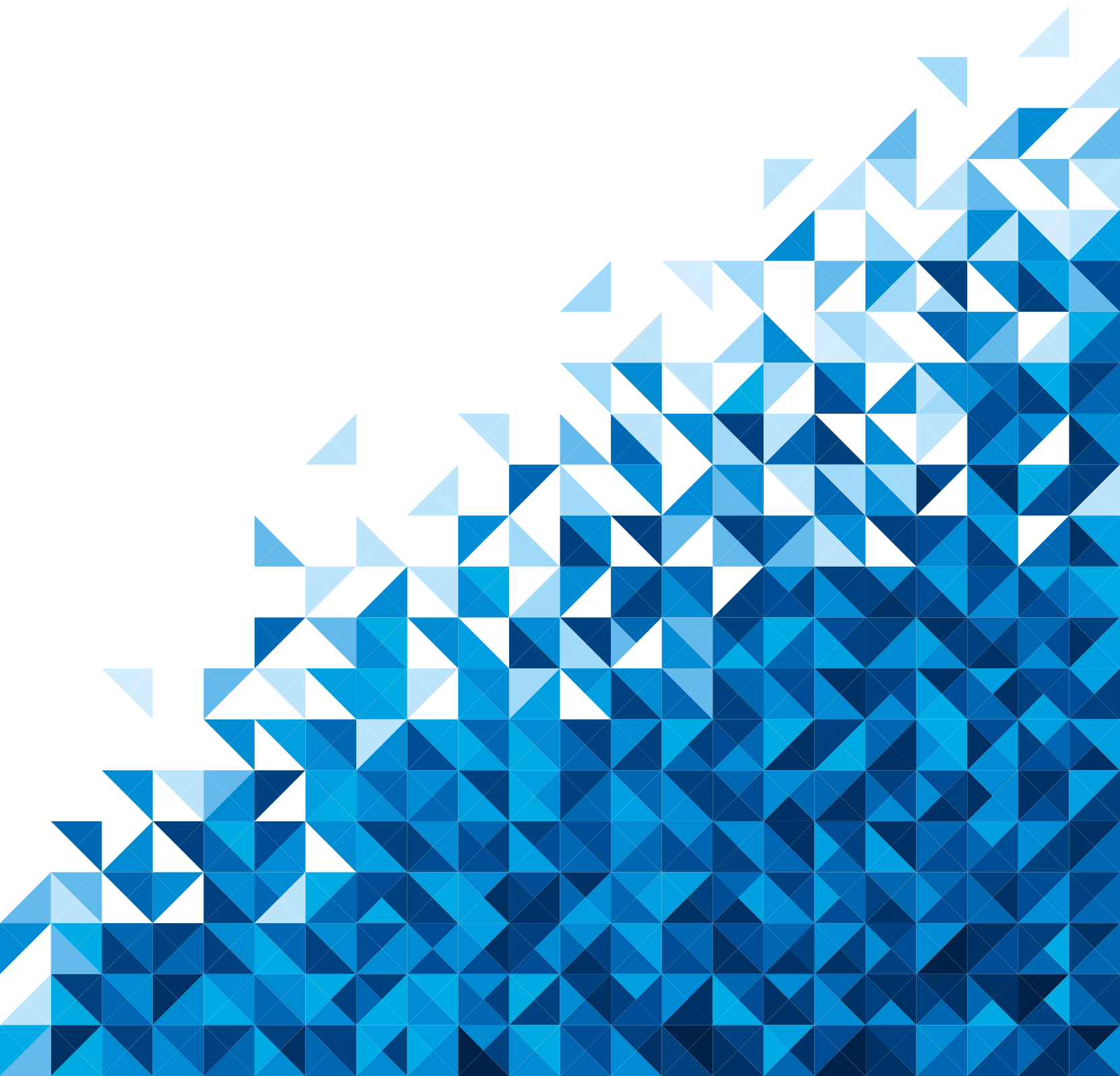


Frigoglass Annual Report 2016



www.frigoglass.com





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Who we are

Frigoglass is a strategic partner to the world's leading beverage brands. We are one of the global leaders in the Ice Cold Merchandisers (ICM) market and the principal supplier of glass packaging in the high growth markets of West Africa.

Frigoglass has long-standing relationships with blue chip customers in the soft drinks and beverage industries. Our bespoke Ice Cold Merchandisers (beverage coolers) enhance our customers' beverage branding and facilitate immediate beverage consumption. At the same time, our leading innovations in the field of green refrigeration enable our customers to meet their sustainability and carbon emissions reduction targets.

With its footprint, Frigoglass is well established in the more mature European markets while it is evolving and establishing its position in emerging markets. We support our customers through manufacturing facilities in eight countries and an extensive network of sales and after-sales representatives.

In our glass bottle business, we are focused on the markets of Africa and the Middle East, which are prime regions of investment for our customers. We aim to create value for our customers by building on our position as a leading supplier of glass bottles and complementary packaging solutions in West Africa and the Middle East.



Chairman's letter

2016 was a year of progress towards our journey to build long-term sustainable value despite continued difficulties.

The world today is facing diverse challenges and continued geo-political volatility. The slowdown in some of our markets, the substantial depreciation of several emerging currencies and the trend towards populist politics are striking examples of an unpredictable environment. In these times of uncertainty, we have geared up and taken decisive steps to face the challenges and re-energize our business.

In addition to the lingering macro-economic stress, our industry was marked in 2016 by the finalization of the two pending mega mergers between major beverage brands in the beer and soft-drinks segments. Although it affected last year's customer cooler investments, we believe that this consolidation phase represents a long-term opportunity for Frigoglass, due to its well-established position in Europe and Africa.

During the year, we made significant steps in rationalizing our cost structure through optimizing our Cool business manufacturing footprint, efficiency measures and cost reduction initiatives. On that front, we took the decision to discontinue manufacturing operations in China aiming to transform to a leaner organization and significantly improving our cost-competitiveness in Asia. With the customer at the heart of our business, we strengthened our product portfolio with hybrid solutions in Africa and set the foundations for developing appealing, competitive coolers for all our regions. All these product innovations follow ICOOL's success with Coca-Cola bottlers in Europe, who placed more than 90,000 coolers in the market, and the rollout of the Smart range.

In 2016, the sharp devaluation of Nigeria's Naira and the overall challenging operating environment impacted our Glass business. In this landscape, we remain the leading glass container supplier in West Africa. We focus on pricing initiatives and efficiency gains to mitigate the effect of foreign exchange rate fluctuations that have restrained demand for glass packaging and protect the business.

Sustainability remains central to our business strategy. Early in 2016, the United Nations launched 17 Sustainable Development Goals (SDGs), a ground-breaking agreement that is expected to shape the sustainable development agenda globally in the years to come. Many of the SDGs are already in line with Frigoglass sustainability strategy and provide a valuable framework for further strengthening our business.

Frigoglass is a global brand and I am conscious of the responsibilities we have to our shareholders, customers and employees, but also to our other stakeholders. On behalf of the Board I would like to extend our greatest appreciation to our shareholders for their continued support, our customers and suppliers for their unwavering loyalty and the people of Frigoglass for their strong commitment. Their support has been vital to our progress.

The Board and I are looking to strengthen our company and its balance sheet during this year, so as to face the challenging trading environment as well as remain focused on driving sustainable value for our stakeholders.

Haralambos (Harry) G. David
Chairman

"With the customer at the heart of our business, we strengthened our product portfolio with hybrid solutions in Africa and set the foundations for developing appealing, competitive coolers for all our regions"



Statement from the CEO

The past year has been one of challenge and change for Frigoglass. The year was marked by the all-important capital restructuring process, aiming to create a stable and long-term capital structure for Frigoglass. In April 2017, we reached an agreement with an ad-hoc committee representing certain holders of the 8.25% Senior Notes due 2018, core lending banks and Frigoglass major shareholder to restructure our indebtedness.

The challenging macroeconomic conditions in some of the key markets we operate in, persisted last year, putting pressure on beverage consumption and, consequently, on our customers' cooler investments. In the Glass business, Naira's devaluation continued to adversely affect demand for glass products in Nigeria.

Notwithstanding the impact of a volatile economic environment and the capital restructuring process, we remained focused on innovation, cost leadership and efficiency improvement related initiatives to limit any adverse effect on our business.

The year has been filled with continued product innovation. Particularly in Africa, we piloted Hybrid cooler that is designed to mitigate the impact of power outages, as it maintains low temperatures for hours without requiring an electrical power source. We are pleased with the positive feedback from our customers in the continent. We also adjusted our coolers business commercial strategy to account for the latest market trends and set the way forward in developing cost-competitive coolers and filling gaps in our product portfolio in the mid to low priced market segment. Finally, we strengthened our relationship with breweries through the Smart range that was successfully rolled out in targeted countries around Europe.

Our vision is to put customers at the heart of our operations, integrate their requirements into our products and serve them with great value, under the leadership of our new ICM Chief Commercial Officer.

2016 Highlights

Cool business

Our sales in the Cool business declined by 8% compared to the prior year. This decline was primarily driven by the unfavorable macroeconomic conditions in Russia and increased competition in Asia. In Western Europe, we experienced sustained sales growth in double-digits reflecting increased demand for ICOOL from Coca-Cola bottlers in the region. Our Integrated Service system gained further ground in 2016 through the expansion of our services to more countries and regions in Russia.

