

Fotex Holding S.E.
26-28, rue Edward Steichen
L-2540 Luxembourg
R.C.S. Luxembourg B 146.938

Consolidated financial statements for the year ended 31 December 2015,
Management report and
Independent auditor's report

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Management Report

General

Fotex Holding SE (the “Company”) is a European public limited company registered in the Luxembourg companies register under the number R.C.S. B 146.938 and regulated under the laws of the Grand Duchy of Luxembourg. The Company’s current registered address is 26-28, rue Edward Steichen, L-2540 Luxembourg, Luxembourg.

The Company is primarily the holding company of a group of subsidiaries (Fotex and its subsidiaries, hereafter the “Group”) incorporated in Luxembourg, The Netherlands and Hungary are engaged in a variety of property management, manufacturing, retailing and other activities. Except for Fotex Holding SE (ultimate parent company) and Upington Investments S.à r.l., who are registered in Luxembourg, and Fotex Netherlands B.V., FN 2 B.V., FN 3 B.V. and Long Term CRE Fund B.V., which are registered in The Netherlands, all subsidiaries of the Group are registered and operate in Hungary. The ownership of consolidated subsidiaries, after considering indirect shareholdings, is:

<u>Subsidiary:</u>	<u>Principal Activities:</u>	<u>2015</u>	<u>2014</u>
		%	%
Ajka Kristály Kft. (Ajka)	Crystal manufacturing and retail	100.00	100.00
Balaton Bútor Kft.	Furniture manufacturer	-	100.00
Fotex Netherlands B.V.	Property management	100.00	100.00
FN 2 B.V.	Property management	100.00	100.00
FN 3 B.V.	Property management	100.00	100.00
Fotexnet Kft.	Internet retail and other services	100.00	100.00
Hungaroton Music Zrt.	Music archive	99.21	99.21
Keringatlan Kft.	Property management	99.99	99.98
Long Term CRE Fund B.V.	Property management	100.00	-
Plaza Park Kft.	Property management	100.00	100.00
Sigma Kft.	Property services	75.05	75.05
Székhely 2007 Kft.	Property services	99.28	99.28
Upington Investments S.à r.l.	Investment holding	100.00	100.00

During 2015 the Fotex Group entered into the following transactions that affected the Group structure.

- The owner of Ajka Kristály Kft. increased its capital by EUR 2,923,646 on 8 April, 2015.
- The owner of Plaza Park Kft. decreased its capital by EUR 1,152,683 on 22 June 2015.
- On 3 August 2015, Fotex Netherlands B.V. established a subsidiary in The Netherlands, LT CRE Fund BV.
- At 30 September, 2015 the Group disposed 100% of Balaton Bútor Kft. As a result Balaton Bútor Kft. has not been a Fotex Group member since 30 September, 2015.
- The owner of Fotex Netherlands B.V. increased its capital by EUR 150,000,000 on 8 December, 2015.

During 2014 the Fotex Group entered into the following transactions that affected the Group structure.

- The owner of Keringatlan Kft. decreased its capital by EUR 16,976,952 on 5 September 2014,
- The owner of Fotex Netherlands B.V. raised its additional paid-in capital by EUR 55,058,134 on 18 December 2014.

Financial overview

The Group has operations in The Netherlands, Luxembourg and in Hungary. From a management point of view the Group is divided in 3 business lines, which are the following:

- Investment property holding and management
- Crystal and glass manufacturing
- Other – (music publishing and retail, administration and holding activities)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The following tables below summarize the Group's revenues and profit before tax for 2015 and 2014 by business lines:

	<u>2015</u>	<u>2014</u>
Net sales:	Net Sales EUR	Net sales EUR
Investment property holding and management	28,541,301	28,021,535
Crystal and glass manufacturing	6,508,702	6,374,682
Other	9,156,202	8,928,491
Inter-segment elimination	<u>(2,370,484)</u>	<u>(2,521,662)</u>
Net sales	<u>41,835,721</u>	<u>40,803,046</u>
Income before income taxes:	<u>2015</u>	<u>2014</u>
	EUR	EUR
Investment property holding and management	5,861,887	6,688,449
Crystal and glass manufacturing	283,866	433,620
Other	<u>(1,577,468)</u>	<u>(240,562)</u>
Profit before income taxes	<u>4,568,285</u>	<u>6,881,507</u>

Profit before income taxes in other business line have been decreased due to impairment of FTC merchandising rights (EUR 1,000,000) and property, plant and equipments (EUR 569,783).

The operating results of the Fotex Group vary from year to year due to changes in exchanges rates, discontinuation of lines of business, as well as general European and global economic trends. The Fotex Group tries to counterbalance such changes as best as possible by reorganizing and rationalizing business segments which the Fotex Group feels are no longer sustainable or have no viable future.

Management considers the sales revenue and the EPS as key financial performance indicators.

Management monitors the activities which generate the Group's revenues. The table below summarizes the main activities from which the Group generates its revenues:

Sales revenue:	<u>2015</u>	<u>2014</u>
	EUR	EUR
Sale of goods	10,722,198	10,294,084
Provision of services	2,325,422	2,308,307
Rental income revenue	24,379,187	23,466,902
Revenue from service charges to tenants	3,637,536	3,171,255
Royalty revenue	350,796	376,168
Other sales revenue	<u>420,582</u>	<u>1,186,330</u>
Total sales revenue	<u>41,835,721</u>	<u>40,803,046</u>

The structure of the activities has not changed significantly in 2015 when compared to 2014. It can be seen that revenues generated by real estate management are the most significant, which have improved slightly during the year. In 2014 and 2015 the investment portfolio was extended by the acquisition of a retail real estate and an office as well in the Netherlands.

The rental income derived from investment management has increased compared to the previous year. The underlying reason for this is that the Hungarian adverse economic situation was compensated by the group's investment property portfolio within the Netherlands.

The slightly increased rental income derived from the investment property portfolio situated in Hungary is attributable to the following reasons:

1. Rental contracts are stipulated in EUR or on a EUR basis. The Hungarian Forint has lost value against EUR during the past few years; which resulted an increase in the rental fees in local currency for the tenants, thus further worsened leasing opportunities.
2. The number of liquidation proceedings against the tenants hasn't changed significantly in the current year.
3. In order to retain existing tenants and convince new tenants to lease currently vacated properties the group's Hungarian subsidiaries have had to offer lower rents.
4. According the combined effect of the gentle market recovery and the lower rental fees (per square meter) – mentioned in section 3 – the vacancy rate has improved in the respect of the Hungarian properties.

We foresee these trends to be long lasting and a continuous problem with respect to the investment properties situated in Hungary.

Revenues from selling of goods are generated primarily by sales of crystal and glass products and furniture products.

The table below summarizes the Group's key financial indicators, which are monitored by the Group's management:

Selected financial information	31.12.2013	31.12.2014	31.12.2015
(EUR)			
Sales	41,757,223	40,803,046	41,835,721
Gross profit*	34,370,296	33,661,509	34,641,018
Operating profit**	11,823,586	11,137,104	8,625,179
Pre tax profit	7,947,134	6,881,507	4,568,285
Net income***	6,364,394	5,926,990	3,057,270
Owner's equity****	121,943,859	121,285,075	123,215,222
Total assets	218,508,675	215,791,448	218,480,351
Number of ordinary and preference issued shares	72,723,650	72,723,650	72,723,650
Basic earnings per share	0.11	0.11	0.06
Return on equity	5.26%	4.87%	2.50%
Return on assets	2.91%	2.73%	1.41%

* *revenue less cost of sales*

** *gross profit less operating expenses*

*** *net income attributable to equity holders of the Company*

**** *equity attributable to equity holders of the Company*

The Group is committed to take responsibility for the environment paying attention to the treatment of the hazardous waste generated by the production of furniture, crystal and glass products. It takes all effort to optimize the level of the hazardous waste by proper handling, storage, transportation and removal in accordance with local regulations.

The level of the hazardous waste as of 31 December 2015 was zero kg (31 December 2014: 2,963 kg), which means that the produced hazardous waste has been sold for recycling to third parties. In 2014 the above mentioned 2,963 kg was only 0.26% of the hazardous waste produced throughout the whole year.

No provision is recognised for covering future environment fines or expenditures in 2015.

Risks and Risk management of the Group

The Group's business, financial condition or results can be affected by risks and uncertainties. Management has identified the following risks:

- Change in laws and regulations governing the operations of the Company and its subsidiaries may affect their business, investments and results of operations.
- Foreign currency risk
- Credit risk
- Interest rate risk
- Liquidity risk
- Country risk

Management monitors these risks and applies the following risk management procedures:

Foreign currency (“FX”) risk

Financial instruments that potentially represent risk for the Group include debtors in foreign currency, creditors in foreign currency and deposits in foreign currency other than in EUR. The Group’s rental contracts are stipulated in EUR or on EUR basis thus mitigating any FX risk associated with non-EUR revenues. In addition, the Group entered into forward transactions in amount of EUR 5,490,155 to cover part of revenues in HUF for the financial year of 2015. Many EUR-based rental contracts are billed in HUF based on the applicable daily spot rate. In order to mitigate the risk of FX losses from any potential unbeneficial EUR/HUF rate fluctuations, the Group normally sets out a minimum EUR/HUF rate in its rental contracts.

Credit risk

The Group aims to mitigate lending risk by its careful and continuous debtor portfolio monitoring process and by requiring bank guarantees and collateral. In addition, the Group regularly follows up information about the main debtors in the market.

Concentrations of credit risk, with respect to trade accounts receivable, are limited due to the large number of customers and due to the dispersion across geographical areas.

Receivable balances are monitored on an ongoing basis.

Investments of surplus funds are made only with reliable counterparties and are allocated between more banks and financial institutions in order to mitigate financial loss through potential counterparty failure.

Interest rate risk

In order to mitigate the interest rate risk the Group tries to use mainly fixed rate loans. In parallel with this in case of variable interest rate loans the Group limits the increase of the interest rate by applying a cap.

The loan interests vary between one to three months EUR-LIBOR + 2.26-2.70% and are at fixed rates varying between 3.27 % and 7.25 %. The interest risks of the variable interest mortgage loans are limited between 3.3% and 3.64%.

Liquidity risk

Liquidity risk is monitored as follows:

- Monitoring daily available deposited and free cash by entity
- Monitoring weekly cash flows by entity
- As part of the management information system, the Group monitors the operations of each entity on a monthly basis
- The Group monitors its long-term cash flows in order to match the maturity patterns of its assets and liabilities

Country risk

The Group has operations in Luxembourg, in The Netherlands and in Hungary. By the geographical diversification of the operations the Group mitigates the effects of any country risk. The Group expands its activities into countries where country risk is lower.

Company's internal control and risk management systems in relation to the financial reporting process

The Board of Directors has overall responsibility for ensuring that Fotex Group maintains a sound system of internal controls, including financial, operational and compliance controls. Such a system is an integral part of the corporate governance strategy of the Company. Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the Company can be achieved. The internal control procedures are defined and implemented by the Company to ensure:

- the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
- the efficiency and effectiveness of operations and the optimal use of the company's resources;
- the correct implementation of the company's internal processes, notably those to ensure the safeguarding of assets;
- the integrity and reliability of financial and operational information, both for internal and external use;
- that management's instructions and directions are properly applied; and
- that material risks are properly identified, assessed, mitigated and reported.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally mitigated or eliminated. The control environment is an essential element of the Company's internal control framework, as it sets the tone for the organization. This is the foundation of the other components of internal control, providing discipline and structure.

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

- In the context of the ongoing organizational realignment implemented since the Group moved its headquarters to Luxembourg, a greater integration of the financial operations of the parent company and affiliates under a single management structure was established.
- Controls have been established in the processing of accounting transactions to ensure appropriate authorizations for transactions, effective segregation of duties, and the complete and accurate recording of financial information.
- The Company relies on a comprehensive system of financial reporting. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the Group are drawn up and brought to the Board for approval. The Board also approves all significant investments. The Board receives monthly financial reports setting out the Company's financial performance in comparison to the approved budget and prior year figures.
- A clear segregation of duties and assignment of bank mandates between members of management, and the accounting departments is implemented.

Research and development

The Company itself has no research and development and the research and development activity carried out through its subsidiaries is not significant.

Share capital

The Company's approved and issued share capital totals EUR 30,543,933 consisting of shares with a face value of EUR 0.42 each. At 31 December 2015, the Company's issued share capital included 70,723,650 ordinary shares and 2,000,000 dividend preference shares (31 December 2014: 70,723,650 ordinary shares and 2,000,000 dividend preference shares).

The "dividend-bearing preferred shares" carry the same rights as ordinary shares in the event of liquidation or dissolution. They entitle the holder to an annual dividend determined by the General Meeting, but do not carry voting rights.

Holder of dividend-bearing preferred shares are not entitled to any rights or dividends other than those granted to them by the General Meeting. They are paid once a year. Interim dividends may only be paid if the conditions required for such a distribution are met.

If the Company is unable to pay these dividends in a given year or if it only pays part of the minimum due in a given year and fails to pay the balance at the time of payment of the dividends for the following year, holders of dividend-bearing preferred shares shall be granted identical voting rights to those reserved for ordinary shares. This voting right shall remain valid until such time as the Company has paid all the minimum dividends due in respect of the dividend-bearing preferred shares.

Treasury shares

The 2,000,000 dividend preference shares issued by the Company which are shown as part of "Issued capital" 2015: EUR 840,000; (2014: EUR 840,000) are also shown in "Treasury shares".

As at 31 December 2015, the Company held 18,640,331 treasury shares (of which are 16,640,331 ordinary shares and 2,000,000 are dividend preference shares) at a historic cost of EUR 24,171,618 (31 December 2014: 18,398,716 shares – of which 16,398,716 were ordinary shares and 2,000,000 were dividend preference shares – at a historic cost of EUR 23,872,801). As of 31 December 2014 Fotex Group had 6,555,895 shares which are used for as a security of loans. In 2015 the additional security has been cancelled because of the mortgage loans III. and IV. were fully repaid.

