;	24 thousand BGN.

4.6. Expenses for the personnel:

The costs of short-term employee benefits for 2015 in total are 2 125 thousand BGN and for 2014 in the total amount of 2 154 thousand BGN include:

	2015	2014
❖ Salaries	1 842 thousand BGN;	1 877 thousand BGN;
❖ Social security	283 thousand BGN;	277 thousand BGN.

The average number of employees in the company as on 31.12.2015 is 92 persons and as on 31.12.2014 is 90 persons, allocated as follows:

	2015	2014
❖ Managers	10;	9;
❖ Specialists	20;	19;
❖ Technicians and dedicated specialists	24;	23;
❖ Support administration stuff	26;	25;
❖ Stuff, occupied with services for the people, trade and security	12;	14.

4.7. Other Expenses:

The other expenses for 2015 amount to 554 thousand BGN and for 2014 amount to 257 thousand BGN and include:

	2015	2014
❖ Business trips	51 thousand BGN;	55 thousand BGN;
❖ Hospitality expenses	23 thousand BGN;	28 thousand BGN;
❖ Impairment of current assets	434 thousand BGN;	147 thousand BGN;
❖ Missing inventory and write-off of damaged goods (incl. VAT)	27 thousand BGN;	21 thousand BGN;
❖ Expenses for insurance claims	15 thousand BGN;	
❖ Local taxes and tax on expenses	3 thousand BGN;	4 thousand BGN;
❖ Other expenses	1 thousand BGN;	2 thousand BGN.

4.8. Net financial expenses:

The net financial expenses for 2015 amount to 48 thousand BGN and for 2014 amount to 10 thousand BGN and include:

	2015	2014
❖ In decrease:		
- Negative exchange differences	39 thousand BGN;	19 thousand BGN;
- Bank fees and commissions	16 thousand BGN.	13 thousand BGN.
❖ In increase:		
- Interest income	5 thousand BGN;	16 thousand BGN;
- Positive exchange differences	2 thousand BGN.	6 thousand BGN.

4. 9. Non-current assets:

4. 9.1 Tangible fixed assets

All acquired and controlled by the company's tangible fixed assets are valued at cost and classified as depreciable, having in mind the limited duration of their practical use. Balance sheet value of fixed assets at 31.12.2015 is 86 thousand BGN.

Fixed assets in thousand BGN	Machinery, equipment and computers	Transport, with funds	Other fixed mater. Assets	Total
Cost				
Balance 01.01.2015	**257**	**49**	**201**	**507**
Additions	17	1		18
Disposals	19		7	26
Balance 31.12.2015	**255**	**50**	**194**	**499**
Amortization				
Balance 01.01.2015	**208**	**49**	**153**	**410**
Depreciation charge for the year	22		7	29
Depreciation of assets written off	19		7	26
Balance 31.12.2015	**211**	**49**	**153**	**413**
Book value				
01.01.2015	**49**	**0**	**48**	**97**
31.12.2015	**44**	**1**	**41**	**86**

At the end of the reporting period the company performed a test for impairment of non-current assets comparing if their book value differs substantially from their fair value, taking into consideration their moral and physical wear. During this test no indications for impairment was present. The book value of all fully depreciated assets, which are still in use, is 348 thousands BGN. There are no assets, temporary out of usage, as well as such that are not being depreciated due to any possible reason.

As of 31.12.2015 there is no limitation on the ownership rights of the tangible non-current assets of the company, and no part of them is pledged as collateral in any possible way.

4.9.2. Intangible fixed assets:

The company does not have integrally developed or fully depreciated intangible fixed assets. All of the acquired and controlled by the company intangible fixed assets are reported at acquisition value and defined as depreciable, based on the limited term of their practical usage. As of 31.12.2015 the book value of the intangible fixed assets amounts to 576 thousands BGN.

Fixed assets in thousand BGN	SAP software	SAP software rights	Total
Cost			
Balance 01.01.2015	575	75	650
Additions			
Disposals			
Balance 31.12.2015	575	75	650
Amortization			
Balance 01.01.2015	17	13	30
Depreciation charge for the year	26	18	44
Depreciation of assets written off			
Balance 31.12.2015	43	31	74
Book value			
01.01.2015	558	62	620
31.12.2015	532	44	576

At the end of the reporting period the company performed a test for impairment of assets comparing if their book value differs substantially from their fair value, taking into consideration their moral and physical wear. During this test no indications for impairment was present.

There are no assets, temporary out of usage, as well as such that are not being depreciated due to any possible reason.

As of 31.12.2015 there is no limitation on the ownership rights of the intangible non-current assets of the company, and no part of them is pledged as collateral in any possible way.