Another highlight in 2016 was the decision to establish a new operating model in the Asian market. In July, we announced the discontinuation of our manufacturing operations in China. This development will enable the optimization of the production capacity in Asia, improve the company's fixed cost structure and strengthen its long-term competitiveness.

Glass business

Trading conditions in our core Nigeria market were difficult, primarily driven by the sharp devaluation of the local currency in June 2016. Weakened consumer sentiment and shrinking disposable income impacted beverage consumption in terms of value and made our key customers cautious in injecting new bottles into their existing pool of bottles. Together with lower demand in our Dubai-based business resulted in overall Glass sales declining by 10% in 2016.

Through pricing initiatives in our Nigerian Glass business we limited the effect in our operating profitability caused by the Naira's devaluation.

Despite the unfavorable macroeconomic environment, we have made solid progress on many areas, especially in the implementation of our strategy and the improvement of our cost competitiveness in both Cool and Glass businesses. The progress we have made would not have been possible without the firm commitment of our people. I would like to take this opportunity to thank each and every one of our 5,000 employees around the world for their hard work and dedication through difficult times. I would also like to extend my sincere appreciation to the Board of Directors for their support, guidance and active engagement.

Outlook

2016 has been a very challenging year for Frigoglass, but I remain confident about the future of this great organization.

The transformational capital restructuring transaction will significantly reduce our outstanding debt and annual interest cost. The new capital structure and improved liquidity will allow us to focus on delivering our strategic priorities going forward. The progress that has been made in the past year will continue and will reap rewards. The key strategic drivers that we have put in place - Customer Focus, Innovation Leadership, Quality First, Winning Organization, Integrated Services and Cost Leadership - will be at the heart of this sustained improvement.

Strong foundations have been laid with regards to our commercial transformation. Our revamped commercial organization will focus on strengthening partnerships, adopting a go-to-market approach and developing commercial team capabilities that will help us achieve our goals.

In addition, we will continue to differentiate our business through our industry leading innovation, expanding our product portfolio pipeline and offering pioneering solutions and best-in-class services.

I am aware that it will be another challenging year, but with the customer at the center of our business, 2017 will be a year of further progress.

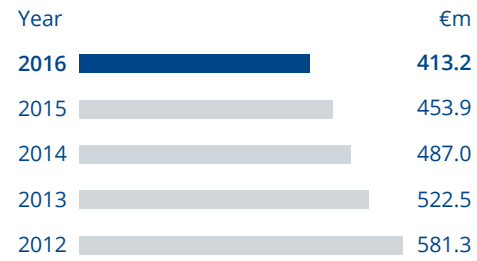
Nikos Mamoulis
Chief Executive Officer

“The key strategic drivers that we have put in place - Customer Focus, Innovation Leadership, Quality First, Winning Organization, Integrated Services and Cost Leadership - will be at the heart of this sustained improvement.”

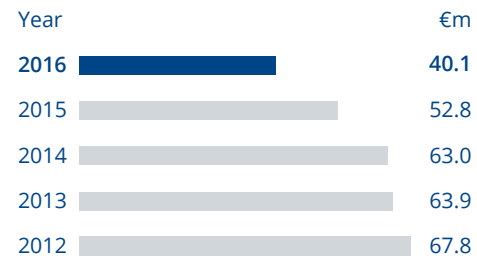


2016 Financial highlights

Sales



EBITDA



Net Profits



* Adjusted Net Profit excludes restructuring costs and one-off items

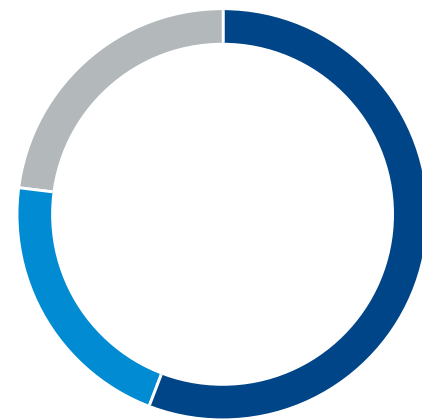
Consolidated revenue breakdown

By geography



- Eastern Europe
€105.7m (26%)
- Western Europe
€66.1m (16%)
- Asia/Oceania
€68.3m (17%)
- Africa/Middle East
€168.3m (41%)
- North America
€4.8m (1%)

By customer group



- Coca-Cola
€229.5m (56%)
- Breweries
€87.6m (21%)
- All others
€96.1m (23%)

Global presence

Cool Operations Europe & North America

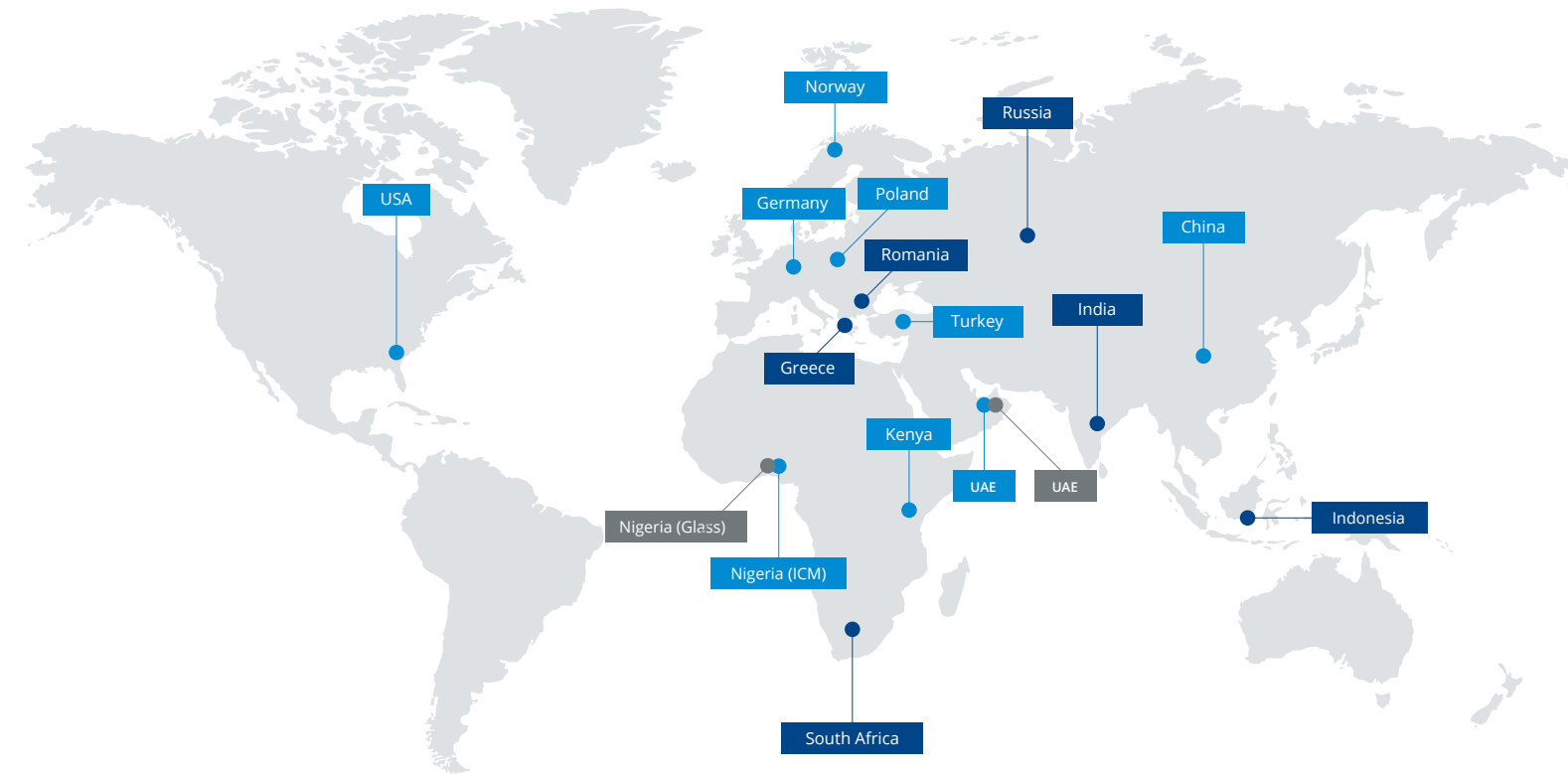
- Production plants and sales offices
Greece, Romania, Russia
- Sales offices
Germany, Norway, Poland, Turkey, USA

Cool Operations Asia & Africa / Middle East

- Production plants and sales offices
India, Indonesia, South Africa
- Sales offices
China, Kenya, Nigeria, UAE (Dubai)

Glass Operations

- Production plants and sales offices
Nigeria, UAE (Dubai)



Strategic priorities

We are pleased to report that in 2016, we remained relentlessly focused on our strategic priorities and continued creating value-adding, innovative, cold merchandising solutions for our customers around the world.