During 2015, the Company purchased 241,615 of its ordinary shares (2014: 388,932 shares) on an arm's length basis. On 25 February 2014 the Group, exercising its redemption option and repurchased 775,000 pieces of dividend preference shares - owned by the management previously – for EUR 327,128. Thus all dividend preference shares are now owned by the Group.

Suggestion for Dividends to be paid

At their meeting of 13 April, 2016, the Board of Directors approved not to pay dividends on the preference shares as all dividend preference shares are now owned by the Group.

The Board of Directors suggests to the Annual General Meeting that the Company pays EUR 0.02 dividend per ordinary share eligible to receive dividends for the year 2015. The Company does not pay dividend on ordinary shares which are held by the Company and its subsidiaries. The Board of Directors suggests to the Annual General Meeting of the shareholders that the payment date of dividend is to be on 20 June, 2016.

The Annual General Meeting of the shareholders of the Company will decide on the amount of dividends to be paid on the ordinary shares for the year 2015 and on the date of payment of dividend.

Significant Events after the end of the reporting period

After the end of the reporting period no significant events have happened.

Significant direct and indirect Shareholders

Gábor Várszegi, Chairman of the Board of Fotex, directly or indirectly controls a part of the voting shares of Blackburn International Inc. (“Blackburn”), a Panama company, and Blackburn International S.à r.l. (“Blackburn Luxembourg”), a Luxembourg company, and Zürich Investments Inc. (“Zürich”), a British Virgin Islands company. Blackburn Luxembourg has a controlling interest in Fotex Ingatlan Kft. (“Fotex Ingatlan”). As at 31 December 2015 Blackburn Luxembourg controlled 50.35% (31 December 2014: 50.35%) of the Company’s voting shares. These companies are considered to be related parties.

Corporate governance

The Company adopts and applies the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (“Ten Principles”). It reviews the Ten Principles on a yearly basis and shares the developments with the Luxembourg Stock Exchange from time to time as part of a joint follow-up process in order to reduce the number of exceptions.

In the course of 2014, the Company updated its Corporate Governance Charter which was disclosed on its website. It also updated its website and created a financial calendar for information purposes, furthermore, it extended the scope of information available on the management. As regards special committees of the Company, due to the investment holding character, the Company is of the opinion that number of special committees shall be limited in order to achieve optimal efficiency.

The Board

The Company is managed by a Board of Directors (the “Board”) composed of a minimum of five and a maximum of eleven members (the “Directors”, each one a “Director”).

The Directors shall be appointed by the General Meeting of shareholders of the Company for a maximum period which will end at the Annual General Meeting of the Company to take place during the third year following their appointments. They shall remain in office until their successors are elected. They may be re-elected and they may be dismissed at any time by the General Meeting, with or without cause.

In the event that one or several positions on the Board become vacant due to death, resignation or any other cause, the remaining Directors shall select a replacement in accordance with the applicable legal provisions, in which case this appointment shall be ratified at the next General Meeting of the shareholders of the Company.

The Board of Directors has been authorized by the shareholders to manage the day-to-day operations of the Company, as well as to make administrative decisions at the Company.

All rights which have not been conferred to the shareholders by the Articles of Association or by the laws remain of the competence of the Board of Directors. The Board may decide paying interim dividends as prescribed by law. All long-term pay schemes, plans, or incentive programs relating to the employees of the Company and its subsidiaries, which the Board would like to implement are required to be brought to the General Meeting of the shareholders before approval.

The remuneration of members of the Board of Directors shall be fixed by the General Meeting.

The Board shall elect a chairman from among its members.

According to the Articles, persons with no legal or financial link to the Company other than their mandate as Director are considered “independent persons”.

“Independent persons” does not include persons who:

- a) are employed by the Company or its subsidiaries at the time of their appointment as a member of the Board of Directors;
- b) carry out remunerated activities for the benefit of the Company or exercise technical, legal or financial duties within the Company;
- c) are shareholders of the Company and directly or indirectly hold at least 30% of the voting rights, or are related to such a person;
- d) receive financial benefits linked to the Company’s activities or profit;
- e) have a legal relationship with a non-independent member of the Company in another company in which the non-independent member has management and supervisory powers.

The Board is composed as follows:

Name:	Position:
Mr. Gábor VÁRSZEGI	Chairman of the Board
Mr. Dávid VÁRSZEGI	Member of the Board
Mr. Wiggert KARREMAN	Member of the Board
Mr. Jan Thomas LADENIUS	Member of the Board
Mr. Bob DOLE	Member of the Board
Mrs. Anna RAMMER	Member of the Board
Mr. Peter KADAS	Member of the Board

The Annual General Meeting of the Company held on 14 May 2015 elected the members of the Board of Directors with a mandate expiring at the Annual General Meeting of shareholders of the Company called to approve the Company’s annual accounts as at 31 December 2015.

Each member of the Board of Directors is a high-qualified, honest and acclaimed specialist.

The Company publishes the information about the career of the Board of Directors’ members on its website.

The Board of Directors shall be vested with the most extensive powers to manage the affairs of the Company and to carry out all measures and administrative acts falling within the scope of the corporate object. Any powers not expressly reserved for the General Meeting by the Articles of Association or by the laws shall fall within the remit of the Board of Directors.

A subsequent General Meeting representing at least 50% of the ordinary shares may establish the limits and conditions applicable to the authorized capital, within the conditions laid down by the law. In this case, the Board of Directors is authorized and mandated to:

- carry out a capital increase, in one or several stages, by issuing new shares to be paid up either in cash, via contributions in kind, the transformation of debt or, subject to the approval of the Annual General Meeting, via the integration of profits or reserves into the capital;
- set the place and date of the issue or of successive issues, the issue price, and the conditions and procedures for subscribing and paying up the new shares;
- abolish or restrict the preferential subscription rights of shareholders with regard to new shares to be issued as part of the authorized share capital.

This authorization is valid for a period of five years from the publication date of the authorization deed and may be renewed by a General Meeting of shareholders for any shares of the authorized capital which have not been issued by the Board of Directors in the meantime.

Following each capital increase carried out and duly recorded according to the legal formalities, the first paragraph of the Articles of Association shall be amended in such a way as to reflect the increase carried out; this amendment shall be recorded in the notarial deed by the Board of Directors or any other authorized person.

Audit Committee

The audit committee of the Company (the “Audit Committee”) shall be composed of a minimum of three and a maximum of five people.

The members of the Audit Committee shall be appointed by the General Meeting of shareholders of the Company among the members of the Board deemed to be “independent persons” for a period not exceeding their respective mandates.

The Audit Committee shall elect a chairman from among its members. The quorum shall be met at Audit Committee meetings when the members have been validly called to attend and when a minimum of two-thirds or three of its members are present. All of the Committee’s decisions shall be taken by a simple majority vote. In the event of a tied vote, the person presiding over the meeting shall have the casting vote. They may be re-elected and they may be dismissed at any time by the General Meeting, with or without cause.

The Audit Committee opines the annual report of the Company, controls and evaluates the operation of the financial system, provides its tasks in connection with the Auditor of the Company.

Composition of the Audit Committee

The Audit Committee is composed as follows:

- Mr. Wiggert Karreman (Member of the Audit Committee)
- Mr. Jan Thomas Ladenius (Member of the Audit Committee)
- Mr Peter Kadas (Member of the Audit Committee)

The Members of the Audit Committee were appointed at the Annual General Meeting held on 14 May 2015. The mandate of the members of the Audit Committee will expire at the Annual General Meeting of shareholders of the Company called to approve the Company’s annual accounts as at 31 December 2015.

No specific remuneration is attributed to the members of the Audit Committee.

The Company publishes the resolutions after the General Meeting and ensures the shareholders get to know their content.

Subject to the provisions of the Article 10 of the Articles of Association of the Company, the General Assembly of shareholders has the broadest powers to order, carry out or ratify measures relating to the activities of the Company.

Rules Governing Amendments to the Articles of Incorporation

Amendments to the Articles of Incorporation are approved by resolution at an Extraordinary General Meeting of shareholders under the conditions of the law.

Branches of the Company

The Company has no branches.

Other Disclosures

The shares of the Company were admitted to the official list of the Luxembourg Stock Exchange at a first price of EUR 1.06/piece as of 23 February 2012.

The Board of Directors of the Company at the meeting held on 14 March 2012 decided on the full transfer of the Company's shares listed on the Budapest Stock Exchange to the Luxembourg Stock Exchange. The date of transfer was 30 March 2012. After transferring the shares from the Budapest Stock Exchange the shares are traded only on the Luxembourg Stock Exchange.

There are no agreements with shareholders which are known to the Company and may result in restrictions on the transfer of securities or voting rights within the meaning of the 2004/109/EC directive (transparency directive).

There are no restrictions on the transfer of securities in the Articles of Incorporation of the Company.

There are no securities granting special control right to their holders and there are no restrictions on voting rights of the ordinary shares.

There are no significant agreements to which the Company is party to and which would take effect, alter or terminate upon a change of control following a public offering or takeover bid.

There are no agreements between the Company and its Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

There is no system of control of employee share scheme where the control rights are not exercised directly by the employees

Future Prospects

The financial position and performance of the Group remained stable, despite the difficult market conditions in 2015.

The Company would like to call the attention of its shareholders to the following matters having notable effect on the rental income revenue - generated by Hungarian real estates - in the foreseeable future:

1. Despite the adverse economic situation within Hungary the vacancy rate of the Hungarian real estate portfolio is not expected to decrease further. Also in spite of the slight growth of retail sales no further significant demand expansion expected for retail properties in the foreseeable future. In addition to this we also expect a lack of new multinational companies from entering into the market and a decreasing willingness on the part of local retailers to expand. Furthermore, Hungarian government legislation restricting the retail trade has also impacted the letting in the retail sector.
2. Due to unfavorable market conditions the re-leasing of vacant real estates is still difficult at the same time rental prices have dropped and property owners are only able to garner lower rental fees than compared to prior years.
3. Due to the adverse economic environment and difficult market conditions prevalent in Hungary, many important and internationally renowned tenants have recently decided to cease their operations within the Hungarian market.

In order to offset the unfavorable economic situation in Hungary, the Group has expanded its real estate portfolio outside of Hungary during last years and intends to continue to do so in the future.

4. The market conditions in Hungary have also forced certain service providers – especially those representing high value added services – to reduce their activities within Hungary.

The Group will continue seeking favorable investment opportunities taking into account the market conditions given and the stable cash flow of the Group.

In the current economic environment there are good opportunities to obtain new credit loans at a low cost. Considering the shareholders' interests the Group does not intend to issue any new shares with the purpose of capital increase.

13 April 2016, Luxembourg



Várszegi Gábor

Fotex Holding SE

Chairman of the Board

Independent auditor's report

To the Shareholders of
Fotex Holding S.E.
26-28, rue Edward Steichen
L-2540 Luxembourg

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Fotex Holding S.E., which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

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

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Responsibility of the “réviseur d’entreprises agréé” (continued)

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 consolidated financial statements give a true and fair view of the financial position of Fotex Holding S.E. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The management report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the corporate governance statement.

Ernst & Young
Société Anonyme
Cabinet de révision agréé



Pavel Nesvedov

Luxembourg, 13 April 2016

Fotex Holding SE and Subsidiaries
Consolidated Statement of Financial Position
Figures in EUR

	Note	31 December 2015 EUR	31 December 2014 EUR
Assets			
Current Assets:			
Cash and short-term deposits	5	7,667,840	13,173,781
Current portion of other financial assets	6	610,459	821,803
Accounts receivable and prepayments	7	7,571,369	7,871,517
Income tax receivable	18	265,662	347,499
Inventories	8	6,099,144	6,782,260
Total current assets		<u>22,214,474</u>	<u>28,996,860</u>
Non-current Assets:			
Property, plant and equipment	9	6,511,777	8,262,155
Investment properties	10	174,983,423	163,066,580
Deferred tax assets	18	315,151	275,220
Intangible assets	11	1,766,748	2,940,129
Non-current portion of other financial assets	6	2,028,351	1,649,998
Goodwill arising on acquisition	13	10,660,427	10,600,506
Total non-current assets		<u>196,265,877</u>	<u>186,794,588</u>
Total assets		<u><u>218,480,351</u></u>	<u><u>215,791,448</u></u>
Liabilities and Shareholders' Equity			
Current Liabilities:			
Interest-bearing loans and borrowings	17	41,924,668	17,722,081
Accounts payable and other liabilities	14	9,724,489	9,629,250
Total current liabilities		<u>51,649,157</u>	<u>27,351,331</u>
Non-current Liabilities:			
Interest-bearing loans and borrowings	17	39,608,422	63,295,311
Other long-term liabilities	14	1,971,998	1,545,698
Deferred tax liability	18	1,946,072	2,158,080
Total non-current liabilities		<u>43,526,492</u>	<u>66,999,089</u>
Shareholders' Equity:			
Issued capital	15	30,543,933	30,543,933
Additional paid-in capital		25,495,008	25,495,008
Goodwill write-off reserve	15	-	(243,350)
Retained earnings		91,783,909	90,597,301
Translation difference		(436,010)	(1,235,016)
Treasury shares, at cost	15	(24,171,618)	(23,872,801)
Equity attributable to equity holders of the parent company		<u>123,215,222</u>	<u>121,285,075</u>
Non-controlling interests in consolidated subsidiaries		89,480	155,953
Total shareholders' equity		<u>123,304,702</u>	<u>121,441,028</u>
Total liabilities and shareholders' equity		<u><u>218,480,351</u></u>	<u><u>215,791,448</u></u>

The accompanying notes on pages 22 to 77 form an integral part of these consolidated financial statements.

