

## Note 25 - Operating leases:

### 25.1 The Company as lessee

The Company has entered into a number of operating lease agreements for 29 stores, 4 Duty Free and 75 commercial spaces for the boutiques it operates. Additionally, it has entered into lease agreements for tractor trailers and trailers for delivery of merchandise to the stores, and has also acquired computer equipment and servers. The lease terms are between one and five years. All operating lease agreements for more than 5 years contain clauses for a review of market rent every five years. The Company does not have an option to buy the space leased at the date of expiration of the lease terms.

The following table summarizes the lease expenses recognized in:

	December 31,	
	2016	2015
Fixed rent	\$ 383,477	\$ 343,639
Variable rent	415,744	345,718
	<b>\$ 799,221</b>	<b>\$ 689,357</b>

The following table summarizes the minimum annual payments stipulated in lease agreements entered into at terms of over one year:

	Amount
Up to 1 year	\$ 387,772
From 1 to 5 years	2,326,634
Over 5 years	2,908,292
<b>Total minimum payments agreed</b>	<b>\$ 5,622,698</b>

## 25.2 The Company as lessor

Operating leases are related to the leasing of commercial space. The lease periods range from one to five years. All operating lease agreements for more 5 years contain clauses for the review of market rent every two years. The agreements do not establish the option for tenants to buy the space leased at the date of expiration of the lease terms.

Following is an analysis of lease income:

	December 31, 2016	2015
Fixed rent	\$ 2,053,465	\$ 1,995,818

Following is an analysis of the minimum annual payments agreed with the lessees in the lease agreements entered into at terms of over one year:

Year ending December 31,	Amount
Up to 1 year	2,108,019
From 1 to 5 years	6,348,107
Over 5 years	5,163,390
Total minimum payments agreed	\$ 13,619,516