Customer Focus

In Frigoglass, we keep customers at the heart of our business. In 2016, we made further progress in enhancing our customer focus, mainly through redefining Frigoglass ICM Commercial Vision which was built around three pillars:





Customer Focus (continued)

In the Cool business, we made changes in the commercial structure after taking into account the recent customers' consolidations and their investment preferences towards customized coolers, at rather low cost. Changes in the structure also reflect the intensified competition and the imperative to gain back market share, profitably.

A new ICM Chief Commercial Officer joined our leadership team early in 2016, while further organizational changes were made to secure a well-oiled commercial function. Frigoglass sales team is now divided in two customer focus areas: the Coca-Cola Account focusing on growing our market share into the Coca-Cola system, and the Market Development sales team, with the main objective to expand our market share in other International Accounts and our customer base across all regions and channels.

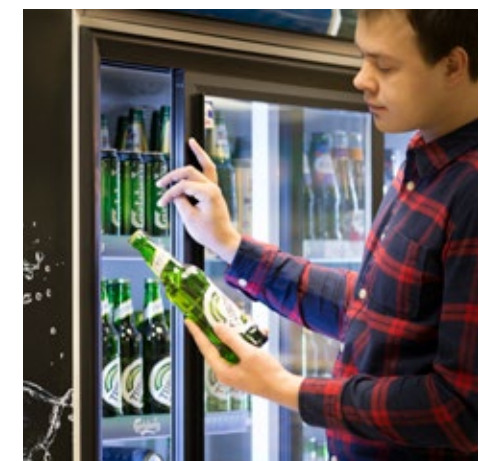
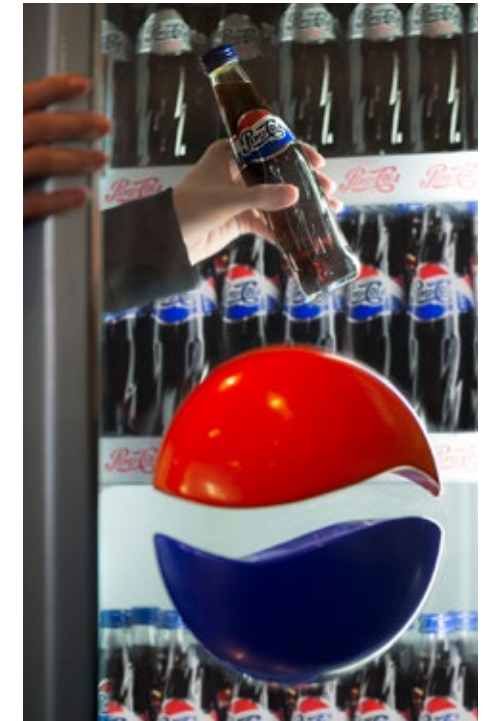
A Central Marketing was formulated with the mission to ensure the right prioritization of global and local projects in line with Frigoglass strategy. Finally, Innovation & Product Development was integrated into the Commercial function, aiming to achieve faster commercialization of our pioneering solutions.

The Frigoglass Advantage is a key determinant of our positioning as the global leader in innovative, Ice- Cold Merchandising solutions. The four pillars that form it – Merchandising Strength, Sustainability Leadership, Technical Excellence and Digital Services – remained the key drivers behind every offering of pioneering and sustainable products and services.

In the Glass business, several customer collaboration initiatives implemented throughout the year resulted in continuous quality enhancement. Incorporating detailed customer feedback into the new product design process has led to product innovation, as in the case of lightweight bottles which have delivered both cost and environmental benefits for customers.

In addition, the integrated product offering of glass bottles and crates, has not only reinforced the Frigoglass Glass brand, but has also allowed customers to minimize glass breakage and reduce logistics costs.

In both our Cool and Glass businesses, customer is at the center of our organization's efforts. We strive to provide our customers with high-quality, innovative and value-adding solutions.



Innovation Leader

Hybrid cooler

Our latest breakthrough development, Hybrid, has created excitement to our customers in the emerging markets.

In Africa, immediate consumption grows faster than electrical power availability and Hybrid cooler is designed to mitigate the impact of power outages in the continent. With the use of eutectic technology, it maintains low temperatures for more than 16 hours in an environment of 40°C without requiring electrical power source.

For our beer customers, we successfully performed field tests in seven countries in Africa. For Coca-Cola bottlers, field tests were performed in three countries in the same continent.

The Hybrid solution is available in both Smart and ICOOL cooler ranges, keeping their merchandizing efficiency provided by the glass door and advanced aesthetics. During power-off hours, coolers remain fully illuminated with LED lighting that boosts impulse beverage sales. Also it uses HFC-free refrigerant that is preferred by customers and aligns with their sustainability goals.

Market penetration

The year was marked by ICOOL and Smart ranges commercial expansion, with Coca-Cola bottlers placing more than 90,000 ICOOL coolers in the European market, and Breweries and other Key Accounts started ordering the new Smart coolers. Both ICOOL and Smart ranges offer premium aesthetics and combine the advantages of merchandizing strength, sustainability leadership and technical excellence (Total Cost of Ownership), which have subsequently generated solid demand.

In addition, innovative solutions have been developed to satisfy the increasing demand for quality coolers at competitive pricing in different markets. In 2016, we introduced the Plus range that incorporates lower cost options that help deliver cold-drink availability targets, as well as faster returns currently sought by our customers. Our innovative offering in Asia was complemented with a line-up of Chest coolers and freezers, which were developed to capture placement needs in developing countries.

Evocool

Evocool, the digital cooling device was developed and launched in 2016, adding connectivity capabilities to more than 50,000 ICOOL coolers in the market.

Customers have recognized the benefits of this digital solution that combines energy optimization functionality with the latest technology of remote connectivity and reduced Total Cost of Ownership (TCO), providing them with a pioneering cooler fleet.

R&D

In our R&D lab in India, one test climatic chamber was certified with ISO 17025, while in our lab in Greece, six chambers received the same certification.

It is worth mentioning that three out of these test climatic chambers, one in India and two in Greece, were recognized and authorized by The Coca-Cola Company for certification tests. This significant development makes our labs equivalent to internationally recognized independent labs and allows us to test new configurations locally. In addition, it leads to important time and cost savings in the commercialization process.



ICOOL Hybrid cooler

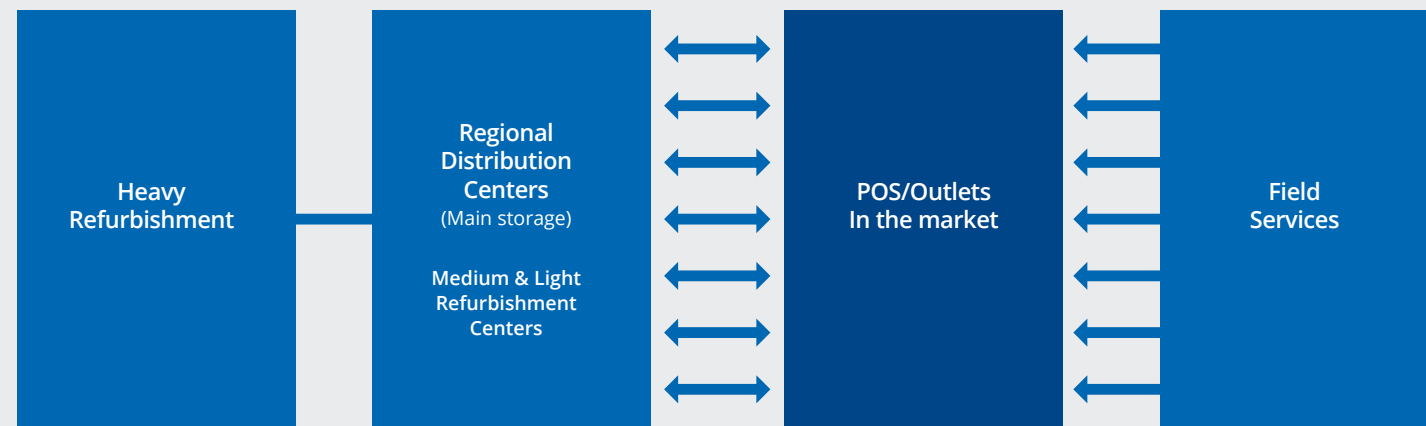
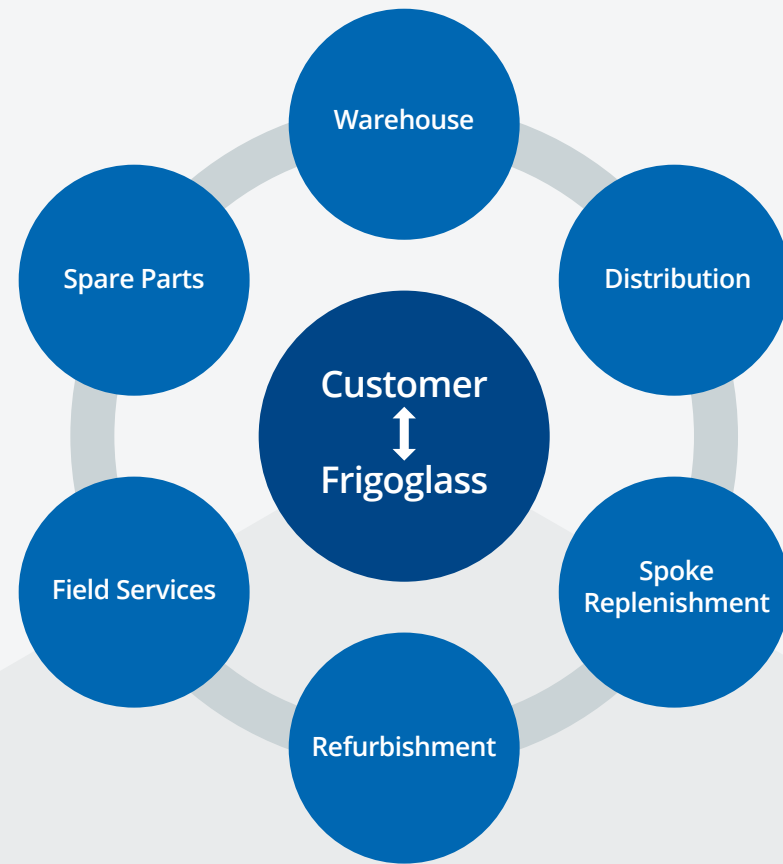