Fotex Holding SE and Subsidiaries
Consolidated Income Statement
Figures in EUR

		for the year ended 31 December	
	Note	2015	2014
		EUR	EUR
Revenue	19	41,835,721	40,803,046
Operating expenses	16	(33,210,542)	(29,665,942)
Interest income		63,766	97,265
Interest expenses	17	(4,120,660)	(4,352,862)
Income before income tax		4,568,285	6,881,507
Income tax expense	18	(1,474,774)	(923,217)
Net income		3,093,511	5,958,290
Attributable to:			
Equity holders of the parent company		3,057,270	5,926,990
Non-controlling interests		36,241	31,300
Net income		3,093,511	5,958,290
Basic earnings per share	25	0.06	0.11
Diluted earnings per share	25	0.06	0.11

The accompanying notes on pages 22 to 77 form an integral part of these consolidated financial statements.

Fotex Holding SE and Subsidiaries
Consolidated Statement of Comprehensive Income
Figures in EUR

	<u>Note</u>	for the year ended 31 December	
		<u>2015</u>	<u>2014</u>
		EUR	EUR
Net income		<u>3,093,511</u>	<u>5,958,290</u>
Other comprehensive income:			
Exchange gain/(loss) on translation of foreign operations*	20	<u>800,444</u>	<u>(4,617,418)</u>
Total comprehensive income/(loss)		<u><u>3,893,955</u></u>	<u><u>1,340,872</u></u>
Attributable to:			
Equity holders of the parent company		<u>3,856,276</u>	<u>1,323,951</u>
Non-controlling interests		<u>37,679</u>	<u>16,921</u>
		<u><u>3,893,955</u></u>	<u><u>1,340,872</u></u>

*Will be subsequently reclassified to profit or loss on the disposal of the relevant foreign operations.

The accompanying notes on pages 22 to 77 form an integral part of these consolidated financial statements.

Fotex Holding SE and Subsidiaries
Consolidated Statement of Changes in Equity
Figures in EUR

	Issued Capital	Additional Paid-in Capital	Goodwill Write-off Reserve	Retained Earnings	Translation Difference	Treasury Shares	Total	Non- controlling interests	Total Equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 January 2015	30,543,933	25,495,008	(243,350)	90,597,301	(1,235,016)	(23,872,801)	121,285,075	155,953	121,441,028
Net income 2015	–	–	–	3,057,270	–	–	3,057,270	36,241	3,093,511
Other comprehensive income	–	–	–	–	799,006	–	799,006	1,438	800,444
Total comprehensive income	–	–	–	3,057,270	799,006	–	3,856,276	37,679	3,893,955
Purchase of treasury shares (note 15)	–	–	–	–	–	(298,817)	(298,817)	–	(298,817)
Shareholder dividends	–	–	–	(1,627,312)	–	–	(1,627,312)	–	(1,627,312)
Minority dividends	–	–	–	–	–	–	–	(104,152)	(104,152)
Reversed written off goodwill reserve (note15)	–	–	243,350	(243,350)	–	–	–	–	–
Reclassification from additional paid in capital to retained earnings	–	–	–	–	–	–	–	–	–
31 December 2015	30,543,933	25,495,008	–	91,783,909	(436,010)	(24,171,618)	123,215,222	89,480	123,304,702

The accompanying notes on pages 22 to 77 form an integral part of these consolidated financial statements.

Fotex Holding SE and Subsidiaries
Consolidated Statement of Changes in Equity
Figures in EUR

	Issued Capital	Additional Paid-in Capital	Goodwill Write-off Reserve	Retained Earnings	Translation Difference	Treasury Shares	Total	Non- controlling interests	Total Equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 January 2014	30,543,933	25,495,008	(566,044)	86,622,753	3,368,023	(23,519,814)	121,943,859	141,030	122,084,889
Net income 2014	–	–	–	5,926,990	–	–	5,926,990	31,300	5,958,290
Other comprehensive income	–	–	–	–	(4,603,039)	–	(4,603,039)	(14,379)	(4,617,418)
Total comprehensive income	–	–	–	5,926,990	(4,603,039)	–	1,323,951	16,921	1,340,872
Purchase of treasury shares (note 15)	–	–	–	–	–	(352,987)	(352,987)	–	(352,987)
Shareholder dividends	–	–	–	(1,629,748)	–	–	(1,629,748)	–	(1,629,748)
Minority dividends	–	–	–	–	–	–	–	(1,998)	(1,998)
Reversed written off goodwill reserve (note15)	–	–	322,694	(322,694)	–	–	–	–	–
31 December 2014	30,543,933	25,495,008	(243,350)	90,597,301	(1,235,016)	(23,872,801)	121,285,075	155,953	121,441,028

The accompanying notes on pages 22 to 77 form an integral part of these consolidated financial statements.

Fotex Holding SE and Subsidiaries
Consolidated Cash Flow Statement
Figures in EUR

	Note	for the year ended 31 December	
		2015	2014
		EUR	EUR
Cash flows from operating activities:			
Income before income taxes	21	4,568,285	6,881,507
Depreciation and amortisation	16	7,824,184	7,457,150
Impairment loss of intangible and tangible assets		1,569,783	-
Scrapped tangible assets		27,082	26,994
Write off/(reversal) of inventories		29,403	69,982
Impairment loss of debtors and reversals		636,700	461,872
Impairment loss of other financial assets and disposals		69,526	227
Loss/(gain) on disposals of fixed assets		(57,853)	(30,467)
Loss/(gain) on disposal of subsidiary and other investments		284,428	(940)
Interest income		(63,766)	(97,265)
Change in fair value of embedded derivative		-	(3,283)
Effect of spread of rental related incentives and allowance		245,679	389,935
Interest expenses	17	4,120,660	4,352,862
Changes in working capital:			
Accounts receivable and prepayments		(867,491)	6,584
Inventories		(345,097)	25,131
Accounts payable and other liabilities		(123,255)	(1,020,748)
Cash generated from operations		17,918,268	18,519,541
Income tax paid	18	(784,140)	(1,360,095)
Net cash flow from operating activities		17,134,128	17,159,446
Cash flows from investing activities:			
Acquisition of investment properties		(17,710,084)	(11,132,897)
Acquisition of tangible and intangible assets		(1,730,997)	(780,694)
Sale proceeds of tangible and intangible assets		76,560	74,612
Sale/(purchase) of financial investments		1,080,499	(160)
Repayments of loans granted		3,166	315,642
Interest received		59,382	60,793
Net cash flow used in investing activities		(18,221,474)	(11,462,704)
Cash flows from financing activities:			
Loan received		17,599,236	-
Dividends paid		(1,655,977)	(1,704,892)
Interest paid		(3,993,664)	(3,421,612)
Repayments of loan received		(17,210,513)	(1,377,849)
Sale/(purchase) of treasury shares		(298,817)	(352,988)
Change in other long term liabilities		129,949	(404,952)
Net cash flow from financing activities		(5,429,786)	(7,262,293)
Change in cash and cash equivalents		(6,517,132)	(1,565,551)
Cash and cash equivalents at beginning of the year	5	13,173,781	14,621,389
Effect of foreign currency translation		1,011,191	117,943
Cash and cash equivalents at end of the year	5	7,667,840	13,173,781

The accompanying notes on pages 22 to 77 form an integral part of these consolidated financial statements.

Fotex Holding SE and Subsidiaries
Notes to consolidated financial statements
31 December 2015
Figures in EUR

1. General

Further to the decision of the shareholders, as of 31 December, 2008, the Court of Registration cancelled Fotex Nyrt. from the companies register on the grounds of transformation and, according to the Court's decision dated 9 January, 2009, registered FOTEX HOLDING SE Nyilvánosan Működő Európai Részvénytársaság (FOTEX HOLDING SE European public limited company) as of 1 January, 2009. Following the transformation into a European public limited company, the Company's Extraordinary General Meeting held on 4 June, 2009 decided to move the Company's registered office to Luxembourg. The Company has been registered in the Luxembourg companies register under the number R.C.S. B 146.938. The Company's current registered address is at 26-28, rue Edward Steichen, L-2540 Luxembourg, Luxembourg. The Metropolitan Court of Budapest, as the competent authority, struck the Company off the Hungarian companies register on 28 August 2009.

Fotex Holding SE ("Fotex" or the "Company") is a European public limited company regulated under the laws of the Grand Duchy of Luxembourg. The Company is primarily the holding company of a group of subsidiaries (Fotex and its subsidiaries, hereafter the "Group") incorporated in Luxembourg, The Netherlands and Hungary and engaged in a variety of property management, manufacturing, retailing and other activities. Fotex Holding SE is the ultimate parent of the Group. Except for Upington Investments S.à r.l., which is registered in Luxembourg, and Fotex Netherlands B.V., FN 2 B.V., FN 3 B.V. and Long Term CRE Fund B.V. which are registered in The Netherlands, all subsidiaries of the Group are registered and operate in Hungary.

The ownership of consolidated subsidiaries, after considering indirect shareholdings, is:

Subsidiaries	Principal Activities	Issued capital EUR		Ownership (%)		Voting rights %	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Ajka Kristály Üvegipari Kft.	Crystal manufacturing and retail	10,524,199	7,600,553	100.00	100.00	100.00	100.00
Balaton Bútor Kft.	Furniture manufacturer	-	1,325,100	-	100.00	-	100.00
Fotex Netherlands B.V.	Property management	150,018,000	18,000	100.00	100.00	100.00	100.00
FN 2 B.V.	Property management	18,000	18,000	100.00	100.00	100.00	100.00
FN 3 B.V.	Property management	100	100	100.00	100.00	100.00	100.00
Fotexnet Kft.	Internet retail and other services	1,595,501	1,595,501	100.00	100.00	100.00	100.00
Hungaroton Music Zrt.	Music archive	480,399	480,399	99.21	99.21	99.21	99.21
Keringatlan Kft.	Property management	3,751,896	3,751,896	99.99	99.98	99.99	99.98
Long Term CRE Fund B.V.	Property management	100	-	100.00	-	100.00	-
Plaza Park Kft.	Property management	18,897	1,171,580	100.00	100.00	100.00	100.00
Sigma Kft.	Property services	100,650	100,650	75.05	75.05	75.05	75.05
Székhely 2007 Kft.	Property services	102,949	102,949	99.28	99.28	99.28	99.28
Upington Investments S.à r.l.	Investment holding	12,500	12,500	100.00	100.00	100.00	100.00

The consolidated financial statements of Fotex Holding SE and its subsidiaries for the year ended 31 December, 2015 were formally approved by the Board of Directors on 13 April, 2016 and will be presented to the Annual General Meeting of shareholders for approval on 25 May, 2016.

2. Significant Accounting Policies

Basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except as explained in the Change in accounting policies section of this note. The consolidated financial statements are presented in EUR, except where otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of compliance

The subsidiaries of the Group maintain their official accounting records and prepare their individual financial statements in accordance with the accounting regulations of their country of registration. The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") as endorsed by the EU.

Effective 1 January 2005, the Group prepares its consolidated financial statements in accordance with IFRS as adopted by the EU. At 31 December, 2015, due to the endorsement process of the EU, and the activities of the Group, there is no difference in the policies applied by the Group between IFRS and IFRS that have been adopted by the EU.

As a result of Fotex's transformation to an SE (Societas Europaea) from 1 January 2009, Fotex Holding SE became a European public limited company. Fotex moved its registered office to Luxembourg and is regulated under the laws of the Grand Duchy of Luxembourg. The reporting currency of the consolidated financial statements changed to EUR.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Fotex and its subsidiaries as at 31 December 2015. Control is achieved when Fotex is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, Fotex controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When Fotex has less than a majority of the voting or similar rights of an investee, Fotex considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- Fotex's voting rights and potential voting rights

2. Significant Accounting policies (continued)

Fotex reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Fotex obtains control over the subsidiary and ceases when Fotex loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date Fotex gains control until the date when Fotex ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Fotex's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If Fotex loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

As a result of its transformation into a European public limited company, the Company's financial records have been kept in EUR since 1 January 2009. Accordingly, Fotex Group's consolidated financial statements of 2015 are prepared in Euro ("EUR").

Foreign currency translation

The functional currency of the Group's subsidiaries included in the consolidation is the Hungarian Forint ("HUF") – except for the subsidiaries outside of Hungary, whose functional currency is EUR. Considering that the reporting currency is EUR, it is necessary to convert the elements of statement of financial position and income statement of subsidiaries from HUF to EUR.

The following foreign currency ("FX") rates have been applied at the conversion from HUF to EUR:

The income statement has been converted to EUR using the quarterly Hungarian National Bank ("MNB") average FX rate:

	2015	2014
First quarter	308.78 HUF/EUR	307.90 HUF/EUR
Second quarter	306.11 HUF/EUR	305.94 HUF/EUR
Third quarter	312.04 HUF/EUR	312.24 HUF/EUR
Fourth quarter	312.56 HUF/EUR	308.36 HUF/EUR

Assets and liabilities have been converted to EUR using the MNB FX rate as at 31 December 2015: 313.12 HUF/EUR (31 December 2014: 314.89 HUF/EUR), the exchange difference in translation of foreign operations shown in the other comprehensive income.

2. Significant Accounting policies (continued)

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for as follows:

New and amended standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that could be relevant to its operations and effective for accounting periods beginning on 1 January 2015. Adoption of these revised Standards and Interpretations did not have any effect on the financial performance or position of the Group.

The following standard is not applicable for the Group since there is no such transaction:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The below mentioned standards will be effective from 1st January, 2017 and the Group intends to adopt them, if applicable:

- Amendments to IAS 7 Disclosure Initiative
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, investments in marketable securities that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Foreign currency translation

With Fotex's transformation to an SE (Societas Europaea) from 1 January 2009, Fotex became a European public limited company registered in Luxembourg that is regulated under the laws of the Grand Duchy of Luxembourg. As a consequence of the change of its registered office to Luxembourg, Fotex changed its major contracts to EUR and changed its functional currency from HUF to EUR. The reporting currency of the consolidated financial statements changed also from HUF to EUR.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Significant Accounting Policies (continued)

Inventories

Inventories are valued at the lower of cost or net realisable value on a weighted average basis after making allowance for any obsolete or slow-moving items.