4.10. Deferred tax assets:

Deferred tax assets were formed at the rate of corporate tax of 10%. They are formed by the following temporary differences and have a balance as follows:

	2015 thousand BGN		2014 thousand BGN	
	sum of difference	sum of asset	sum of difference	sum of asset
❖ Difference between accounting and tax balance sheet value of non-current assets	46	5	62	6
❖ Expenses on provisions for unused compensated annual leaves and social security on them	111	11	120	12
❖ Expenses for impairment of receivables	601	60	345	35
Total	758	76	527	53

4.11. Inventories:

In this group are reported the goods presented at net realizable value.

Net realizable value of inventories at 31.12.2015 amounts to 2636 thousand BGN and at 31.12.2014 amounted to 2 844 thousand BGN. The book value of the goods sold during the reporting period 2015 is 13 251 thousand BGN and for the previous reporting period 2014 was 11 629 thousand BGN. The amount of the impairment of inventory (stock), booked as expense (in line "other operating expense" in the statement of profit or loss and other comprehensive income) and in corrective account ("impairment of inventories" in the statement of financial position) for the current reporting period 2015 is 380 thousand BGN. For the previous reporting period 2014 the amount of the impairment of inventories, reported in the same way, was 75 thousand BGN.

The company has no inventories pledged as collateral.

4.12. Trade and other receivables.

Trade and other receivables at 31.12.2015 amounted to 8314 thousand BGN and at 31.12.2014 amounted to 7 783 thousand BGN and are split as follows:

	2015	2014
❖ Receivables from customers	7 794 thousand BGN;	7 225 thousand BGN;
❖ Advances paid to Suppliers	7 thousand BGN;	6 thousand BGN;
❖ Prepaid Expenses	25 thousand BGN;	24 thousand BGN;
❖ Guarantees	58 thousand BGN;	60 thousand BGN;
❖ Accountable Persons		1 thousand BGN;
❖ Receivables on court claims	387 thousand BGN;	424 thousand BGN;
❖ Overpaid Income tax	43 thousand BGN;	43 thousand BGN.

Receivables from customers

Short-term receivables in BGN are measured at the nominal value of the receivables, less any impairment losses for doubtful debts. Claims in foreign currency are valued at the closing exchange rate of Bulgarian National Bank (BNB) on 31.12.2015, less the value of any accumulated impairment losses. Impairment is calculated on an aging analysis of receivables from due date until 31.12.2014.

The basic risk, coming from the financial instruments (financial assets) for the company is the credit risk. The policy, which the company applies for management of these risks is disclosed below. From the company point of view, the following risks did not occur during 2015 – risk of cash flow and price risk, including currency, interest and market risk.

Credit risk – the risk, that one part of the financial instrument will cause financial loss to the other should it default on their payment.

The company works mainly with established and solvent customers. The company policy is that all clients, requesting delayed payment, are subject to procedures for check of their solvency and each one is awarded an individual credit limit. In addition, the balances of these customers are continuously monitored, as a result of which the company does not have material exposition in uncollectable receivables. There is no concentration in the company of credit risk. The amount of overdue receivables over 90 days at 31.12.2015 is 393 thousand BGN (5.04% of all receivables) and although a provision is set aside for them, the company is taking all possible measures to collect them.

The amount of write-off is 7 thousand BGN (0.09% of all receivables). The overdue and uncollectable receivables are not concentrated in one client. They are also not influenced by geographical region or market.

4.13. Cash:

Cash funds as of 31.12.2015 amount to 1760 thousand BGN and as of 31.12.2014 amount to 499 thousand BGN as follows:

	2015	2014
❖ Cash in cash case	21 thousand BGN;	20 thousand BGN;
❖ Cash at bank	248 thousand BGN;	74 thousand BGN;
❖ Bank deposits	1 394 thousand BGN;	315 thousand BGN;
❖ Letter of credit	97 thousand BGN;	90 thousand BGN.

4.14. Trade and other payables:

Trade and other payables at 31.12.2015 amount to 5251 thousand BGN and at 31.12.2014 amounted to a total of 3 707 thousand BGN and are split as follows:

	2015	2014
❖ Liabilities to suppliers	2 779 thousand BGN;	1 700 thousand BGN;
❖ Liabilities for dividends	2 472 thousand BGN;	2 007 thousand BGN.

The basic risk, coming from the financial instruments (financial liabilities) for the company is the liquidity risk. The policy, which the company applies for management of this risk is disclosed below.

Liquidity risk – the risk that the company will experience difficulties to serve its obligations regarding financial liabilities, settled with cash or cash equivalents or other financial asset.

The effective management of the liquidity of the company requires the maintenance of sufficient working capital, mainly though timely collection of receivables from customers in order to pay the financial liabilities. At the end of the period the company does not have overdue liabilities to suppliers.

Trade liabilities are liabilities of the company to suppliers and liability to the sole shareholder for dividend payments.

There is no premature option of the liabilities in the contracts with suppliers.