Smart Hybrid cooler

Service Operating Model

Control Centre managing:

- Warehousing
- Distribution
- Spoke replenishment
- Technicians on-site
- CDE field maintenance
- Spare parts
- Reporting / KPI's
- Administration
- e-Archiving
- E2E integrated process



Integrated Services

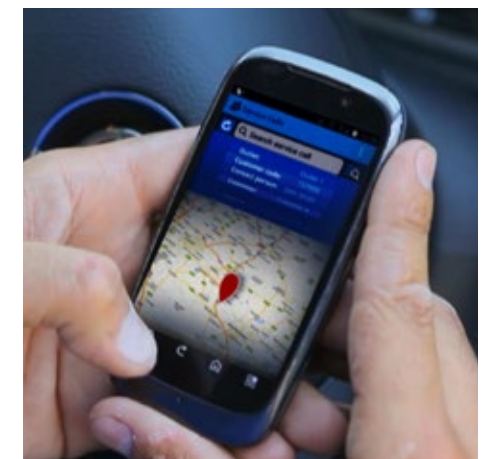
Frigoglass Integrated Services that were first launched in 2014, gradually rolled out in Russia, Nigeria and other countries of Europe and Africa in 2015, and were further expanded in 2016, resulting in double digit sales growth.

Our new Integrated Service offering has covered twelve countries during the year (Romania, Bulgaria, Serbia, Montenegro, Kosovo, Greece, Cyprus, Poland, Russia, Norway, Nigeria and Kenya), providing service to more than 750,000 cold drink equipment for commercial use. Specifically in Nigeria, after the successful pilot with a fleet of 5,000 units in part of Lagos city, we rolled out our offering in more regions in the country, servicing a fleet of 25,000 coolers. In the same country, we also inaugurated a refurbishment center in Ibadan. In Europe, we added logistics services in our offering to Serbia, Montenegro and Kosovo, while in Russia we expanded our services to distant regions, like Urals and the North West district. In other countries, we made significant improvements in refurbishment, field and logistics services, achieving a strong overall performance.

The successful roll out of our Integrated Services is based on the well-thought-out design and thorough implementation of our operating model, which puts customer priorities at its center. It is a holistic customer solution that includes advanced warehousing and distribution, spare parts management, refurbishment, and field services. It utilizes a network of heavy refurbishment centers, regional distribution centers, medium and light refurbishment hubs, spoke storage at district level and an extensive network of field services professionals located throughout the countries we operate in.

In 2016, we made material investments in developing people capabilities, initiating new processes and integrating Information Technology (IT) systems. Our Service team has been enriched by specialists, ranging from highly trained technicians and IT experts to high-caliber team leaders. The processes that we put in place include standard operating procedures manuals, detailed spare parts forecasting and systematic field audits to secure high quality services. Frigoglass e-Service is a highly sophisticated IT solution that allows the management and control of the entire cycle of integrated services offered, featuring industry-unique modules (asset scanning, GPS location tracker, photographs, e-signature, e-surveys, reporting and real time synchronization).

Going forward, we will continue our journey capitalizing on established networks serving more regions and more customers around our refurbishment and distribution centers. We will also continue to expand our business by offering the complete package of our Integrated Services to more customer groups.



Quality First

Quality remains one of our major strategic priorities. During last year, we have taken significant steps in improving the quality of our products and services, ensuring the continuous enhancement of the Quality Management Systems.



Most of our Quality performance metrics have been considerably improved this year, especially in our Romanian and Indian operations. Overall material rejections have impressively reduced by 50%, while important key performance indicators (KPIs), like the First-Time Pass Index and Product Release Index, have improved year-on-year. We are satisfied with this development and we will continue strengthening our capabilities in the Quality function.

We have also improved internal procedures and established regular meetings to review all Quality metrics and issues. In the Quality Circle meeting, that takes place on a monthly basis and is attended by the top management, quality KPIs are closely monitored and improvements in quality projects are identified and reviewed, aiming to achieve sustainable performance.

As part of our continuous improvement plan, last year we also initiated a new project that aims to further improve Product Development through cross functional teams, communication and monitoring tools. This is expected to secure Product and Engineering data integrity, cost effectiveness and on-time delivery in all our ICM operations and receive tangible results displayed in Quality KPIs in the years ahead.

All our ICM manufacturing operations are certified with ISO9001, while most of them have also received ISO14001 and OHSAS18001. Committed to continuous improvement, we are preparing to adapt to the requirements of the recently revised ISO9001:2015 and ISO14001:2015 to further elevate the overall quality of our processes, solutions and services.

In the Service business, the systematic monitoring of field repair data with a new tool has led to early identification and faster response times, as well as significant improvement of field failure rates. More than 400,000 coolers have been placed under monitoring in the markets of Romania, Russia, Greece, Cyprus, Serbia, Nigeria, Montenegro and Kosovo, and more are expected to be put under monitoring according to the e-Service rollout plan.





Cost Leadership

Cost leadership has been one of our top priorities throughout the year. Our focus on cost efficiency initiatives remained unchanged and was mainly placed on three areas: product standardization, plant efficiency and supplier optimization. We have succeeded in delivering significant savings across these initiatives.

Product standardization

In the past year, we made further progress in product standardization, aiming to achieve cost efficiencies while enhancing customer value. Standardization of processes in design, production and supply chain, and in components, such as compressors, fan motors and heat exchangers, has resulted in cost savings.

In addition, we enriched our product portfolio with cost-competitive coolers, the Plus range, responding to market trends and changes in customer demands and expectations. The new product development was achieved through lean cabin design and optimization of the cooling mechanism, which resulted in a robust construction with full size glass door that ensures ultimate product visibility and enhances impulse purchase, while at the same time, provides lower cost options to our customers.



Plant efficiency

Our Lean journey continued in 2016, during which we remained consistent to our commitment for continuous optimization of our manufacturing footprint, cost base improvement and transformation to a leaner organization.

We took the decisive step to reduce complexity within our manufacturing base in Asia by discontinuing our manufacturing operations at the Guangzhou-based facility in China.

Frigoglass changed its operating model in the Asian market in order to enable the optimization of the production capacity in Asia, improve the company's fixed cost structure and strengthen its long-term competitiveness. Through our established presence and access to the Chinese supply base, as well as a robust and efficient supply chain for the group, we maintain our ability to provide high quality and cost efficient products in the market.

Lean manufacturing principles are systematically implemented in all our operations, transforming our plants into cost-efficient entities with standardized and unified processes. Our next goal is not only to align processes among our operations, but also unify them and take advantage of economies of scale in the long-term.

Supplier optimization

In 2016, we put emphasis on several cost-saving projects in both our Cool and Glass businesses and relied on supplier integration for optimizing our cost structure. Effective integration of suppliers into the product development process and the supply chain has been a key factor in achieving the improvement necessary to become more competitive.

During the year, our focus on cost optimization with suppliers and the implementation of a carefully designed strategic sourcing framework, including supply base rationalization, standardization of specifications and strategic partnerships, remained firmly on track.



People

People are the driving force behind Frigoglass innovation and differentiation. In 2016, we focused on cultivating and sustaining a high-performance culture, strengthening the team's unity and increasing commercial effectiveness.

Lean and customer focused organization

Lean organization

Our aim is to be proactive and ready to respond to the business challenges we face, in the highly volatile socio-economic environment we operate, at all times. In 2015, we started redesigning our organizational structure, focusing on Manufacturing and Service functions. In 2016, we made significant progress towards this direction as we implemented all necessary organizational changes across ICM and Glass operations. We made a careful evaluation of our organizational pains and, through a series of group discussions and one-to-one interviews, we identified best practices and developed an effective action plan to address these pains.

Improved customer focus

Our organizational structure is designed to better serve our customers and meet their needs proactively at the highest standards. The organizational structure that was introduced in 2016 and was reinforced by the new Chief Commercial Officer position, enables a more commercially-driven organization through the integration of Innovation & Product Development, Sales and Marketing teams, and the establishment of a new way of working together. The new model will allow us to address different market segments and changing customer needs even more effectively.