Materials and merchandise goods are valued at purchase cost on a weighted average basis. Purchase costs include purchase price, trade discounts, unrecoverable taxes, transport and other cost which are directly attributable to purchase of the raw materials and merchandising goods.

The value of work in progress and finished goods includes cost of direct materials and labour and a proportion of overheads in manufacturing subsidiaries, but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment is stated at purchase price or production cost less accumulated depreciation and impairment losses, if any. Production costs for self-constructed assets include the cost of materials, direct labour and an appropriate proportion of production overheads.

Replacements and improvements, which prolong the useful life or significantly improve the condition of the asset are capitalised. Maintenance and repairs are recognised as an expense in the period in which they are incurred.

Freehold land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Years
Buildings	50
Plant and equipment	7-12.5
Vehicles	5
Computer equipment	3

The cost of properties retired or otherwise disposed of, together with the accumulated depreciation provided thereon, is eliminated from the accounts. The net gain or loss is recognised as other operating income or expense.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such an indication exists and where the carrying value exceeds the recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement as an operating expense.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate, at each financial year-end.

2. Significant Accounting Policies (continued)

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Group as a lessee:

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Group as a lessor:

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Financial Instruments

Management uses judgements during initial recognition, subsequent measurement, amortisation, impairment and de-recognition of financial instruments. Management's judgements that have the most significant effect on the financial statements are disclosed below in each sub-section in detail.

Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables and held-to-maturity investments.

2. Significant Accounting Policies (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in the fair value recognised in the income statement. The Group has designated one financial asset at fair value through profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. These embedded derivatives are measured at fair value with gains or losses arising from changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

2. Significant Accounting Policies (continued)

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the income statement, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the income statement.

Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, include directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by IAS 39. Gains or losses on liabilities held for trading are recognised in the income statement. The Group has not designated any financial liabilities as at fair value through profit or loss.

2. Significant Accounting Policies (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2. Significant Accounting Policies (continued)

Due from loans and trade receivables and advances to customers

For amounts due from loans and advances to customers carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are significant, or collectively for financial assets that are not individually significant. If the Group determines that objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The Group mainly recognised an allowance for doubtful debts of 100% against all receivables over 360 days since historical experience has been that receivables that are past due beyond 360 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables between 90 days and 360 days based on estimated unrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Net trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognised in the income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

2. Significant Accounting Policies (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement - is removed from equity and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of 'Interest and similar income'. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

De-recognition of financial instruments

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2. Significant Accounting Policies (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Pensions

All pensions are either funded privately by employees or by the local government in the jurisdiction in which the group operates via certain social security charges included in the gross cost of the employees wage.

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that the cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition under the cost model assets are recognised at cost and depreciated systematically over their useful economic life.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Years
Buildings and investment properties	20-30

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

2. Significant Accounting Policies (continued)

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives such as shop rental rights, production know-how and franchise fees are amortised using the straight-line method over the useful economic lives that range from 5 to 50 years and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

2. Significant Accounting Policies (continued)

Intangible assets with indefinite useful lives such as merchandising and media rights are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Subsidiaries of the Group domiciled in Hungary pay local business tax to local municipalities at percentages based on the physical location of their operations in Hungary. The base of the local business tax is the revenue as decreased by the cost of goods sold, raw material expenses and certain other expense items. Local business tax is classified as an income tax expense.

2. Significant Accounting Policies (continued)

Treasury shares

Fotex ordinary shares repurchased are included in shareholders' equity and are classified as treasury shares. Gains and losses on sale of treasury shares, and differences on repurchase, are credited or debited to retained earnings.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Revenue is measured at fair value of consideration received or receivable. The revenues represent sales at invoiced amounts net of value added tax and discounts. The revenue from selling of goods is generated mainly by selling crystal and glass products, and other consumer products.

Interest income

Revenue is recognised as the interest accrues using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income receivable from operating leases less the Group's initial direct costs of entering into the leases is recognised on a straight-line basis over the term of the lease. Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non – cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when they arise.

Service charges and expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered and at fair value of consideration received or receivable. Service charges and other such receipts are included gross of the related costs in revenue, as the directors consider that the Group acts as principal in this respect.

2. Significant Accounting Policies (continued)

Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets including investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 17.

As per IFRS 13 definition fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. Significant Accounting Policies (continued)

Subsequent Events

Material events occurring after the year-end that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

The translation reserve was not presented separately in the past and was part of the retained earnings. For better understanding and increasing the transparency it has been shown separately from 2014.

3. Significant accounting judgments, estimates and assumptions

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating Lease Commitments – Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2015 is EUR 10,660,427 (2014: EUR 10,600,506). Further details are given in Note 13.

3. Significant accounting judgments, estimates and assumptions (continued)

Impairment of Intangibles

The Group determines whether intangible assets with indefinite useful lives such as merchandising and media rights are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the intangible assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note 11.

On 1 January 2012, the Hungarian Parliament enacted a law concerning the media and merchandising rights connected to sporting organisations. In this it was determined that media and merchandising rights connected to sporting clubs may only be owned by associations and not by third parties. Further where such rights were held by third parties prior to the change in the law then the ownership/usage right transfers to the sporting association from 1 January 2012. Where this is the case compensation is to be paid to the former owner of the rights based on an agreement to be reached between the parties. If an agreement is not reached by the parties, the local court of justice (Budapest court) will judge on the compensation on the basis of the market value of the rights as of the date of the transfer.

Fotex includes in its intangible assets the merchandising and media rights of FTC Labdarúgó Zrt., which are subject to the change in law described above. In management's opinion all these rights belong to the Group and the carrying value will be recovered.

Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable income together with future tax planning strategies. Further details are given in Note 18.

Fair Value of Investment Properties

The Group has determined and presented in the notes the fair value of investment property either as the present value of the estimated future cash flows generated from leasing such assets or using comparable prices. Future cash flows were determined separately for the following categories of investment property: retail outlets, offices, warehouses and other real estate property using average rental fees currently realisable by the Group; present values were calculated using a uniform discount rate that is considered by management as appropriate for the valuation of real estate property on the relevant markets. Further details are given in Note 10.

4. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted, it is still in the endorsement process of EU. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 16 Leases

The International Accounting Standards Board (IASB or Board) issued IFRS 16 Leases (IFRS 16 or the new standard), which requires lessees to recognise assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases.

The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board (FASB). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognise most leases on their balance sheets. However, the IASB and FASB made different decisions during deliberations, and differences between the two standards will exist (e.g., there would be a classification test for lessees under the FASB's standard).

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. It is not expected that this amendment would be relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

4. Standards issued but not yet effective (continued)

Annual Improvements to IFRSs

On 12 December 2013 the IASB issued the Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.

Annual Improvements to IFRSs 2010–2012 Cycle, amending IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 24 Related Party Disclosures, IAS 38 Intangible Assets.

Annual Improvements to IFRSs 2011–2013 Cycle, amending IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement, IAS 40 Investment Property.

In September 2014 the IASB finalised the Annual Improvements to IFRSs 2012–2014 Cycle.

Annual Improvements to IFRSs 2012–2014 Cycle, amending IFRS 5 Non-current Assets Held for Sale and Discounted Operations, IFRS 7 Financial Instruments, IAS 19 Employee Benefits, IAS 34 Interim Financial Reporting. These improvements are effective from 1 January 2016.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

4. Standards issued but not yet effective (continued)

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

Amendments to IAS 1: Presentation of Financial Statements

The International Accounting Standards Board (IASB) has published 'Disclosure Initiative (Amendments to IAS 1)'. The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

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5. Cash and cash equivalents

Liquid assets held at banks bear daily floating interest rates and are deposited for the short-term (1 day to 3 months) in anticipation of the liquidity needs of the Group. Such deposits yield interest according to the applicable short-term rates. The fair value of cash and short-term deposits is EUR 7,667,840 (31 December 2014: EUR 13,173,781).

Cash includes fixed deposit of EUR 69,559 at rate 0.08%, (in 2014 cash included EUR 844,753 at rate 0.70%).

6. Other financial assets

	31 December 2015	31 December 2014
	EUR	EUR
Current		
Cash deposits connected to rented properties	424,115	640,877
Short-term loans to other parties *	185,223	179,815
Other short-term investments	1,121	1,111
Other current financial assets, total	<u>610,459</u>	<u>821,803</u>
	31 December 2015	31 December 2014
	EUR	EUR
Non-current		
Cash deposits connected to rented properties	1,973,646	1,523,346
Unquoted equity instruments	49,930	118,790
Long-term loans to other parties **	4,775	7,862
Other non-current financial assets, total	<u>2,028,351</u>	<u>1,649,998</u>

Cash deposits connected to rented properties:

The Group has received 2 to 3 months deposits from its tenants which are held at a bank. Deposits are only repayable if the related rental contract is terminated. Based on the historical and expected rental cancellation rate, the Group has classified the deposits which are expected to be repayable in more than one year to long-term, and the deposits which are expected to be repayable within 3-12 months were classified as short-term.

* Short-term loans to other parties:

This contains the short term part of loans granted to other parties and their interest receivable on such these loans.

Unquoted equity instruments:

The reason of negative change in unquoted equity instruments is that investment of Ajka Kristály Üvegipari Kft. in Ajka Crystal LLC has been fully written off in 2015.

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6. Other financial assets (continued)

** Non-current part of other long-term loans:

The non-current part of other long-term loans includes loans given to employees in amount of EUR 4,775 (31 December 2014: EUR 7,862), it also contained other companies loans in amount of EUR 152,592 which were impaired fully in 2014.

7. Accounts receivable and prepayments

	31 December 2015	31 December 2014
	EUR	EUR
Accounts receivable	5,697,280	5,359,164
Impairment loss on accounts receivable	(777,339)	(241,235)
Tax assets	651,629	528,960
Other receivables	1,029,132	1,055,864
Prepayments/accrued income	1,414,093	1,574,957
Impairment loss on other receivables	(443,426)	(406,193)
Total	7,571,369	7,871,517

Tax assets are mainly VAT receivable and are typically received within three months.

Impairment loss on debtors and on other receivables at 31 December 2015 is: EUR 1,220,765 (31 December 2014: EUR 647,428).

Movements in impairment loss:

	EUR
1 January 2014	428,136
Charge for the year	553,976
Unused amount reversed	(92,104)
Utilised*	(213,132)
Currency gain/(loss) arising on retranslation	(29,448)
31 December 2014	647,428
Charge for the year	669,121
Unused amount reversed	(32,421)
Utilised*	**(65,563)
Currency gain/(loss) arising on retranslation	2,200
31 December 2015	1,220,765

*Impairment loss used due to qualifying the underlying receivable as bad debt.

**Contains the write off the impairment loss of Balaton Bútor.

7. Accounts receivable and prepayments (continued)

Aged debtors less impairment loss:

	Not overdue and not impaired	< 30 days	30-90 days	Overdue but not impaired			Total
				90-180 days	180-360 days	>360 days	
31 December 2015	4,282,578	198,344	83,634	221,457	58,604	75,324	4,919,941
31 December 2014	4,086,239	692,302	132,856	53,292	136,330	16,910	5,117,929

Aged tax assets, other receivables and prepayments less impairment loss:

	Not overdue and not impaired	< 30 days	30-90 days	Overdue but not impaired			Total
				90-180 days	180-360 days	>360 days	
31 December 2015	1,889,486	93,488	239,981	9,412	-	419,061	2,651,428
31 December 2014	1,715,535	131,189	44,260	282,775	400	579,429	2,753,588

8. Inventories

	31 December 2015	31 December 2014
	EUR	EUR
Merchandise and finished products	6,374,245	6,544,932
Materials	449,879	778,602
Work in progress	2,169,035	2,510,913
Inventories, gross	<u>8,993,159</u>	<u>9,834,447</u>
Impairment of merchandise and finished products	(2,428,873)	(2,480,254)
Impairment of materials	(16,646)	(57,989)
Impairment of work in progress	(448,496)	(513,944)
Impairment of inventories	<u>(2,894,015)</u>	<u>(3,052,187)</u>
Total inventories, net	<u>6,099,144</u>	<u>6,782,260</u>

Movements in inventory impairment loss:

Management has identified a number of Group companies that have slow moving inventories. Management believes that the EUR 2,894,015 provision made for the impairment of inventories (31 December 2014: EUR 3,052,187) is adequate, from this the current year reversal is EUR 329,051 (in 2014: EUR 144,975) which is disclosed as other operating expense (Note 16). In addition to the impairment 2015 EUR 7,164,297 of inventories were recognised as an expense (2014: EUR 6,963,261).

9. Property, plant and equipment

Movements in property, plant and equipment during 2015 were as follows:

	Land, buildings, improvements	Furniture, machinery, equipment, fittings	Construction in progress	Total
	EUR	EUR	EUR	EUR
Cost:				
1 January 2015	8,624,546	18,561,583	117,584	27,303,713
Additions	92,013	430,029	1,175,745	1,697,787
Other increase	34,551	46,792	-	81,343
Other decrease	(49,640)	(31,008)	(1,079,295)	(1,159,943)
Disposals and write downs	-	(938,857)	(2,456)	(941,313)
Transfer to investment property	(1,915,969)	-	-	(1,915,969)
Currency gain/(loss) arising on retranslation	51,102	109,260	(307)	160,055
31 December 2015	6,836,603	18,177,799	211,271	25,225,673
Accumulated depreciation:				
1 January 2015	(2,713,576)	(16,327,982)	-	(19,041,558)
Depreciation expense	(166,719)	(543,708)	-	(710,427)
Disposals and write downs	-	648,158	-	648,158
Other increase	(15,071)	(6,505)	-	(21,576)
Other decrease	30,171	13,775	-	43,946
Transfer to investment property	474,400	-	-	474,400
Currency gain/(loss) arising on retranslation	(13,518)	(93,321)	-	(106,839)
31 December 2015	(2,404,313)	(16,309,583)	-	(18,713,896)
Net book value				
31 December 2015	4,432,290	1,868,216	211,271	6,511,777
31 December 2014	5,910,970	2,233,601	117,584	8,262,155

At 31 December 2015, the cost of property, plant and equipment fully written off (due to ordinary or extraordinary depreciation) was EUR 8,693,372 (2014: EUR 7,755,889). The cost of property, plant and equipment temporarily out of use is EUR 0 (2014: EUR 0).