The company is maintaining such a balance of cash and cash equivalents and receivables from customers with approaching maturity, so that they are enough to cover current liabilities (financial liabilities as well as tax liabilities) and will not cause a negative effect on its financial result and/or equity in the next reporting period.

4.15. Net current taxes:

Net current tax liabilities at 31.12.2015 amounted to 428 thousand BGN and at 31.12.2014 amounted to 352 thousand BGN and represent:

	2015	2014
❖ Amounts owed on VAT	361 thousand BGN;	286 thousand BGN;
❖ Liabilities on Corporate tax	61 thousand BGN;	62 thousand BGN;
❖ Other liabilities to the fisc	6 thousand BGN;	4 thousand BGN.

4.16. Registered capital and retained earnings:

The capital structure of the Company is as follows:

Components of equity	2015 *(in thousand BGN)* Amount	2014 *(in thousand BGN)* Amount
Registered capital	4 756	4 756
Additional capital	1	1
Net profit for the period	2 902	2 960
Total equity	7 659	7 717

4.17. Income tax expenses:

The Company is subject to taxation. The corporate income tax is calculated at the rate of 10% applied to the tax base. The tax base (profit) is calculated by increasing the accounting profit with all tax differences (permanent and temporary) and decreasing with the reversible tax differences and all incomes, which are not recognized for tax purposes in the year of their accounting recognition. In addition, when determining the tax base, all other amounts, which according to the current legislation participate in the formation of the taxable result for the period, are taken into consideration. Advance payments done for 2015 amounted to 286 thousand BGN and difference in tax payable is of 61 thousand BGN.

Corporate tax in the Statement of profit or loss and other comprehensive income:	**2015** *(In thousand BGN)*	**2014** *(In thousand BGN)*
Tax profit for the period	3 480	3 348
Tax at the applicable tax rate of 31.12.2015	347	334
Amount of deferred tax , related to origination of temporary differences	(54)	(27)
Amount of deferred tax , related to reversal of temporary differences	31	21
Income tax expense on the profit	324	328

4.18.1. Provisions

In the company as liabilities on provisions are reported the undiscounted amount of the paid annual leave to employees in return for work for the period as follows:

	2015	2014
❖ The cost of accumulating compensated absences	94 thousand BGN;	102 thousand BGN;
❖ Social security expense on these amounts	17 thousand BGN;	18 thousand BGN;
❖ Used amounts during the current reporting period of provisions accrued in previous reporting periods	120 thousand BGN;	118 thousand BGN.

The accrued in the current reporting period provisions are expected to be used, causing outgoing flows of economic benefits, in the next reporting period in their full amount.

4.18.2. Impairment of assets

The company reported the following impairment of assets:

4.18.2.1. As expense and in corrective account to receivables from clients, with the amount of impairment of receivables, for which the management applied the method "impairment, based on specific base", according to their ageing for each individual client.

4.18.2.2. As expense and in corrective account to inventories, with the amount of inventories, which in the next reporting period will be sold at lower price or should this be not possible, be disposed of.

	2015 г.	2014 г.
❖ Expenses for impairment of receivables	41 thousand BGN;	72 thousand BGN;
❖ Expenses for impairment of inventories	380 thousand BGN;	75 thousand BGN.

4.19. Leased assets

The company is a lessee under a contract for operational lease of vehicles with lessor "Moto Pfohe". This contract cannot be treated as non-cancellable, according to the articles in it.

The lease payment, booked as expense during the current accounting period 2015 amounts to 275 thousand BGN and for the previous reporting period 2014 amounted to 318 thousand BGN.

4.20. Related parties

The owner of "Sarantis Bulgaria EOOD" is the legal entity "GR. SARANTIS CYPRUS" LIMITED - CYPRUS.

The parent company and final owner of the group of enterprises, part of which are "GR.SARANTIS CYPRUS" LIMITED-Cyprus and "Sarantis Bulgaria" Ltd" is GR.SARANTIS S.A. – Greece. The parent company is the final controlling enterprise, which presents a consolidated financial statement for public use.

The content of the Group and the characteristics of the relations (connections) between the enterprises in the Group are displayed in the below table:

Controlled enterprise	Controlling enterprise	Characteristics of relationship	Country
SARANTIS BELGRADE D.O.O	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	SERBIA
SARANTIS BANJA LUKA D.O.O	SARANTIS BELGRADE D.O.O	100% - SUBSIDIARY	BOSNIA
SARANTIS SKOPJE D.O.O	SARANTIS BELGRADE D.O.O	100% - SUBSIDIARY	F.Y.R.O.M.
SARANTIS BULGARIA L.T.D.	***GR SARANTIS CYPRUS L.T.D.***	***100% - SUBSIDIARY***	***BULGARIA***
SARANTIS ROMANIA S.A.	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	ROMANIA
THRACE-SARANTIS S.A.	GR SARANTIS CYPRUS L.T.D.	50% - ASSOCIATE	GREECE
SARANTIS POLSKA S.A.	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	POLAND
POLYPACK	SARANTIS POLSKA S.A.	70% - SUBSIDIARY	CYPRUS
SARANTIS CZECH REPUBLIC sro	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	CZECH REPUBLIC
SARANTIS PORTUGAL Lda	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	PORTUGAL
ASTRID TM A.S.	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	CZECH REPUBLIC
SARANTIS HUNGARY Kft.	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	HUNGARY
ELODE FRANCE S.A.R.L	GR. SARANTIS S.A.	100% - SUBSIDIARY	FRANCE
ARPINA S.A.	GR. SARANTIS S.A.	100% - SUBSIDIARY	GREECE
GR SARANTIS CYPRUS L.T.D.	GR. SARANTIS S.A.	100% - SUBSIDIARY	CYPRUS
ZETAFIN LTD	GR SARANTIS CYPRUS L.T.D.	100% - SUBSIDIARY	CYPRUS
ZETA COSMETICS L.T.D.	ZETAFIN LTD	100% - SUBSIDIARY	CYPRUS
ELCA COSMETICS L.T.D.	ZETA COSMETICS LTD	49% - ASSOCIATE	CYPRUS
ESTEE LAUDER HELLAS	ELCA COSMETICS L.T.D.	100% - SUBSIDIARY	GREECE
ESTEE LAUDER BULGARIA	ELCA COSMETICS L.T.D.	100% - SUBSIDIARY	BULGARIA
ESTEE LAUDER ROMANIA	ELCA COSMETICS L.T.D.	100% - SUBSIDIARY	ROMANIA
WALDECK L.T.D.	ZETAFIN LTD	100% - SUBSIDIARY	CYPRUS
SAREAST CONSUMER PRODUCTS L.T.D.	WALDECK L.T.D.	100% - SUBSIDIARY	CYPRUS

Intra-group sales/purchases:

	2015	2014
Purchases from:		
GR. SARANTIS S.A. GREECE	3 435 thousand BGN	3 125 thousand BGN
SARANTIS BELGRADE D.O.O. SERBIA	122 thousand BGN	103 thousand BGN
SARANTIS ROMANIA S.A. ROMANIA	17 thousand BGN	323 thousand BGN
SARANTIS POLSKA S.A. POLAND	1 003 thousand BGN	1 057 thousand BGN
SARANTIS CZECH REPUBLIC S.R.O. CZECH REPUBLIC	4 thousand BGN	5 thousand BGN
Total intra-group purchases	**4 581 thousand BGN**	**4 613 thousand BGN**

	2015	2014
Sales to:		
GR. SARANTIS S.A. GREECE	433 thousand BGN	13 thousand BGN
SARANTIS HUNGARY KFT HUNGARY		3 thousand BGN
SARANTIS ROMANIA S.A. ROMANIA	49 thousand BGN	5 thousand BGN
SARANTIS POLSKA S.A. POLAND	9 thousand BGN	
SARANTIS CZECH REPUBLIC S.R.O. CZECH REPUBLIC	10 thousand BGN	.
Total intra-group sales	**501 thousand BGN**	**21 thousand BGN**

Intra-group outstanding balances

	2015	2014
Liabilities to:		
GR. SARANTIS S.A. GREECE	178 thousand BGN	158 thousand BGN
SARANTIS BELGRADE D.O.O. SERBIA	21 thousand BGN	5 thousand BGN
SARANTIS ROMANIA S.A. ROMANIA	-12 thousand BGN	-17 thousand BGN
SARANTIS POLSKA S.A. POLAND	190 thousand BGN	207 thousand BGN
Total intra-group liabilities	**377 thousand BGN**	**353 thousand BGN**

Receivables from:	2015	2014
GR. SARANTIS S.A. GREECE	154 thousand BGN	
SARANTIS ROMANIA S.A. ROMANIA	37 thousand BGN	
Total intra-group receivables	**191 thousand BGN**	

Related parties transactions were made on terms equivalent to those that prevail in arm's length transactions where such terms are substantiated.

Related parties transactions do not include requirements and conditions, necessitating a security or guarantee regarding their execution. During the current reporting period no expenses are incurred/booked, which are due to bad or doubtful intra-company debt, as well as no provision is set aside for receivables from intra-company partners.

The personal income paid to the key management staff for the period amounts to 145 thousand BGN. At the end of the reporting period, there are no unsettled balances with key management staff.

4.21. Events after the financial statement date:

After the date on which the financial statements were authorized for issue, there were no corrective events to be disclosed and any corrective been reflected in the financial statements.

General Manager:

/ Deana Stefanova /

Prepared by:

/ Diana Dishkova /

21/01/2016

Sofia