Talent moves and building capabilities

In 2016, new talent with diverse experience joined Frigoglass. Approximately 10% of newcomers were appointed to managerial roles to strengthen our Commercial, Service and Manufacturing capabilities. We continued implementing a common grading system across our entities and we designed tools and solutions to attract and develop talents in our organization. In 2017-2018 we intend to roll out these tools globally.

A safe place to work

In 2016, we introduced the role of Group Health & Safety Manager in our organization to reinforce a health and safety culture. We established a common language across our plants, while we shared the success stories and learnings across the company and adopted best practices from the market. In the upcoming years, we are targeting to standardize our tools across all entities and elevate health and safety to a way of living consistently across all of our operations.

One Team

In Frigoglass, we are focusing on constructive collaboration and a lean organization to achieve our medium to long term business priorities. In 2016, we started working on the revision of the core functional and cross-functional processes, needed capabilities and systems. During the year, Human Resources introduced new tools and developed new trainings to enable the organization to capture knowledge and make it readily

available through online communities, thus strengthening the alignment of performance across the organization.

Values

Our values define how we do business and interact with our colleagues, partners, customers and suppliers.

Frigoglass Values

- Integrity
- People
- Social Responsibility
- Quality
- Market Leadership
- Shareholder Value





Sustainability

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

We recognized early the need to integrate environmental, social and corporate governance issues to the core of our business operations, and have harmonized our sustainability and business strategies.

Product responsibility

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

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

Noise reduction has also been a top product development priority. The placement of coolers in the market may create noticeable impact on the average noise level of the location, especially in the internal environment of retail stores and restaurants.

In the last years, our efforts on noise reduction have proven fruitful, especially in the new cooler ranges, ICOOL and Smart. The ultimate goal in this area is to create “silent” coolers with unnoticeable sound.

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

Sustainable operations

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

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

In all countries we operate in, we respect the local legislation relating to all forms of waste management, including water and hazardous material disposal. Our target is to recycle or reuse more than 80% of our waste and we are proud to report that in 2016 we achieved once more over 85% collection rate.

It is worth mentioning that in our Glass operations, defective bottles and other containers are 100% recycled as they are used as raw material in the production process. Also, we maintain stable rates of material consumption over time, despite the varying product mix, that is achieved through efficient product and process design.

Social responsibility

In Frigoglass, we recognize that our progress depends on our people and therefore we put all our efforts in developing talent and safeguarding their wellbeing in the workplace. We implement various programs and projects for strengthening equality and eliminating discrimination. Some of our operations (Greece, Romania, Russia and South Africa) are certified with OHSAS18001, which sets out the requirements for occupational and safety management practice. In the years to come, all our plants are planned to be certified.

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

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

Sustainability

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

Independent assessment

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

New sustainability framework

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

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

The materiality analysis resulted in four core pillars - marketplace, environment, workplace and community - and 20 identified sustainability issues, which are portrayed in the Materiality Matrix.

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

Materiality Matrix

Marketplace

- 1 Ethics
- 2 Product responsibility and quality
- 3 Customer satisfaction
- 4 Economic performance and impact
- 5 Customer brand promotion
- 6 Supplier assessment
- 7 Responsible procurement
- 8 Regulatory compliance

Environment

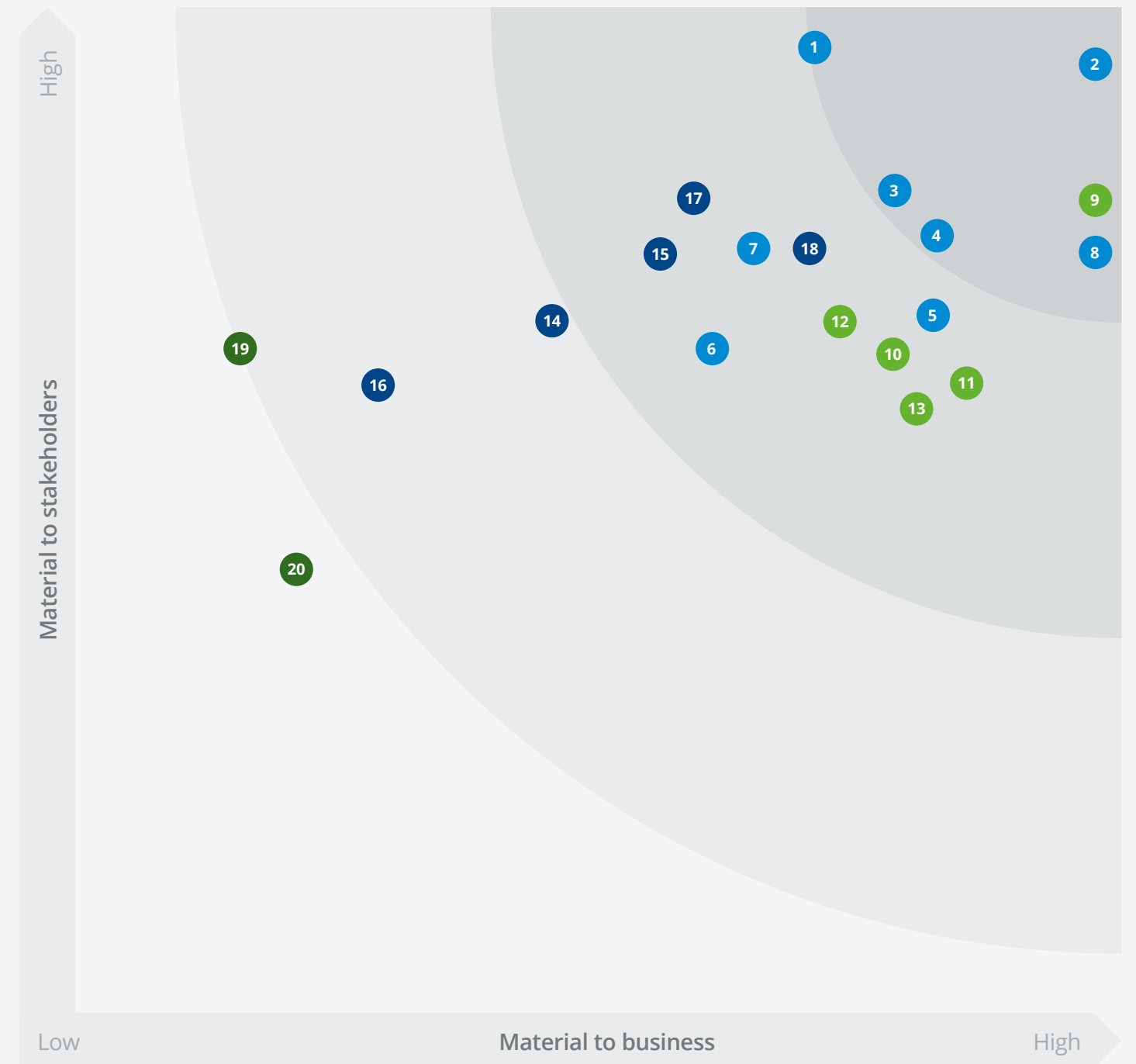
- 9 Product environmental stewardship
- 10 Resource management and efficiency
- 11 Energy efficiency of operations
- 12 Emissions management and reduction
- 13 Waste management and reduction

Workplace

- 14 Employee satisfaction
- 15 Labour practices and human rights
- 16 Workforce training and development
- 17 Diversity and equal opportunity
- 18 Workplace health and safety

Community

- 19 Community relations and engagement
- 20 Supporting local communities





Business review

Europe and North America

Our sales marginally improved in Europe, compared to the previous year. The sustained top-line growth in Western Europe, primarily driven by increased demand for ICOOL, was partly offset by the lower year-on-year sales in Eastern Europe. Sales in Eastern Europe declined as the unfavorable macroeconomic conditions in Russia continued to put pressure on beverage consumption and, consequently, on our customers' cooler investments. The successful roll-out of our Integrated Service offering to more countries in 2016 led to incremental sales, primarily in Eastern Europe.

In **Western Europe**, our sales were up 16% following increased orders mainly from Coca-Cola bottlers in Nordics, UK, France, Italy, Norway and Belgium.

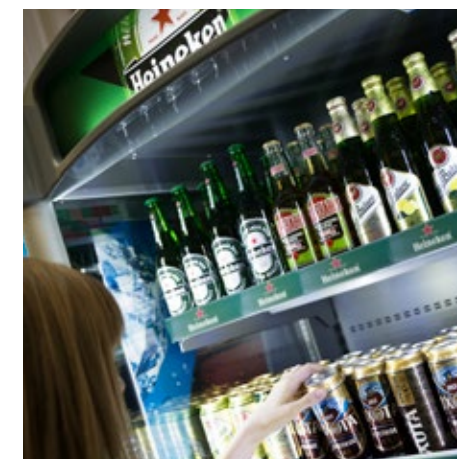
Our focus on gaining share with Coca-Cola bottlers in the region through our innovative ICOOL range resulted in a double digit sales growth. We reported sales growth in all quarters of the year, reflecting our customers' positive reaction to our new commercial approach.