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9. Property, plant and equipment (continued)

Movements in property, plant and equipment during 2014 were as follows:

	Land, buildings, improvements	Furniture, machinery, equipment, fittings	Construction in progress	Total
	EUR	EUR	EUR	EUR
Cost:				
1 January 2014	7,093,815	18,794,633	154,472	26,042,920
Additions	479,019	165,570	-	644,589
Other increase	1,396,923	988,559	-	2,385,482
Disposals and write downs	(54,086)	(276,640)	(28,643)	(359,369)
Currency gain/(loss) arising on retranslation	(291,125)	(1,110,539)	(8,245)	(1,409,909)
31 December 2014	8,624,546	18,561,583	117,584	27,303,713
Accumulated depreciation:				
1 January 2014	(1,245,721)	(15,912,109)	-	(17,157,830)
Depreciation expense	(610,895)	(657,806)	-	(1,268,701)
Disposals and write downs	13,271	234,075	-	247,346
Other increase	(1,378,566)	(921,216)	-	(2,299,782)
Currency gain/(loss) arising on retranslation	508,335	929,074	-	1,437,409
31 December 2014	(2,713,576)	(16,327,982)	-	(19,041,558)
Net book value				
31 December 2014	5,910,970	2,233,601	117,584	8,262,155
31 December 2013	5,848,094	2,882,524	154,472	8,885,090

10. Investment properties

The Group controls a significant property portfolio. In prior years, a significant proportion of this portfolio was utilized by the Group companies as retail outlets and for other operating activity purposes. The Group gradually abandoned its retail activity and has become an investment property company by leasing an increasing proportion of its real estate portfolio to third parties. Investment property is measured in the consolidated statement of financial position at historic cost less accumulated depreciation. An external valuation was rendered to the Group about all of its investment properties as of 31 December 2015. The key valuation methodology and major assumptions used in the valuation are set out below in this note.

Movements in investment properties in 2015 were as follows:

	<u>Investment properties</u>
Cost:	EUR
1 January 2015	205,461,412
Additions	17,710,084
Other increase	211,422
Disposal	(46,957)
Transfer from own property	1,915,969
Currency gain/(loss) arising from retranslation	386,283
31 December 2015	225,638,213
Accumulated depreciation:	
1 January 2015	(42,394,832)
Depreciation expense	(7,060,256)
Impairment	(569,783)
Other increase	(34,600)
Disposal	1,303
Transfer from own property	(474,400)
Currency gain/(loss) arising from retranslation	(122,222)
31 December 2015	(50,654,790)
Net book value:	
31 December 2015	174,983,423
31 December 2014	163,066,580

Property rented by Balaton Bútor have to be transferred from own property to investment property as the subsidiary has been sold to third party in September, 2015.

10. Investment properties (continued)

The fair values of investment properties at 31 December 2015 are set out below:

Category	Area m ²	Net book value EUR	Estimated fair value EUR
Retail outlets	161,464	30,959,994	143,493,173
Offices	95,196	113,869,869	136,206,645
Warehouses	82,097	2,683,131	9,243,420
Other structures	56,287	4,126,809	9,166,851
Plots of land	917,674	23,343,620	31,538,001
Total investment properties	1,312,718	174,983,423	329,648,090

Movements in investment properties in 2014 were as follows:

	Investment properties EUR
Cost:	
1 January 2014	198,762,318
Additions	11,132,897
Disposal	(28,606)
Currency loss arising from retranslation	(4,405,197)
31 December 2014	205,461,412
Accumulated depreciation:	
1 January 2014	(37,407,934)
Depreciation expense	(6,154,511)
Disposal	8,988
Currency gain arising from retranslation	1,158,625
31 December 2014	(42,394,832)
Net book value:	
31 December 2014	163,066,580
31 December 2013	161,354,384

10. Investment properties (continued)

The fair values of investment properties at 31 December 2014 are set out below:

Category	Area m ²	Net book value EUR	Estimated fair value EUR
Retail outlets	160,919	32,554,244	149,375,912
Offices	88,023	102,659,786	122,123,272
Warehouses	82,097	2,813,623	9,978,589
Other structures	42,862	3,564,009	7,125,662
Plots of land	840,864	21,474,918	32,225,198
Total investment properties	1,214,765	163,066,580	320,828,633

The fair value of investment property is determined based on an external real estate valuation using recognised valuation techniques.

These techniques comprise both the comparable market price method and the Discounted Cash Flow Method. Present values of the future cash flows are determined separately for each presented category based on the currently realised rental rates. Unbuilt plots of land were valued based on the comparable market prices method. The valuers have used their market knowledge and professional judgement and have not only relied on historical transactional comparables.

The valuations were performed by an external valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

Key valuation assumptions for 2015

The present values of the investments have been calculated based on a market yield rate which is suitable to measure properties in the relevant markets and is based on the following assumptions:

- Due to the steady current economic situation in the Hungarian real estate market the range of yields have not changed significantly in comparison to prior year.
- Rents on investment properties have been calculated based on the contractual rental fees and market comparative method considering 3% renovation fund and 95% occupation rate.
- The used yield rate per property item located in Hungary is between 7.75% and 13.5% depending on the type and location of the property (2014: 8-13.5%). For the Dutch properties, the calculated yield rate is between 6.4% and 13.0% (2014: 6.9%-13.5%).
- Rents are predominantly set in EUR in the rental contracts. Where rent is set in HUF, the related yield has been calculated at a 310 HUF/EUR exchange rate (2014: 310 HUF/EUR) though this relates only to a small number of properties.

10. Investment properties (continued)

The correlation between the most probable change in the key assumptions and the fair value of the property portfolio is illustrated by the sensitivity analysis below:

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Yield rate drops by 50 bps	17,988,933	17,485,361
Rent rate drops by 5%	(10,805,740)	(10,884,379)

The value of land is typically estimated based on publicly available benchmarks as adjusted for individual circumstances (date of sale, property characteristics, selling terms etc.).

The total area of land, beneath existing buildings and the unused land proportion of warehouses and similar properties, which were excluded from the fair value assessment is 562,629 m² (2014: 485,819 m²).

The following table discloses the income from the rental of investment properties net of unrecoverable costs:

	<u>2015</u>	<u>2014</u>
	EUR	EUR
Revenues from the rent of investment properties*	23,237,821	22,724,936
Unrecoverable net operating costs	(1,581,220)	(1,250,824)
Costs that do not generate direct sales revenues	(89,414)	(59,956)
Net income from the rent of investment properties	<u>21,567,187</u>	<u>21,414,156</u>

*The calculation is based on rent roll table as of year-end.

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11. Intangible assets

Movements in intangible assets during 2015 were as follows:

	Media and merchandising rights	Other	Total
	EUR	EUR	EUR
Cost:			
1 January 2015	6,667,194	587,928	7,255,122
Additions	-	33,210	33,210
Other increase	-	64,178	64,178
Transfer to investment property	-	(213,844)	(213,844)
Disposals and write downs	-	(268)	(268)
Currency gain/(loss) arising from retranslation	-	343,870	343,870
31 December 2015	6,667,194	815,074	7,482,268
Accumulated amortisation:			
1 January 2015	(4,008,798)	(306,195)	(4,314,993)
Amortisation expense	-	(53,501)	(53,501)
Impairment	(1,000,000)	-	(1,000,000)
Other increase	-	(72,768)	(72,768)
Transfer to investment property	-	41,726	41,726
Disposals and write downs	-	268	268
Currency gain/(loss) arising from retranslation	-	(316,252)	(316,252)
31 December 2015	(5,008,798)	(706,722)	(5,715,520)
Net book value:			
31 December 2015	1,658,396	108,352	1,766,748
31 December 2014	2,658,396	281,733	2,940,129

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11. Intangible assets (continued)

Movements in intangible assets during 2014 were as follows:

	Media and merchandising rights	Other	Total
	EUR	EUR	EUR
Cost:			
1 January 2014	6,667,194	507,891	7,175,085
Additions	-	136,105	136,105
Disposals and write downs	-	(21,089)	(21,089)
Currency gain/(loss) arising from retranslation	-	(34,979)	(34,979)
31 December 2014	6,667,194	587,928	7,255,122
Accumulated amortisation:			
1 January 2014	(4,008,798)	(268,135)	(4,276,933)
Amortisation expense	-	(33,938)	(33,938)
Disposals and write downs	-	9,956	9,956
Currency gain/(loss) arising from retranslation	-	(14,078)	(14,078)
31 December 2014	(4,008,798)	(306,195)	(4,314,993)
Net book value:			
31 December 2014	2,658,396	281,733	2,940,129
31 December 2013	2,658,396	239,756	2,898,152

The column 'Other' reflects property rental rights associated with subsidiaries.

As part of discontinuing its ownership of FTC Labdarúgó Zrt., (a company that operates and manages the football club „FTC”) acquired in 2001 (at a cost of HUF 1.9 billion – ca, EUR 7 million), Fotex acquired certain merchandising rights in FTC (media and brand merchandise, distribution and promotion rights (billboards) in 2003 for an unlimited period for which an impairment of EUR 4,008,798 has been recorded in prior years. Owing to changes in Hungarian legislation, as of 1 January 2012, all rights related to the Club's address, logo and name reverted to the FTC Sport Association. Such reversion is due compensation by FTC, the amount of which is still under negotiation by the parties. In consideration of the long lasting procedure further impairment of EUR 1,000,000 has been recognized in 2015. Should the parties be unable to reach an agreement, the amount of compensation will be determined based on the fair value of the rights at the time of reversal by a court competent to act based on the location of the Club's headquarters.

12. Fair value

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2015:

	Date of valuation	Fair value measurement using	
		Total	Significant unobservable inputs (Level 3)
		EUR	EUR
Assets for which fair values are disclosed:			
Investment properties (Note 10):			
Retail outlets	31 December 2015	143,493,173	143,493,173
Offices	31 December 2015	136,206,645	136,206,645
Warehouses	31 December 2015	9,243,420	9,243,420
Other structures	31 December 2015	9,166,851	9,166,851
Plots of land	31 December 2015	31,538,001	31,538,001
Liabilities for which fair values are disclosed:			
Interest-bearing loans and borrowings (Note 17)			
V. mortgage	31 December 2015	10,377,439	10,377,439
VI. mortgage	31 December 2015	12,704,698	12,704,698
VII. mortgage	31 December 2015	8,988,906	8,988,906
VIII. loan	31 December 2015	7,428,448	7,428,448
IX. loan	31 December 2015	1,638,783	1,638,783
X. loan	31 December 2015	2,601,727	2,601,727
XI. loan	31 December 2015	4,394,465	4,394,465
XII. loan	31 December 2015	6,533,333	6,533,333
XIII. loan	31 December 2015	11,419,182	11,419,182

At 31 December 2015 and 2014, the carrying values of liquid assets, short-term investments, receivables, liabilities and accruals approximated their fair values owing to their short-term nature. Receivables are presented in the consolidated statement of financial position at cost less impairment loss on doubtful accounts. Bank loans having a variable interest rate approximated their fair values. The fair value of fixed rate debt is disclosed in Note 17.

12. Fair value (continued)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2014:

	Date of valuation	Fair value measurement using	
		Total	Significant unobservable inputs (Level 3)
		EUR	EUR
Assets for which fair values are disclosed:			
Investment properties (Note 10):			
Retail outlets	31 December 2014	149,375,912	149,375,912
Offices	31 December 2014	122,123,272	122,123,272
Warehouses	31 December 2014	9,978,589	9,978,589
Other structures	31 December 2014	7,125,662	7,125,662
Plots of land	31 December 2014	32,225,198	32,225,198
Liabilities for which fair values are disclosed:			
Interest-bearing loans and borrowings (Note 17)			
IV. mortgage	31 December 2014	12,818,158	12,818,158
V. mortgage	31 December 2014	10,770,194	10,770,194
VI. mortgage	31 December 2014	13,144,541	13,144,541
VII. mortgage	31 December 2014	9,028,631	9,028,631
VIII. loan	31 December 2014	7,593,498	7,593,498
IX. loan	31 December 2014	1,672,276	1,672,276
X. loan	31 December 2014	2,653,809	2,653,809
XI. loan	31 December 2014	4,464,308	4,464,308

13. Goodwill arising on acquisition

Movements in goodwill on business combinations were as follows during 2015 and 2014:

	<u>31 December 2015</u>	<u>31 December 2014</u>
	EUR	EUR
Cost:		
1 January	17,897,785	18,981,622
Disposal of fully written off goodwill (*)	(91,689)	-
Currency difference arising from retranslation	101,485	(1,083,837)
Closing balance	<u>17,907,581</u>	<u>17,897,785</u>
Impairment:		
1 January	(7,297,279)	(7,739,180)
Disposal of fully written off goodwill (*)	91,689	-
Currency difference arising from retranslation	(41,564)	441,901
Closing balance	<u>(7,247,154)</u>	<u>(7,297,279)</u>
Net book value		
1 January	<u>10,600,506</u>	<u>11,242,442</u>
Closing balance	<u>10,660,427</u>	<u>10,600,506</u>

(*) As Balaton Bútor Kft. was sold in 2015, both the gross amount of goodwill and the impairment losses related to this entity were derecognised in the reporting year.

Goodwill is tested for impairment at least annually. Goodwill may be created by the recognition of deferred taxation in excess of its fair value. Therefore, in performing an impairment test, the amount of such deferred tax is offset against the goodwill and the net amount tested to determine whether that goodwill is impaired.

