

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 2017, following the repayment of €88 million 8.75% notes due in January 2017, and the issuance of €250 million notes due in November 2024, by which part of €287 million fixed rate notes of 4.25% coupon rate were refinanced prior their maturity, the Group's ratio of fixed to floating interest rates, taking into account outstanding cross currency swaps and interest rate swaps, stood at 82%/18% (31 December 2016: 62%/38%).

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 (+/-)	
	EUR	1,0%	189
	USD	1,0%	184
	BGN	1,0%	146
<b>Year ended 31 December 2017</b>	EGP	1,0%	792
	ALL	1,0%	240
	TRY	1,0%	16
	EUR	1,0%	187
	USD	1,0%	2.487
	BGN	1,0%	156
<b>Year ended 31 December 2016</b>	EGP	1,0%	630
	ALL	1,0%	309
	TRY	1,0%	19

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 2017, 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 2017, the Group's majority financial assets and derivative financial instruments were held with investment grade financial institutions.

As at 31 December 2017, the Group's cash and cash equivalents were held at time deposits and current accounts in highly rated financial institutions. Note 21 includes an analysis on cash & cash equivalents.

Pages: [1](#) [2](#) [3](#) [4](#)