In **Eastern Europe**, sustained momentum of ICOOL demand with Coca-Cola customers, could not fully offset the adverse impact of unfavorable macroeconomic conditions in Russia that led to significantly lower investments from Breweries. In Russia, beer consumption was adversely affected by regulatory restrictions on packaging sizes established in the beer industry.

In North America, we were confronted with significant challenges in our transition to a new business model, leading to lower sales in 2016.

Outlook

Going forward, we will maintain our focus on leading innovations to further strengthen our business. Our renewed commercial approach will allow us to build stronger relationships with our customers. Capitalizing on ICOOL's success, we are targeting to gain market share within Coca-Cola bottlers in Europe. The Integrated Service offering is gaining ground in Europe and, going forward, we will continue the roll-out of our offering to more European countries and new regions of Russia, as well as exploring any opportunities to expand our customer base.



Sales Eastern Europe

Year	€m
2016	105.7
2015	113.8
2014	137.1
2013	154.9
2012	155.1

Western Europe

Year	€m
2016	66.1
2015	56.8
2014	60.8
2013	56.1
2012	75.2

North America

Year	€m
2016	4.8
2015	13.9
2014	11.6*
2013	22.4
2012	19.3

* Frigoglass ceased manufacturing operations in Q1 2014.

Business review

Asia

Asia remained one of our most challenging markets in 2016. Our sales declined in key countries, such as India, Vietnam and Malaysia, mainly following lower year-on-year orders by Coca-Cola bottlers in the region and reduced cooler placements by Pepsi in India. Key customers in Southeast Asia region reduced this year's coolers related capital spending as they mainly focused their investments on incremental capacity and expanding their distribution network. As a result, sales in the Asia business contracted by 15%.

Following continued market headwinds and economic uncertainty, we changed our operating model in Asia in order to optimize our production capacity, improve our fixed cost structure and strengthen our long-term competitiveness in this highly competitive territory. As a result, in the third quarter of 2016, we discontinued manufacturing operations in China.

Outlook

In 2017, we will focus on broadening our customer base and expanding our Service business in Asia.

We anticipate the launch of new products, which have been developed to cover the placement needs in emerging countries, to be well accepted by our customers. We have also started working on a new cost competitive range which will help us enhance our customer base in the coming year.

We are also gradually amplifying HFC-free refrigerants in the Asian markets, launching Hydrocarbon (HC) coolers where we are well equipped to support this transition, starting from Indonesia and continuing with India.

Sales

Asia

Year	€m
2016	54.2
2015	63.7
2014	64.4
2013	94.7
2012	106.6





Business review

Africa and Middle East



Sales in Africa declined mainly due to economic challenges in key markets and the strong devaluation of Nigeria's Naira, as well as lower customer investments in other African countries. Increased demand from Ethiopia's Coca-Cola bottler did not offset the lower cooler investments from Coca-Cola bottlers and customers in the brewery segment in Nigeria, South Africa and Kenya.

In 2016, we successfully rolled-out the ILOOK range across Coca-Cola bottlers in Africa. ILOOK combines appealing aesthetics with reliable functional features and allows our customers to switch to the new look for their existing fleet and in new orders.

In Nigeria, we expanded our Integrated Services business in more regions of the country and also inaugurated a refurbishment center in Ibadan State.

In Africa, we also strengthened our product portfolio with Hybrid, which is designed to mitigate the impact of power outages. ICOOL Hybrid for Coca-Cola and Smart Hybrid for Breweries offer a pioneering cooling solution that functions perfectly in tropical conditions and at the same time brings all the merchandising benefits of a regular cooler. This new product offering has created excitement to our customers in the region.

Another important development in the region was the consolidation of Coca-Cola bottlers towards the formation of Coca-Cola Beverages Africa (CCBA) and the acquisition of the SABMiller business from AB InBev group in Africa. Frigoglass is well positioned to strengthen its relationship with both newly formed beverage conglomerates. We grew our sales with CCBA in the year, which reflects continued cooler customer investments in the region.

In the Middle East, our sales grew by a double-digit rate. This solid performance primarily reflects increased investments by the Coca-Cola bottler in Saudi Arabia.

Outlook

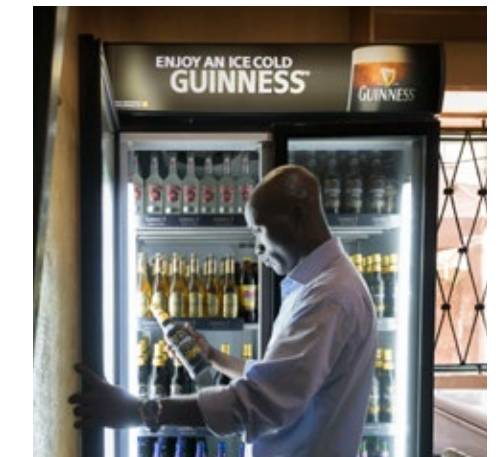
We are focusing on expanding the Integrated Service offering in Nigeria and other countries of the African continent.

We are also optimistic about the prospects of the breakthrough Hybrid cooler, which is expected to provide growth opportunities for Frigoglass in the emerging markets of Africa.

We will continue the roll-out of HFC-free refrigerant in our Ice Cold Merchandizers. We are targeting to replace all existing non HFC-free refrigerant products with HC coolers, both in Coca-Cola and Breweries, which will help us increase our market share across the region.

Sales Africa and Middle East

Year	€m
2016	59.1
2015	68.4
2014	65.8
2013	70.4
2012	102.7



Business review

Glass

Trading conditions in some of our core markets remained difficult throughout the year, resulting in a 10% sales decline in 2016.

In our Nigerian container glass operations, the devaluation of Naira, weakened consumer confidence and shrinking disposable income impacted beverage consumption in terms of value, making our key customers cautious to inject new bottles into their existing bottle floats. The decline came from key soft-drinks and brewery customers, as well as the fragmented Wines & Spirits segment where weak consumer confidence hit hard, while the Pharma segment exhibited a very solid growth.

Our complimentary business of Plastic Crates was also adversely affected by the challenging market environment. Local operations saw sales decreasing by a double digit rate, mainly reflecting lower sales to the Coca-Cola bottler in Nigeria.

The Metal Crowns business saw sales growing by a double digit rate, driven by increased demand from Coca-Cola bottlers as well as a number of new customers who chose locally produced rather than imported crowns due to the scarcity of foreign exchange.

Our Dubai-based Glass operations also experienced contraction in sales due to lower demand compared to last year, notably with Coca-Cola bottlers and the slower introduction of new products.

Outlook
Going forward, we are equipped with a clear strategy and a focused team for returning to growth. We are confident that by capitalizing on existing customer relations and through the continuous optimization of our Glass business, we will become the leading Glass packaging manufacturer in Sub-Saharan Africa.

In our Nigerian operations, we will continue focusing on pricing initiatives and efficiency gains to mitigate the effect of foreign exchange rate fluctuations, driven by the devaluation of the Naira. We are also exploring the opportunity to expand our customer base in Jebel Ali business to Asia, Australia, the UK and other markets, focusing on recurring agreements with volume commitment as well as the introduction of Amber glass into our glass portfolio.

Sales Glass

Year	€m
2016	123.3
2015	137.2
2014	147.4
2013	124.1
2012	122.4



Corporate governance

Governance framework

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

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

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

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

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

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

Audit Committee

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

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

The Audit Committee is also responsible for the submission of proposals to the Board regarding any change to the chart of authorities and the organizational chart of the Company.

The members of the Audit Committee have been appointed by the General Meeting of the Company as per the provisions of law 3693/2008 and are the following:

Chairman

John Androutsopoulos
Non-executive/ Independent

Members

Loucas Komis
Non-executive

Doros Constantinou
Non-executive

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

Mr. Androutsopoulos fulfils the requirements provided by law regarding the requisite knowledge of accounting and auditing.

The Audit Committee shall meet whenever this is deemed necessary and in no circumstances less than four times a year. It must also hold at least two meetings attended by the Company's regular auditor, without the presence of the members of the administration.

The Audit Committee meets validly when at least two of its members are present, of whom one must be its Chairman. The Audit Committee held a total of five (5) meetings in 2016. The said meetings were scheduled in such a way so as to coincide with the publication of the Company's financial information.

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2015 annual financial statements and the 2016 half-year financial information. In this respect the Audit Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure the adequacy,

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

Moreover, in 2016, the Audit Committee has:

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

Internal Audit Department

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

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

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

Human Resources and Remuneration Committee

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

More specifically, its duties are to:

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

The Human Resources and Remuneration Committee, which is appointed by the Board, is comprised of the following 3 non-executive Board members:

Chairman

Loucas Komis
Non-executive

Members

Haralambos (Harry) G. David
Non-executive

Evangelos Kaloussis
Non-executive/ Independent

The Chief Executive Officer and HR Director shall normally attend all meetings of said Committee, except when discussions are conducted concerning matters affecting them personally.

The Human Resources and Remuneration Committee held 3 meetings in 2016.

Corporate governance

Investment Committee

The duties of the investment committee (“the Investment Committee”) are to recommend to the Board the Company’s strategy and business development initiatives, as well as to evaluate and suggest to the Board new proposals for investments and/or Company expansion according to the defined strategy of the Company.