Goodwill is therefore tested as follows:

	<u>31 December 2015</u>	<u>31 December 2014</u>
	EUR	EUR
Total goodwill	10,660,427	10,600,506
Residual balance of deferred tax liability, in excess of the fair value, initially provided on acquisition	(1,458,302)	(1,450,106)
Goodwill tested for impairment	<u>9,202,125</u>	<u>9,150,400</u>

The goodwill tested for impairment is allocated to the group of cash generating units that constitute Plaza Park Kft. and the property portfolio of Keringatlan Kft. which is the most significant investment property group company. At the year-end, the Group considered whether there were any indicators of impairment of the value of goodwill. The Group estimated the value in use of the cash generating units attributable to goodwill. Based on this calculation no impairment loss was recognised on goodwill in 2015. Management estimates that goodwill is not impaired even in case of the potential changes in the assumptions of the underlying valuation model, since the fair values of the investment properties, to which the goodwill relates, are significantly higher than the book values of the properties.

13. Goodwill arising on acquisition (continued)

Goodwill is allocated to the following entities:

	<u>31 December 2015</u>	<u>31 December 2014</u>
	EUR	EUR
Keringatlan Kft.	8,962,423	8,912,046
Plaza Park Kft.	1,698,004	1,688,460
Net book value	<u>10,660,427</u>	<u>10,600,506</u>

14. Accounts payable, other liabilities and provision

	<u>31 December 2015</u>	<u>31 December 2014</u>
	EUR	EUR
Trade payables	706,902	1,118,700
Taxes payable	1,861,785	1,591,437
Advances from customers	33,361	64,861
Accrued expenses	729,061	857,827
Deferred rental income	4,479,674	4,090,588
Amounts payable to employees	219,366	186,452
Deposits from tenants	424,115	640,877
Other liabilities	1,270,225	1,078,508
Total accounts payable and other current liabilities	<u>9,724,489</u>	<u>9,629,250</u>
Other long term liabilities	<u>1,971,998</u>	<u>1,545,698</u>

Terms and conditions of the above liabilities:

Trade payables are non-interest bearing and are typically settled on a 20 to 30-days term.

Other payables are non-interest bearing and have an average term of 1 to 3 months.

Payables to employees are non-interest bearing and represent one monthly salary with contributions.

Deposits from tenants are payable typically within 30 days of the end date of the underlying rental contract.

The Group has received 2 to 3 months deposits of EUR 2,396,113 (2014: EUR 2,186,575) from its tenants which are repayable if the related rental contract is terminated. Based on the historical and expected rental cancellation rate, the Group has classified as other long-term liabilities those deposit liabilities which are expected to be repayable in more than one year EUR 1,971,998 (2014: EUR 1,545,698), and the part which is expected within a year was classified as short-term tenant deposit liabilities EUR 424,115 (2014: EUR 640,877).

Provision:

During the financial year of 2015 provisions haven't been accounted for.

15. Share capital and reserves

Share capital

The Company's approved and issued share capital totals EUR 30,543,933 consisting of shares with a face value of EUR 0.42 each. At 31 December 2015, the Company's issued share capital included 70,723,650 ordinary shares and 2,000,000 dividend preference shares (2014: 70,723,650 ordinary shares and 2,000,000 dividend preference shares).

The "dividend preference shares" carry the same rights as ordinary shares in the event of liquidation or dissolution. They entitle the holder to an annual dividend determined as detailed in Note 14 by the General Meeting, but do not carry voting rights.

Holders of dividend preference shares are not entitled to any rights or dividends other than those granted to them by the General Meeting. They are paid once a year. Interim dividends may only be paid if the conditions required for such a distribution are met.

If the Company is unable to pay these dividends in a given year or if it only pays part of the minimum due in a given year and fails to pay the balance at the time of payment of the dividends for the following year, holders of dividend preference shares shall be granted identical voting rights to those reserved for ordinary shares. This voting right shall remain valid until such time as the Company has paid all the minimum dividends due in respect of the dividend preference shares.

Treasury shares

The 2,000,000 dividend preference shares issued by the Company which are shown as part of "Issued capital" 2015: EUR 840,000; (2014: EUR 840,000) are also shown in "Treasury shares". During 2015, no dividend preference shares are held by management. As of 31 December 2014 Fotex Group had 6,555,895 shares which are used for as a security of loans. In 2015 the additional security has been cancelled because of the mortgage loans III. and IV. were fully repaid.

As at 31 December 2015, the Company held 18,640,331 treasury shares (of which are 16,640,331 ordinary shares and 2,000,000 are dividend preference shares) at a historic cost of EUR 24,171,618 (31 December 2014: 18,398,716 shares – of which 16,398,716 were ordinary shares and 2,000,000 were dividend preference shares – at a historic cost of EUR 23,872,801).

During 2015, the Company purchased 241,615 of its ordinary shares (2014: 388,932 shares) on an arm's length basis.

On 25 February 2014 the Group, exercising its redemption option repurchased 775,000 pieces of dividend preference shares - owned by the management at year end – for EUR 327,128. Thus all dividend preference shares are now owned by the Group.

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16. Operating expenses

	31 December 2015	31 December 2014
	EUR	EUR
Payments to personnel	(5,796,314)	(5,826,852)
Material-type expenses	(14,325,326)	(14,050,846)
Other expenses, net*	(5,264,718)	(2,331,094)
Depreciation and amortisation charge	(7,824,184)	(7,457,150)
Total operating expenses	<u>(33,210,542)</u>	<u>(29,665,942)</u>

* Other expenses (net) include the following:

	31 December 2015	31 December 2014
	EUR	EUR
Realised and unrealized FX differences (net)	(146,594)	425,811
Taxes other than income tax	(1,487,438)	(1,557,609)
Fair valuation loss on embedded derivative	-	(3,283)
Impairment of intangible assets and PPE	(1,569,783)	-
Impairment of receivables	(636,700)	(461,872)
Development grants	(512,377)	(481,769)
Other expenses/income	(911,826)	(252,372)
Total other expenses, net	<u>(5,264,718)</u>	<u>(2,331,094)</u>

17. Interest-bearing loans and borrowings

The Group's Dutch subsidiary, Fotex Netherlands B.V. obtained three mortgage loans from FGH Bank N.V. in 2009 (Loans I.-III.) and a further loan in 2010 (Loan IV.) to fund the purchase of properties. In 2011, FN 2 B.V., a subsidiary of Fotex Netherlands B.V., took out another mortgage loan (Loan V.) for property purchase purposes from Berlin-Hannoversche Hypothekenbank AG. As at 26 March, 2012, FN 2 B.V. took out a mortgage loan (Loan VI.) from Berlin- Hannoversche Hypothekenbank AG to fund the purchase of a property acquired at the end of 2011. The mortgage loans are not cross-collaterised loans.

On 30 October, 2012, FN 2 B.V. took out an additional mortgage loan (Loan VII.) from Berlin-Hannoversche Hypothekenbank AG to finance the purchase of an office building in Amsterdam.

In 2011, when the Fotex Group acquired its ownership in Plaza Park Kft., the compensation included the transfer of four intra-group loans; as a result these loans are recognised as liabilities to related parties in the consolidated financial statements. These four loans (Loans VIII.-XI.) are owed by Fotex Group to Zürich Investments Inc.

On 30 January, 2015, Fotex Netherlands B.V. took out an additional mortgage loan (Loan XII.) from FGH Bank N.V. to fund the purchase of properties.

Mortgage loans III. and IV. were fully repaid on 8 May, 2015.

On 10 August, 2015, Long Term CRE Fund B.V. took out a loan (Loan XIII.) from Blackburn International Inc. to fund the purchase of property Assen.

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17. Interest-bearing loans and borrowings (continued)

The details of the loans are as follows:

Item	Start date	End date	Loan EUR	Interest	Long-term portion at 31 Dec 2015 EUR	Current portion at 31 Dec 2015 EUR	Long-term portion at 31 Dec 2014 EUR	Current portion at 31 Dec 2014 EUR
I. mortgage	16/4/2009	1/5/2016	18,400,000	One-month Euribor + 2.7% (rounding +0.05)	-	16,588,977	16,460,401	326,469
II. mortgage	1/11/2009	1/11/2016	3,800,000	Three-months Euribor + 2.26% (rounding +0.05)	-	3,304,718	3,260,263	83,127
III. mortgage	18/12/2009	1/1/2015	3,750,000	Three-months Euribor + 2.20% (rounding +0.05)	-	-	-	3,393,091
IV. mortgage	21/5/2010	1/5/2015	14,000,000	fixed 4.32 % p.a.	-	-	-	12,815,134
V. mortgage	1/7/2011	30/6/2016	11,300,000	fixed 4.26 % p.a.	-	10,268,132	10,234,275	226,000
VI. mortgage	26/03/2012	31/03/2017	13,800,000	fixed 3.59% p.a.	12,117,764	345,000	12,426,321	345,000
VII. mortgage	30/10/2012	15/10/2017	8,750,000	fixed 3.43% p.a.	8,327,827	87,500	8,388,218	87,500
VIII. loan	1/7/2011	13/4/2018	6,896,624	fixed 7.25 % p.a.	6,292,484	1,370	6,042,126	210,961
IX. loan	1/7/2011	3/11/2018	1,500,000	fixed 7.25 % p.a.	1,349,065	298	1,299,012	45,884
X. loan	1/7/2011	17/12/2018	2,373,327	fixed 7.25 % p.a.	2,128,621	471	2,050,727	72,598
XI. loan	1/7/2011	28/6/2021	3,800,000	fixed 7.25 % p.a.	3,228,104	755	3,133,968	116,238
XII. mortgage	30/1/2015	31/12/2020	6,500,000	fixed 3.27 % p.a.	6,164,557	147,438	-	-
XIII. loan	10/8/2015	31/12/2016	11,180,000	fixed 4.50 % p.a.	-	11,180,000	-	-
Overdraft and short term					-	9	-	79
Total			106,049,951		39,608,422	41,924,668	63,295,311	17,722,081

17. Interest-bearing loans and borrowings (continued)

The above loans marked I. to VII. and XII. are secured by mortgage rights on the Fotex properties in The Netherlands and secured by pledge on rental income from the real estate properties and other assets of Fotex Netherlands B.V. and FN 2 B.V. In addition to mortgage rights Fotex Group has provided 6,555,895 shares as a security for loans as of 31 December 2014. In 2015 the additional security has been cancelled because of the mortgage loans III. and IV. were fully repaid. There are ongoing negotiations on refinancing of those loans that will expire in 2016.

The net book values of these properties at 31 December 2015 were as follows:

2719 EP Zoetermeer, Einsteinlaan 20	8,672,798 EUR
4205 AZ Gorichem, Stadhuisplein 1a, 70 and 70a	11,499,489 EUR
2034 MA Haarlem, Schipholpoort 20	4,454,704 EUR
3439 LD Nieuwegein, Ravenswade 15	10,424,970 EUR
3528 BJ Utrecht, Papendorpseweg 65	13,770,913 EUR
2123 JH Hoofddorp, Polarisavenue 1	16,963,138 EUR
1101 CE Amsterdam Southeast, Entrée 500	13,305,281 EUR

The loans marked VIII. to XI. taken out for the purchase of the participation in Plaza Park Kft. are unsecured.

The scheduled maturity of long-term loans at 31 December 2015 and 2014 is set out in EUR in the table below:

Due in	between 1-2 years	between 2-3 years	between 3-4 years	over 4 years	Total
2015	20,445,591	9,770,170	-	9,392,661	39,608,422
2014	30,387,439	20,382,040	9,391,864	3,133,968	63,295,311

Included in the Group's total interest expense of EUR 4,120,660 (2014: EUR 4,352,862) is a total interest expense in relation to the loans I.-XIII. above of EUR 4,110,809 in 2015 (2014: EUR 4,344,489).

In case of loans charged by a fixed interest rate the fair value was determined using a standard DCF model, in which a standard zero swap EUR curve was used as base for discounting, which was adjusted by the spread. In case of an unsecured loan the spread was estimated for 3.823%, in case of a secured loan for 2.431%.

In case of variable interest rate loans, there was no significant change in the interest rate until year-end, the book value approximates their fair value.

17. Interest-bearing loans and borrowings (continued)

Fair value of loans having a fixed interest rate:

Item	Fair value at 31 Dec 2015	Book value at 31 Dec 2015
V. mortgage	10,377,439	10,268,132
VI. mortgage	12,704,698	12,462,764
VII. mortgage	8,988,906	8,415,327
VIII. loan	7,428,448	6,293,854
IX. loan	1,638,783	1,349,363
X. loan	2,601,727	2,129,092
XI. loan	4,394,465	3,228,859
XII. loan	6,533,333	6,311,995
XIII. loan	11,419,182	11,180,000
Total	66,086,981	61,639,386

Item	Fair value at 31 Dec 2014	Book value at 31 Dec 2014
IV. mortgage	12,818,158	12,815,134
V. mortgage	10,770,194	10,460,275
VI. mortgage	13,144,541	12,771,321
VII. mortgage	9,028,631	8,475,718
VIII. loan	7,593,498	6,253,087
IX. loan	1,672,276	1,344,896
X. loan	2,653,809	2,123,325
XI. loan	4,464,308	3,250,206
Total	62,145,415	57,493,962

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18. Income tax

Income tax receivable/(payable):	2015	2014
	EUR	EUR
Opening income tax receivable/(payable)	347,499	391,991
Income tax charge	(1,737,825)	(1,405,392)
Settlement of income tax	784,140	1,360,900
Closing income tax receivable/(payable)	(606,186)	347,499
Income tax expense:	2015	2014
	EUR	EUR
Tax expense	1,737,825	1,405,392
Deferred tax expense / (income)	(263,051)	(482,175)
Income tax expense	1,474,774	923,217

The actual corporate income tax rate departs from the rate specified in the tax law due to the following:

	2015	2014
	EUR	EUR
Income before minority interests and income taxes	4,568,285	6,881,507
Tax at statutory rate*	759,565	1,141,566
Effect of tax losses for which no corresponding deferred tax asset recognized	1,964	929
Effect of tax rate changes	(60,881)	(208,340)
Differences arising from Dutch and Luxembourg tax rates*	802,980	468,722
Effect of recurring tax relief	(535,831)	(621,098)
Effect of permanent differences	(167,764)	(377,346)
Local business tax and innovation contribution	632,628	625,774
Tax losses used during the year on unrecognised deferred tax assets	(11,198)	(29,771)
(Recognised)/reversed deferred tax asset on prior year's carried forward loss	53,311	(77,219)
Income tax expense	1,474,774	923,217

18. Income tax (continued)

From 1 January 2011, the tax rate on the first HUF 500 million of taxable profit is 10% and above this amount 19% in Hungary. For the purposes of the tax rate reconciliation, Fotex has used a blended tax rate of 16.63% (2014: 16.59%) based on the tax rates used in the biggest tax payers of the Group (Keringatlan Kft., Plaza Park Kft., Székhely 2007 Kft., Fotexnet Kft., Fotex Netherlands B.V., FN 2 B.V., FN 3 B.V.)

