

33. Financial risk management objectives and policies

Financial Risk Factors

The Group, by nature of its business and geographical positioning, is exposed to financial risks. The Group's overall financial risk is managed by Group Finance and Treasury units, aiming to minimize the potential unfavorable impact arising from the markets' fluctuations on Group's financial performance. The Group does not engage in speculative transactions or transactions which are not related to its commercial, investing or borrowing activities.

a) Liquidity risk

The Group, in addition to its operating cash flows, maintains sufficient cash and other liquid assets, as well as extensive committed credit lines with several international banks to ensure the fulfilment of its financial obligations. Group Treasury controls Group funding as well as the management of liquid assets.

The table below summarizes the maturity profile of financial liabilities at 31 December 2016 and 2015 based on contractual undiscounted payments.

(all amounts in Euro thousands)

	Year ended 31 December 2016					
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Group						
Borrowings	100,579	36,979	20,891	848,027	31,172	1,037,648
Other non-current liabilities	-	-	-	1,262	-	1,262
Trade and other payables	162,378	63,798	4,276	-	-	230,452
	262,957	100,777	25,167	849,289	31,172	1,269,362
	Year ended 31 December 2015					
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Borrowings	29,097	5,545	22,100	794,435	20,182	871,359
Derivative financial instruments (non-current)	-	-	-	924	-	924
Other non-current liabilities	-	-	-	1,505	8	1,513
Trade and other payables	165,416	62,554	4,937	-	-	232,907
	194,513	68,099	27,037	796,864	20,190	1,106,703
	Year ended 31 December 2016					
	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
Company						
Borrowings	46,881	3,340	5,846	341,721	-	397,788
Other non-current liabilities	-	-	-	142	-	142
Trade and other payables	25,484	9,197	-	-	-	34,681

Group	Less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	>5years	Total
	72,365	12,537	5,846	341,863	-	432,611
Year ended 31 December 2015						
Borrowings	16,267	1,472	8,355	325,945	-	352,039
Other non-current liabilities	-	-	-	138	8	146
Trade and other payables	28,264	6,139	156	-	-	34,559
	44,531	7,611	8,511	326,083	8	386,744

Borrowings include the floating and fixed rate outstanding principal at year-end plus accrued interest up to maturity.

The amounts that are described as "less than 1 month" are as usual on demand short-term uncommitted facilities plus interest accruals, and also including the €87.9 million outstanding Notes due 19 January 2017 plus coupon payments.

b) Market risk

Market risk comprises three main types of risk: currency risk, price risk, such as commodity risk and interest rate risk.

Group exposure to exchange rate (FX) risk derives from existing or expected cash flows denominated in currencies other than the Euro (Imports / exports) and from international investments.

FX risks are managed using natural hedges, FX derivatives / swaps and FX forwards. Borrowings denominated in the same currency as the assets that are being financed and these create a natural hedge for investments in foreign subsidiaries exposed to FX conversion risk.

However, part of the financing of Group activities in the USA, Egypt and Albania, is in different currencies (Euro) than their functional ones. Their refinancing in local currencies along with fx hedging transactions are examined at regular intervals.