Moreover, the Investment Committee is also responsible for evaluating and suggesting to the Board opportunities for business development and expansion through acquisitions and/ or strategic partnerships.

The Investment Committee, which is appointed by the Board, comprises 4 members, two of whom are non-executive, and is formed as follows:

Chairman

Haralambos (Harry) G. David
Non-executive

Members

Nikos Mamoulis
Executive

Loucas Komis
Non-executive

Manolis Fafalios
Executive

The Investment Committee held 2 meetings in 2016.

Communication with Shareholders

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

Board of Directors

(three-year term ending in 2018)

Haralambos (Harry) G. David
Chairman,
non-executive member

Nikos Mamoulis
Chief Executive Officer,
executive member

Ioannis K. Androutsopoulos
Vice Chairman,
non-executive member / independent

Doros Constantinou
non-executive member

Ioannis Costopoulos
non-executive member / independent

Vassilis Furlis
non-executive member / independent

Evangelos Kaloussis
non-executive member / independent

Loucas D. Komis
non-executive member

George Leventis
non-executive member

Management Committee

(as of March 2017)

Nikos Mamoulis
Chief Executive Officer

Manolis Fafalios
Chief Financial Officer

Nick Evangelou
Chief Commercial Officer ICM

Darren Bennett-Voci
Glass Division Director

Manolis Souliotis
Group Human Resources Director

Vassilis Soulis
Service Director

Certified auditors

PricewaterhouseCoopers
268 Kifissias Avenue,
152 32 Halandri, Athens, Greece

Legal advisors

Theodore Rakintzis
Kyriakides-Georgopoulos, Law Firm

Board of Directors

Haralambos (Harry) G. David Chairman (non-executive)

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

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

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

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

Nikos Mamoulis Chief Executive Officer (executive)

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

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

John K. Androutsopoulos Vice Chairman (independent non-executive)

Mr. John Androutsopoulos was appointed to the Board of Directors in July 1996.

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

Doros Constantinou, Member (non-executive)

Mr. Doros Constantinou was appointed to the Board of Directors in October 2011.

Mr. Constantinou graduated from the University of Piraeus in 1974 and holds a degree in Business Administration.

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

Ioannis Costopoulos Member (independent non-executive)

Mr. Ioannis Costopoulos was appointed to the Board of Directors in March 2015.

Mr. Costopoulos is currently a Senior Advisor for Societe d'Etudes Techniques et Economiques in Geneva. He is a Board Member of Fourlis Holdings S.A. in Athens and Austriacard AG in Vienna.

From 2004 to 2015, he worked for the Hellenic Petroleum Group, a leading regional energy player with activities in oil refining and marketing, gas trading and electricity generation. From 2004 to 2006 as Executive Group Board member in charge of the Retail business, the International Operations and Business Development and from 2007 to 2015 as Group CEO and Chairman of a number of the Group's subsidiaries.

From 1992 to 2003, Mr. Costopoulos held a number of senior executive positions; namely CEO of Petrola S.A. a Greek-based merchant refiner, Regional Director of Johnson & Johnson's consumer business in Central-Eastern Europe and Managing Director of Diageo-Metaxa in Athens.

From 1980 to 1992, he worked as a Principal for management consultants Booz Allen & Hamilton in London and for the Chase Bank in New York and London.

He has also served on the Boards of the Hellenic Federation of Enterprises (SEV) and the Foundation for Economic & Industrial Research (IOBE) in Athens.

He holds a BSc in Economics from the University of Southampton and a MBA from the University of Chicago.

Vassilis Fourlis Member (independent non-executive)

Mr. Vassilis Fourlis was appointed to the Board of Directors in October 2002.

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

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

Board of Directors

Evangelos Kaloussis Member (independent non-executive)

Mr. Evangelos Kaloussis was appointed to the Board of Frigoglass in June 2006.

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

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

Loucas D. Komis Member & Secretary (non-executive)

Mr. Loucas D. Komis was appointed to the Board of Directors in July 1996.

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

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

George Leventis Member (non-executive)

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

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

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

Remuneration

Salary

The salary structure is determined by an internal grading system, reflecting market pay practices. Salary ranges are determined by a number of factors, including level of accountability, know-how and professional experience.

Management short-term incentive plan

The management short-term incentive plan is based on the Management by Objectives principle. The incentive plan links individual performance with company results, aiming to increase employee commitment, thus in turn encouraging exceptional performance.

All managerial level positions are eligible for year-end bonuses. Employee performance is appraised and compensated annually according to objectives achievement. Targets are set to reflect the Company's annual strategy and the plan's breakdown varies according to the individual's position within the Company. Bonus payout is calculated on personal objectives achievement, as well as on the Company, function, region and/or operational targets.

Stock options

Members of the Management Committee and senior management are eligible to participate in Frigoglass' stock option plan. Options are viewed as part of the total remuneration package addressing potential for development.

Options are granted at a pre-determined exercise price, vested in one-third increments each year and can be exercised for up to ten years from the date they are granted according to the plan. The terms of each plan are subject to approval at the Annual General Meeting.

Pension scheme

Employees participate in the Company's pension scheme in countries where it is applicable, thereby providing a savings and incentive tool.

Other benefits

Fringe benefits are offered to employees according to the grade level. These benefits range from company car, fuel allowance, private health care, meal allowance, mobile phone, kindergarten allowance and others according to local market practices.

Financial risks

Frigoglass' global business activities expose the company to a variety of financial risks including foreign exchange, raw materials, credit, liquidity and interest rate risks. The objective of our risk management program is to curtail potential adverse impacts on the Company's financial performance.

Treasury risk management is the responsibility of the Treasury department, which aims to effectively manage the financial risks of Frigoglass and all its subsidiaries, according to the policies approved by the Board of Directors. Treasury identifies, evaluates, monitors and hedges financial risks alongside the Company's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange, interest rate and credit risks, use of financial instruments and investment of excess liquidity. Treasury refrains from speculative transactions or transactions that are not related to the Company's operations.

The Company's financial instruments consist mainly of bank deposits, trade receivables and payables, bank overdrafts, revolving credit facilities, long term bank loans, corporate bond, loans to/from subsidiaries, equity investments, dividends payable and leasing obligations. The Company may use derivative financial instruments in order to hedge certain risks.

The Group is undergoing a restructuring of its indebtedness and capital structure (the "Restructuring") and entered into a lock-up agreement with its main stakeholders in April 2017. The Restructuring is expected to close in July 2017. For a description of the risks and uncertainties related to the Restructuring please refer to the risk factors included in the 2016 financial statements.

1. Market risk

a. Foreign exchange risk

The Company operates globally and is exposed to foreign exchange risks. Fluctuations in exchange rates, particularly in the US Dollar, Nigerian Naira, South African Rand, Indian Rupee, Norwegian Krone, Russian Ruble and Chinese Yuan against the Euro may have an adverse impact on our financial performance.

Our subsidiaries with functional currencies other than the reporting currency (Euro) use natural hedging to limit their exposure to foreign currency risk. Natural currency hedging can be achieved by matching, to the possible maximum extent, revenue and expense cash flows in the same currency in order to limit the impact of currency exchange rate movements. When natural hedging cannot be achieved, the Company makes use of derivatives.

Frigoglass has investments in subsidiaries which operate in various countries. Their net financial positions are exposed to foreign translation exchange risk during the consolidation to the Company's financial statements. The Company is not substantially exposed to this type of risk since most of its subsidiaries use the Euro as their functional currency, with the exception of operations in Nigeria, India, Indonesia, Kenya, South Africa and China.

The Treasury department may use forward exchange contracts in a variety of currencies that mature within one year to mitigate foreign exchange risk, if required.

b. Price risk

The Company is exposed to fluctuations in raw material prices. This risk is offset in various ways, including increased productivity, higher sales volume leading to a positive operating leverage effect and higher selling prices. We also hedge our exposure to price risks associated with the purchase of raw materials by using commodity futures, option contracts and purchase agreements with suppliers.

2. Credit risk

Credit risk arises from cash and cash equivalents as well as from credit exposure to customers, which includes outstanding receivables and committed transactions.

The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms. All subsidiaries monitor the creditworthiness of their debtors on an ongoing basis with a quarterly central review. Appropriate provision for impairment losses is made for specific credit risks. At the year end, Frigoglass considered that there were no material credit risks that had not been covered by doubtful debt provisions.

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

3. Liquidity risk

Liquidity risk is managed by maintaining sufficient cash reserves and the availability of funds through adequate credit facilities. Due to the dynamic nature of the underlying businesses, our Treasury function aims to retain flexibility in funding by having committed credit lines.

The Company manages liquidity risk by effective working capital and cash flow management. Frigoglass monitors expected cash flows and ensures that adequate banking facilities and reserve borrowing facilities are maintained. Overall, subject to completion of the Restructuring, the Company has sufficient borrowing facilities that could be utilized to fund any potential shortfall in cash resources.

4. Interest rate risk

The Company's income and operating cash flows are not dependent on interest rate fluctuations since we do not hold any interest-bearing assets other than short-term time deposits. Exposure to interest rate risk on liabilities is limited to cash flow risk from changes in floating rates.