The income tax rate applicable to Fotex Holding SE's and Upington Investments S.à r.l.'s income earned in Luxembourg is 22.47% from 1 January 2013, which results in a total tax of 29.22% as increased by Luxembourg's municipal business tax (Fotex Holding SE and Upington Investments S.à r.l. moved their registered seat from Capellen to Luxembourg in 2012); the income tax rate for Fotex Netherlands B.V., FN 2 B.V., FN 3 B.V. and Long Term CRE Fund B.V. is on the first EUR 200,000 of taxable profit 20%, above this amount 25%.

The Group is subject to periodic audit by the Hungarian, Dutch and Luxembourg Tax Authorities. As the application of tax laws and regulations for many types of transactions are susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the relevant Tax Authority.

Deferred tax assets and liabilities for 2015 were calculated as follows:

The tax rates used in the deferred tax calculation differ from company to company based on its expected tax position. For Keringatlan Kft. a tax rate of 15.38% (2014: 15.97%) has been applied whilst for the remaining Hungarian companies a rate of 10% (2014: 10%) has been used based on expected profitability.

For the Luxembourg and Dutch entities: at the applicable income tax rates described above, for Fotex Netherlands B.V. a tax rate of 23.02% (2014: 20%), for FN 2 B.V. a 24.21% (2014: 24.12%), for FN 3 B.V. 22.98% (2014: 22.59%) and in case of Long Term CRE Fund B.V. 20% tax rate was applied.

Deferred tax assets and deferred tax liabilities as at 31 December 2015 and 2014 are attributable to the items detailed in the tables below. In the below schedule, consolidated statement of financial position items denominated in currencies other than the presentation currency were revalued at the applicable year-end foreign exchange rates; the consolidated income statement items were determined based on average foreign exchange rates for 2015.

In 2015 the Dutch and Luxembourg entities except for Long Term CRE Fund B.V. had positive tax base, while in 2014 the exception was Fotex Netherlands B.V..

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18. Income tax (continued)

	Consolidated statement of financial position		Consolidated income statement	
	2015	2014	2015	2014
	EUR	EUR	EUR	EUR
Deferred income tax liability				
Accumulated depreciation for tax purposes	(71,510)	(101,408)	30,528	57,414
Value adjustment on acquisition of buildings	(1,264,403)	(1,335,733)	79,021	63,684
Capitalisations of small value assets	(13,963)	(27,213)	13,428	6,904
Difference from loan transaction charges	(67,782)	(79,723)	12,413	64,724
Deferred tax related to rental discount	(159,849)	(205,179)	46,573	62,474
Fair value difference of loans	(368,565)	(408,824)	42,644	94,453
Fair value difference of embedded derivative	-	-	-	2,129
Gross deferred income tax liabilities	(1,946,072)	(2,158,080)	224,607	351,782
Deferred income tax assets				
Impairment of debtors	140,259	70,404	69,583	32,698
Tax losses carried forward	95,318	147,698	(53,311)	77,219
Revaluation difference on related party transactions	79,573	57,118	22,172	20,476
Gross deferred income tax assets	315,150	275,220	38,444	130,393
Deferred income tax income / (expense)			263,051	482,175
Net deferred income tax liability	(1,630,922)	(1,882,860)		

19. Revenue

	2015	2014
	EUR	EUR
Sales revenue		
Sale of goods	10,722,198	10,294,084
Provision of services	2,325,422	2,308,307
Rental income revenue	24,379,187	23,466,902
Revenue from service charges to tenants	3,637,536	3,171,255
Royalty revenue	350,796	376,168
Other sales revenue	420,582	1,186,330
Total sales revenue:	41,835,721	40,803,046

20. Other comprehensive income components

Foreign exchange differences arising on the translation of the functional currencies to EUR of subsidiaries whose functional currency is other than EUR are presented through other comprehensive income. Such foreign exchange differences arise from the fluctuations between EUR and the functional currency of the subsidiaries during the year.

21. Segment information

In 2011, the Group revised the operating segments based on IFRS 8. As the volume of certain segments decreased, the Group was divided in 3 business lines from 2011:

- Investment property management
- Crystal and glass manufacturing
- Other – (furniture manufacturing, music publishing and retail, administration and holding activities)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The profit or loss of each business segment contains revenues and expenses directly attributable to the segment and revenues and expenses that can be reasonably allocated to the segment from the Group's total profit or loss attributable to transactions with third parties or with other Group segments. The transfer prices applied in inter-segment transactions are based on the cost of the transactions as increased by the margins set out in the underlying Group policies. Profit is distributed among the segments before adjustment for non-controlling interests.

The Group has operations in The Netherlands, in Luxembourg and in Hungary. Geographical segments are not presented in the consolidated financial statements as the cost of producing such information would exceed its merits.

Segment assets and liabilities reflect operating assets and liabilities directly or reasonably attributable to each segment. Assets attributable to each segment are presented at cost less any impairment loss in the Group consolidated statement of financial position.

Corporate and other items include primarily general overhead and administrative costs that relate to the Group as a whole and assets that are not directly attributable to any of the segments, for example short-term and long-term investments and liabilities that serve financing rather than operating purposes.

Capital expenditures in the reporting year reflect the total cost of segment assets that are expected to be used for more than one period (properties, equipment and fittings).

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21. Segment information (continued)

	2015	2015	2015	2014	2014	2014
Net sales:	Net Sales external EUR	Net Sales inter-segment EUR	Net sales EUR	Net Sales external EUR	Net Sales inter-segment EUR	Net sales EUR
Investment property management	27,944,548	596,753	28,541,301	27,290,358	731,177	28,021,535
Crystal and glass manufacturing	6,508,702	-	6,508,702	6,374,326	356	6,374,682
Other	7,382,471	1,773,731	9,156,202	7,138,362	1,790,129	8,928,491
Inter-segment elimination		(2,370,484)	(2,370,484)	-	(2,521,662)	(2,521,662)
Net sales	<u>41,835,721</u>	<u>-</u>	<u>41,835,721</u>	<u>40,803,046</u>	<u>-</u>	<u>40,803,046</u>

Crystal and glass sales mainly reflect export sales realised in USD and EUR. Other sales mainly reflect sales realised in HUF. The rental fees are nominated in EUR and HUF.

Income before income taxes:	2015	2014
	EUR	EUR
Investment property management	5,861,887	6,688,449
Crystal and glass manufacturing	283,866	433,620
Other	(1,577,468)	(240,562)
Income before income taxes	<u>4,568,285</u>	<u>6,881,507</u>

	31 December 2015	31 December 2015	31 December 2015	31 December 2014	31 December 2014	31 December 2014
Assets:	Consolidated assets EUR	Intra-business line assets EUR	Total assets EUR	Consolidated assets EUR	Intra- business line assets EUR	Total assets EUR
Investment property management	184,194,514	61,128	184,255,642	170,608,429	3,349,970	173,958,399
Crystal and glass manufacturing	8,658,182	-	8,658,182	8,838,311	-	8,838,311
Other	25,627,655	959,588	26,587,243	36,344,708	434,446	36,779,154
Inter-segment elimination		(1,020,716)	(1,020,716)	-	(3,784,416)	(3,784,416)
Net assets	<u>218,480,351</u>	<u>-</u>	<u>218,480,351</u>	<u>215,791,448</u>	<u>-</u>	<u>215,791,448</u>

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21. Segment information (continued)

	31 December 2015	31 December 2015	31 December 2015	31 December 2014	31 December 2014	31 December 2014
Liabilities and accruals:	Consolidated liabilities EUR	Intra-business line payables EUR	Total liabilities EUR	Consolidated liabilities EUR	Intra- business line payables EUR	Total liabilities EUR
Investment property management	93,175,602	969,728	94,145,330	92,223,191	469,777	92,692,968
Crystal and glass manufacturing	580,004	103,079	683,083	467,618	3,228,792	3,696,410
Other	1,420,043	13,920	1,433,963	1,659,611	218,634	1,878,245
Inter-segment elimination	-	(1,086,727)	(1,086,727)	-	(3,917,203)	(3,917,203)
Liabilities and accruals:	<u>95,175,649</u>	<u>-</u>	<u>95,175,649</u>	<u>94,350,420</u>	<u>-</u>	<u>94,350,420</u>

Tangible and intangible asset additions:	2015	2014
	EUR	EUR
Investment property management	18,371,585	11,725,831
Crystal and glass manufacturing	446,157	47,185
Other	623,339	140,575
Tangible asset additions:	<u>19,441,081</u>	<u>11,913,591</u>

Depreciation and amortisation:	2015	2014
	EUR	EUR
Investment property management	(6,994,730)	(6,640,644)
Crystal and glass manufacturing	(215,360)	(209,576)
Other	(614,094)	(606,930)
Depreciation and amortisation:	<u>(7,824,184)</u>	<u>(7,457,150)</u>

22. Financial risks, management objectives and policies

The Group's primary financial liabilities, other than derivatives, include creditors, operating lease contracts and loans taken to purchase properties. The Group's various financial receivables include debtors, cash and short-term deposits and loan receivables. The Group's liquid assets are held in larger banks in Hungary, The Netherlands and Luxembourg. Financial liabilities and receivables are directly attributable to the Group's operations.

The highest risks related to the Group's financial instruments are FX risk, lending risk and interest risk. Management monitors all these risks and applies the following risk management procedures.

Interest rate risk

The Group entered into EUR loans to buy properties in The Netherlands for the period between 2009 and 2020. The loan interests either vary between one to three months EURIBOR + 2.26-2.70% or are at fixed rates varying between 3.27% and 7.25%. The interest risks of the variable interest mortgage loans are limited between 3.30% and 3.64%. Additionally the lending bank charges a 0.70% interest guarantee with respect to mortgage loan I. A fixed amount was paid to reduce the interest risk associated with mortgage loan II. The Fotex Group transferred four formerly intra-group loans which are uncovered as part of the compensation for acquiring its 100% participation in Plaza Park Kft. Accordingly, from 1 July 2011, the transferred loans qualify as related party loans from the Group's perspective. These loans bear a fixed interest rate of 7.25% per annum.

Foreign currency ("FX") risk

Financial instruments that potentially represent risk for the Group include debtors in foreign currency, creditors in foreign currency and deposits in foreign currency other than in EUR. The Group's rental contracts are stipulated in EUR or on EUR basis thus mitigating any FX risk associated with non-EUR revenues. Many EUR-based rental contracts are billed in HUF based on the applicable daily spot rate. In order to mitigate the risk of FX losses from any potential unbeneficial EUR/HUF rate fluctuations, the Group normally sets out a minimum EUR/HUF rate in its rental contracts.

The Group also has a translation risk on transactions – which occurs when the Group buys or sells in a currency other than its presentation currency. Nearly 12.61% of the Group's revenues (2014: 18.90%) and 54.42% of costs (2014: 64.93%) are from transactions made in other than the presentation currency of the Group.

The effect of EUR rate fluctuations with respect to other currencies on the Group's pre-tax profit in terms of unrealised revenues and expenses are as follows (all other variables are considered constant):

		Increase (stronger EUR)/decrease (weaker EUR) in HUF/EUR rate	Impact on the pre-tax profit
			EUR
2015	revenues	+10%	-527,514
		-10%	527,514
	costs	+10%	1,807,181
		-10%	-1,807,181
2014	revenues	+10%	-771,011
		-10%	771,011
	costs	+10%	1,925,940
		-10%	-1,925,940

According to management, beyond the Group's FX risk, the risk associated with the actual profit or loss position stems from the volume of orders and market demand which depends on global market trends rather than on FX rate fluctuations.

22. Financial risks, management objectives and policies (continued)

Certain of the Group's financial assets and liabilities are denominated in currencies other than the functional currency of Fotex Holding SE and are affected by EUR rate fluctuations as follows:

	Increase/decrease in HUF/EUR rate	Impact on the book value of financial assets and liabilities
		EUR
2015	+10%	-20,909
	-10%	20,909
2014	+10%	-46,493
	-10%	46,493

The financial instruments that are potentially subject to currency risk consist principally of foreign currency trade receivables and payables denominated in foreign currency other than EUR:

	2015	2014
	EUR	EUR
Financial liabilities	3,598,585	4,715,898
Financial assets	3,807,670	5,180,829

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its leasing activities and its financing activities, including deposits with banks and financial institutions.

The Group aims to mitigate lending risk by its careful and continuous debtor portfolio monitoring process and by requiring bank guarantees and collateral. In addition, the Group regularly follows up information about the main debtors in the market.

Concentrations of credit risk, with respect to trade accounts receivable, are limited due to the large number of customers.

Receivable balances are monitored on an ongoing basis.

Credit risk related to receivables resulting from the sale of inventory is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, available-for-sale investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. At 31 December 2015 the Group's maximum exposure to credit risk is EUR 17,303,593 (31 December 2014: EUR 22,986,705).

Investments of surplus funds are made only with reliable counterparties and are allocated between more banks and financial institutions in order to mitigate financial loss through potential counterparty failure.

