33. Financial risk management objectives and policies

The ratio of fixed to floating rates of the Group's net borrowings is determined by market conditions, Group strategy and financing requirements. Occasionally interest rate derivatives may be used to mitigate the relevant risk and balance the mix of fixed and floating rates of the Group's borrowings.

On 31 December 2016, following the issuance of €300 million notes, by which part of existing fixed rate notes of 8.75% coupon rate were refinanced prior their maturity, the Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps, stood at 62%/38% (31 December 2015: 43%/57%).

The impact of interest rate volatility is limited in the income statement and cash flow from operating activities of the Group, as shown in the sensitivity analysis table below:

Sensitivity analysis of Group's borrowings due to interest rate changes

(all amounts in Euro thousands)		Interest rate variation	Effect on profit before tax
		(+/-)	(-/+)
Year ended 31 December 2016	EUR	1,0%	187
	USD	1,0%	2.487
	BGN	1,0%	156
	EGP	1,0%	630
	ALL	1,0%	309
	TRY	1,0%	19
Year ended 31 December 2015	EUR	1,0%	512
	USD	1,0%	2.412
	BGN	1,0%	117
	EGP	1,0%	1.342
	ALL	1,0%	366

Note: Table above excludes the positive impact of interest received from deposits.

Interest rate trends and the duration of the Group's financing needs are monitored on a forward looking basis. Consequently, decisions about the duration and the mix between fixed and floating rate debt are taken on an ad-hoc basis.

c) Credit Risk

The Group has no significant concentrations of credit risk. Trade accounts receivable consist mainly of a large, widespread customer base. All Group companies monitor the financial position of their debtors on an on-going basis.

When considered necessary, additional collateral is requested to secure credit. Provisions for impairment losses are made for special credit risks. As at 31 December 2016, there are no outstanding doubtful significant credit risks which are not already covered by a provision for doubtful receivables.

Credit risk arising from financial institutions' inability to meet their obligations towards the Group deriving from placements, investments and derivatives, is mitigated by pre-set limits on the degree of exposure to each individual financial institution. These pre-set limits are set in accordance to the Group Treasury policies. At 31 December 2016, the Group's majority financial assets and derivative financial instruments were held with investment grade financial institutions.

On 31 December 2016, the Group's cash and cash equivalents were held at time deposits and current accounts. Note 21 includes an analysis on cash and cash equivalents.