The Company continuously reviews interest rate trends and financing needs. Consequently, all short- and long-term bank borrowings are entered into floating rates with re-evaluation dates of less than six months. Our Corporate Bond has a fixed interest rate.

Capital risk management

The objective in managing capital is to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders as well as maintaining an optimal capital structure.

In order to sustain or amend the capital structure, Frigoglass may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued or debt raised. Please refer to the Group's 2016 financial statements and public announcements for a description of the Restructuring and its expected impact on the Group's capital structure.

Shareholder information

Share capital

50,593,832 shares outstanding as at 30th December 2016 at a €0.30 nominal value

Market of share listing

Athens Stock Exchange (ATHEX)

Reuters

FRlr.AT

Bloomberg

FRIGO GA

Free float

56%

Dividend history (€ per share)

Full year	Amount ¹	AGM date	Ex-dividend date	Payment date
2001	0.048	31 May 2002	3 Jun 2002	20 Jun 2002
2002	0.064	18 Jun 2003	22 Jul 2003	1 Aug 2003
2003	0.080	21 Jun 2004	22 Jun 2004	14 Jul 2004
2004	0.112	10 Jun 2005	10 Jun 2005	12 Jul 2005
2005	0.160	9 Jun 2006	14 Jun 2006	21 Jun 2006
2006	0.256	8 Jun 2007	13 Jun 2007	20 Jun 2007
2007	0.304	6 Jun 2008	10 Jun 2008	18 Jun 2008
2008	0.480*	5 Sep 2008**	5 Dec 2008	15 Dec 2008
2009	0.080	14 May 2010	7 July 2010	14 July 2010

* Interim dividend ** Extraordinary General Meeting

Capital return (€ per share)

Full year	Amount ¹	AGM date	Ex-dividend date	Payment date
2008	0.72	5 Sep 2008	30 Oct 2008	7 Nov 2008
2011	0.13	31 May 2011	6 Sep 2011	14 Sep 2011

Notes: 1 Adjusted for the issuance of 10,090,659 new bonus shares (one bonus share for every four existing shares) implemented in September 2011.

2016 share price (€ per share)

Quarter ended	High	Low	Close
30 Dec	0.09	0.09	0.09
30 Sep	0.10	0.09	0.09
30 Jun	0.15	0.14	0.15
31 Mar	0.63	0.36	0.37

Share price

Share price at 30 December 2016:
€0.09

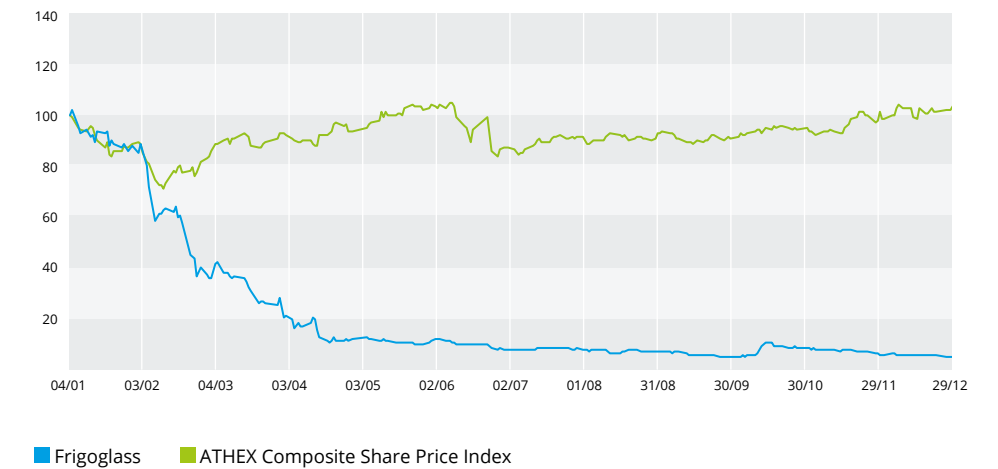
Market capitalisation

Market capitalisation at 30 December 2016:
€4.6 million

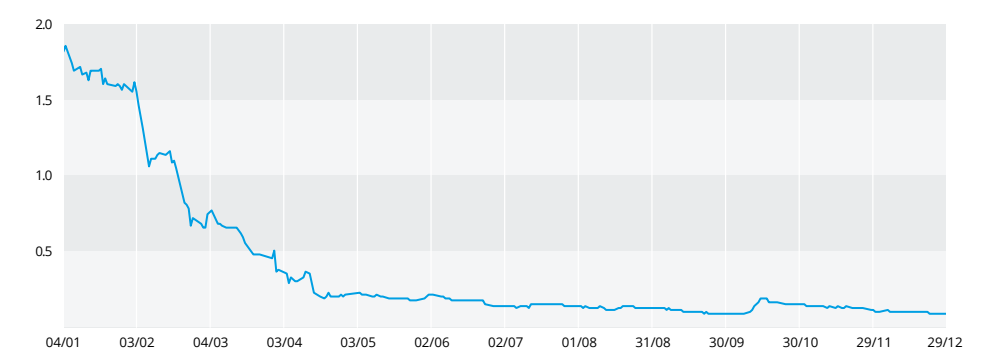
Trading Volume

Average daily trading volume in 2016:
77,527 shares

Frigoglass share price performance vs. ATHEX composite share price index



Frigoglass stock price performance 2016



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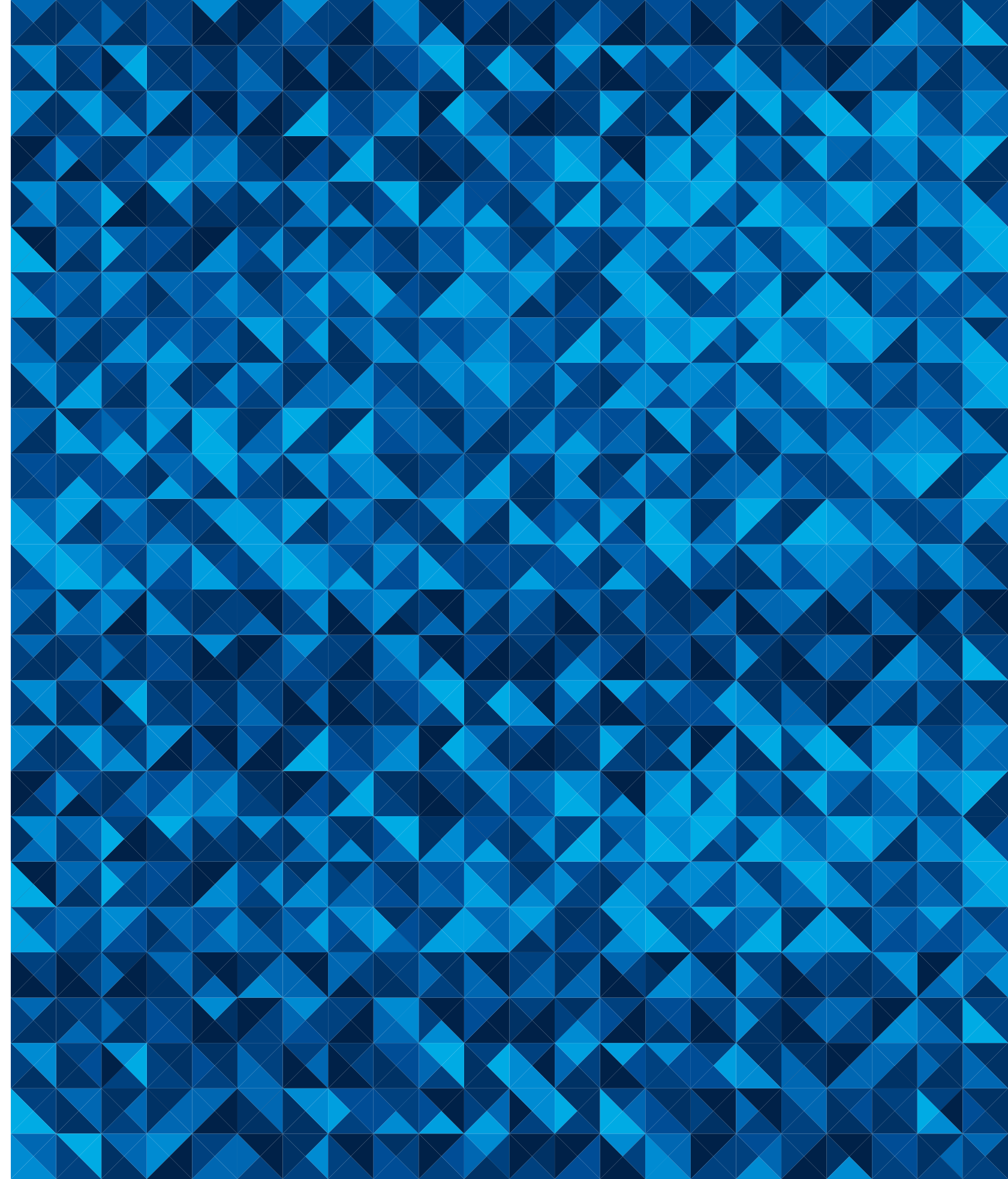
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