Fotex Holding SE and Subsidiaries
Notes to consolidated financial statements
31 December 2015
Figures in EUR

22. Financial risks, management objectives and policies (continued)

Liquidity risk

Liquidity risk is monitored as follows:

- Monitoring daily available deposited and free cash by entity
- Monitoring weekly cash flows by entity
- As part of the management information system, the Group monitors the operations of each entity on a monthly basis
- The Group monitors its long-term cash flows in order to match the maturity patterns of its assets and liabilities

The Group's liabilities based on contracted not discounted payments at 31 December 2015 and 2014 are presented below according to maturity.

31 December 2015	Due EUR	within 3 months EUR	3 - 12 months EUR	1 - 5 years EUR	>5 years EUR	Total EUR
Trade payables	104,572	602,330	–	–	–	706,902
Taxes payable	347,926	1,513,859	–	–	–	1,861,785
Advances from customers	–	33,361	–	–	–	33,361
Accrued expenses	–	729,061	–	–	–	729,061
Amounts payable to employees	454	218,395	517	–	–	219,366
Deposits from tenants	–	–	424,115	–	–	424,115
Other liabilities	342,535	685,105	242,585	–	–	1,270,225
Total current liabilities	795,487	3,782,111	667,217	–	–	5,244,815
Loans received	–	1,074,946	43,914,885	40,539,781	3,935,108	89,464,720
Other long-term liabilities	–	–	–	1,971,998	–	1,971,998
Total	795,487	4,857,057	44,582,102	42,511,779	3,935,108	96,681,533

31 December 2014	Due EUR	within 3 months EUR	3 - 12 months EUR	1 - 5 years EUR	>5 years EUR	Total EUR
Trade payables	100,895	1,017,805	–	–	–	1,118,700
Taxes payable	55,127	1,415,322	120,988	–	–	1,591,437
Advances from customers	–	53,159	11,702	–	–	64,861
Accrued expenses	–	857,827	–	–	–	857,827
Amounts payable to employees	–	186,452	–	–	–	186,452
Deposits from tenants	–	–	640,877	–	–	640,877
Other liabilities	465,439	582,191	30,878	–	–	1,078,508
Total current liabilities	621,461	4,112,756	804,445	–	–	5,538,662
Loans received	–	4,768,485	15,732,478	67,814,611	3,935,108	92,250,682
Other long-term liabilities	–	–	–	1,545,698	–	1,545,698
Total	621,461	8,881,241	16,536,923	69,360,309	3,935,108	99,335,042

22. Financial risks, management objectives and policies (continued)

On 25 February 2014 the Company, exercising its redemption option and repurchased 775,000 pieces of dividend preference shares - owned by the management previously – for EUR 327,138. Thus all dividend preference shares are now owned by the Group.

Capital management

The main objective of the Group's capital management activities is to continuously ensure an equity structure that supports the Group's business operations, maintains its creditworthiness and maximises shareholder value. Changes in the Group's business environment are also reflected in the equity structure. The Group's equity structure is supervised by management by monitoring the Group's indebtedness ratio and decisions are made accordingly.

The indebtedness ratio is calculated by the Group in view of its net debt and the equity attributable to the Group. For the calculation of the net debt, cash and cash equivalents are deducted from the aggregate of short-term and long-term loans, trade payables and other current liabilities reduced by deferred rental income. To calculate the indebtedness ratio, the net debt is divided with the aggregate of equity and net debt. The Group's indebtedness ratio calculations at 31 December 2015 and 2014 are presented below:

	31 December 2015	31 December 2014
	EUR	EUR
Short-term and long-term borrowings (Note 17):	81,533,090	81,017,392
Trade payables and other current liabilities less deferred rental income:	5,244,815	5,538,662
Cash and cash equivalents (Note 5):	(7,667,840)	(13,173,781)
Net debt:	79,110,065	73,382,273
Equity attributable to the Company:	123,215,222	121,285,075
Total:	202,325,287	194,667,348
Indebtedness ratio*:	39.10%	37.70%

The Company's indebtedness ratio increased from 37.70% at 31 December 2014 to 39.10% at 31 December 2015, primarily due to repayment of two FHG loans (III, IV), and take out two new loans (FHG - XII and Blackburn - XIII). The Company's management considers the Company's capital structure adequate, as property management is the Group's key activity and the Company's indebtedness ratio reflects the nature of this industry.

* The Management has reviewed the calculation method of indebtedness ration and came to the conclusion that deferred rental income should be eliminated from trade payables and other current liabilities.

23. Investments in subsidiaries

During 2015 the Fotex Group entered into the following transactions that affected the Group structure.

- The owner of Ajka Kristály Kft. increased its capital by EUR 2,923,646 on 8 April, 2015.
- The owner of Plaza Park Kft. decreased its capital by EUR 1,152,683 on 22 June 2015.
- On 3 August 2015, Fotex Netherlands B.V. established a subsidiary in The Netherlands, LT CRE Fund BV.
- At 30 September, 2015 the Group disposed 100% of Balaton Bútor Kft. As a result Balaton Bútor Kft. has not been a Fotex Group member since 30 September, 2015.
- The owner of Fotex Netherlands B.V. increased its capital by EUR 150,000,000 on 8 December, 2015.

During 2014 the Fotex Group entered into the following transactions that affected the Group structure.

- The owner of Keringatlan Kft. decreased its capital by EUR 16,976,952 (from EUR 20,728,848 to EUR 3,751,896) on 5 September 2014. The proportionate parts of the capital reserve and retained earnings have been reduced as well. This capital reduction had no impact on the consolidated financial statements.
- The owner of Fotex Netherlands B.V. raised its additional paid-in capital by EUR 55,058,134 on 18 December 2014 (containing EUR 1,900,000 cash, EUR 7,500,000 loan claim, EUR 60,411 related interest claim and EUR 45,597,723 claim from reduction in share capital against Keringatlan Kft.)

24. Operating Leases

Group as lessee

The Group leases retail sites within the shopping centre “MOM Park” located in Budapest and at another location in Budapest and four in Győr partially based on non-cancellable operating lease agreements.

The Group leases 173 parking spaces located in Hoofddorp.

Since September 2001, the Group has been leasing retail sites within “MOM Park”; the relating contract had a term of 6 years, in March 2007, the Group announced its intention to use its option on the outlets rented in “MOM Park”, whereby the rental contracts were extended till September 2018. At 31 December 2015, the leased area in MOM Park totalled 3,119 m² (2014: 3,119 m²).

The contracts on the two retail outlets in Budapest classified as other centres and shops expired in August 2014 and will expire in February 2016. Expired area was returned to the lessor 28 February, 2015. The rents of the four outlets in Győr expire in December 2022 and in December 2023, for which the relating leasing fee is presented for the entire contracted period as at 31 December 2015.

As at 31 December 2015, operating lease commitment in case of other centres and shops also includes the contracted fees for the rented parking spaces in Hoofddorp, which rent expires in June, 2022.

24. Operating Leases (continued)

The leasing fees are denominated in EUR and are increased by the customer price index reported by the European Union's Statistical Office commencing from 1 January 2002 in the case of "MOM Park". In the case of the outlets in Győr, the rents are specified in HUF. Accordingly, increases are affected based on the official CPI published by the Hungarian Central Statistical Office.

At 31 December 2015, the Group had the following minimum leasing fee commitments:

	MOM Park	Other centres and shops	Total
Operating lease commitment	EUR	EUR	EUR
2016	631,123	450,228	1,081,351
2017	636,048	446,906	1,082,954
2018	480,730	445,577	926,307
Thereafter	0	1,385,200	1,385,200
Total	1,747,901	2,727,911	4,475,812

At 31 December 2014, the Group was committed to pay the following minimum leasing fees:

	MOM Park	Other centres and shops	Total
Operating lease commitment	EUR	EUR	EUR
2015	685,298	455,378	1,140,676
2016	685,298	455,115	1,140,413
2017	685,298	450,242	1,135,540
Thereafter	513,974	1,756,257	2,270,231
Total	2,569,868	3,116,992	5,686,860

In 2015, operating lease payments in relation to a non-cancellable rental contract with MOM Park for January to December totalled EUR 685,298 (2014 Jan-Dec: EUR 679,907), and EUR 452,840 (2014 Jan-Dec: EUR 493,610) for January to December in relation to other shops and outlets.

Some of the retail shop premises are still rented from local municipalities. These rentals may be cancelled by the lessor with a notice period of at least one year. The rent relates to a total area of 737 m² (2014: 866 m²) at a rental cost of EUR 73,677 for January to December 2015 (2014: EUR 96,606).

Under certain circumstances the Group has the right to acquire the premises at a value mutually agreed with the relevant municipality. As in 2014, the Group did not exercise any such right in 2015.

24. Operating Leases (continued)

Group as lessor

The Group leases property to third parties consisting mainly of retail outlets, offices, warehouses and other structures. Rents are predominantly set in EUR in the rental contracts.

The Group acquired four office buildings in 2009, one in 2010, two in 2011 and one in 2012 in The Netherlands which are leased to tenants on fixed long-term rental agreements. In 2013 the investment portfolio was extended by the acquisition of two office buildings and one apartment building in the Netherlands. In 2014 the investment portfolio was extended by the acquisition of a retail real estate in the Netherlands. In 2015 the Group acquired a new building in the Netherlands. Based on these agreements the contracted revenue is as described in the table below.

The Group's fixed rental fee revenue under non-cancellable leases as of 31 December 2015 (EUR):

Due in	2016	2017	2018	After 2018	Total
	12,368,988	12,386,824	11,224,765	48,615,234	84,595,811

The Group's fixed rental fee revenue as of 31 December 2014 (EUR):

Due in	2015	2016	2017	After 2017	Total
	10,222,682	9,421,096	9,381,064	39,772,998	68,797,840

25. Earnings Per Share

Basic earnings per share is calculated based on the weighted average number of ordinary shares in issue during the year less treasury shares held by the Company. Similarly, total diluted earnings per share is also calculated based on the weighted average number of ordinary shares in issue during the year as adjusted by the estimated value of an issue of potentially convertible securities. For the calculation of total diluted earnings per share, net earnings are adjusted with any gains and expenses that relate to potentially convertible securities.

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Company and held as treasury shares:

	2015	2014
	EUR	EUR
Net profit attributable to equity holders from continuing operations	3,057,270	5,926,990
Net profit attributable to shareholders	3,057,270	5,926,990
Weighted average number of shares in issue during the year	54,227,817	54,531,530
Basic earnings per share (EUR)	<u>0.06</u>	<u>0.11</u>

The diluted earnings per share agree with basic earnings per share in 2015 and 2014 as there is no dilution effect in these years.

26. Related Party Transactions

Principal related parties

Gábor Várszegi, Chairman of the Board of Fotex, directly or indirectly controls a part of the voting shares of Blackburn International Inc. ("Blackburn"), a Panama company, and Blackburn International S.à r.l. ("Blackburn Luxembourg"), a Luxembourg company, Zürich Investments Inc. ("Zürich"), a British Virgin Islands company and Ajka Crystal LLC (California, USA). Blackburn Luxembourg has a controlling interest in Fotex Ingatlan Kft. ("Fotex Ingatlan"). As at 31 December 2015, Blackburn Luxembourg controlled 50.35% (31 December 2014: 50.35%) of the Company's voting shares. These companies are considered to be related parties.

Related party transactions

2015 disclosures

Rental and other related fees paid to Fotex Ingatlan for 2015 were EUR 414,845 (2014: EUR 426,113).

Administrative and expert fees paid by Fotex Ingatlan for 2015 were EUR 63,004 (2014: EUR 66,644).

Further to an airplane rental agreement between Blackburn Inc. and Fotex Holding SE, the total amount of rent plus related services invoiced by Blackburn Inc. for 2015 were EUR 9,000 (2014: EUR 0), and to Fotex Netherlands B.V. for 2015 EUR 189,000 has been invoiced (2014: EUR 178,250).

For the financial year 2015, Fotex Netherlands B.V. was charged interest of EUR 780,822 (2014: EUR 780,822) by Zürich, on the former intra-group loans transferred to the seller of Plaza Park Kft (Note 17).

For the financial year 2015, FN 2 B.V. was charged interest of EUR 275,500 (2014: EUR 275,500) by Zürich, on the former intra-group loans transferred to the seller of Plaza Park Kft (Note 17).

For the financial year 2015, Long Term CRE Fund B.V. was charged interest of EUR 198,484 (2014: EUR 0) by Blackburn Inc.

Transactions with other related parties

Internet services and computer rent invoiced to Fotex Ingatlan by Fotexnet in 2015 was EUR 5,845 (2014: EUR 2,296).

Inventory sold to Fotex Ingatlan by Ajka Kristály Kft. in 2015 were EUR 22,059 (2014: EUR 8,673). The amount of the related cost of sales in 2015 was EUR 13,786 (2014: EUR 5,007).

Remuneration of Group management

Management, directors and members of the Supervisory Board of the Group received a total remuneration of EUR 576,488 in 2015 (2014: EUR 558,054).

27. Subsequent Events after the end of the reporting period

After the end of the reporting period no significant events have happened.

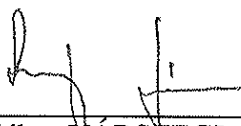
The logo for FOTEX, featuring the word "FOTEX" in a stylized, bold, sans-serif font.

HOLDING SE PUBLIC COMPANY LIMITED BY SHARES

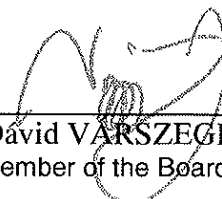
Financial Statement Certification

In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we confirm that to the best of our knowledge, the consolidated financial statements as of 31 December 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit or loss of Fotex Holding SE. and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of Fotex Holding SE. and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 13th April 2016

A handwritten signature in black ink, appearing to be "Gábor Varszegi".

Gábor VARSZEGI
Chairman of the Board

A handwritten signature in black ink, appearing to be "David Varszegi".

David VARSZEGI
Member of the Board

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