

MAY 2007

FLIGHT GATE

4027 G3

4193

4295 G9

290 K4

1927 K18

3957 G7

3779

1132 G10

57 G4

annual report

'06

HELLENIC DUTY FREE SHOPS S.A.



HELLENIC DUTY FREE SHOPS S.A.

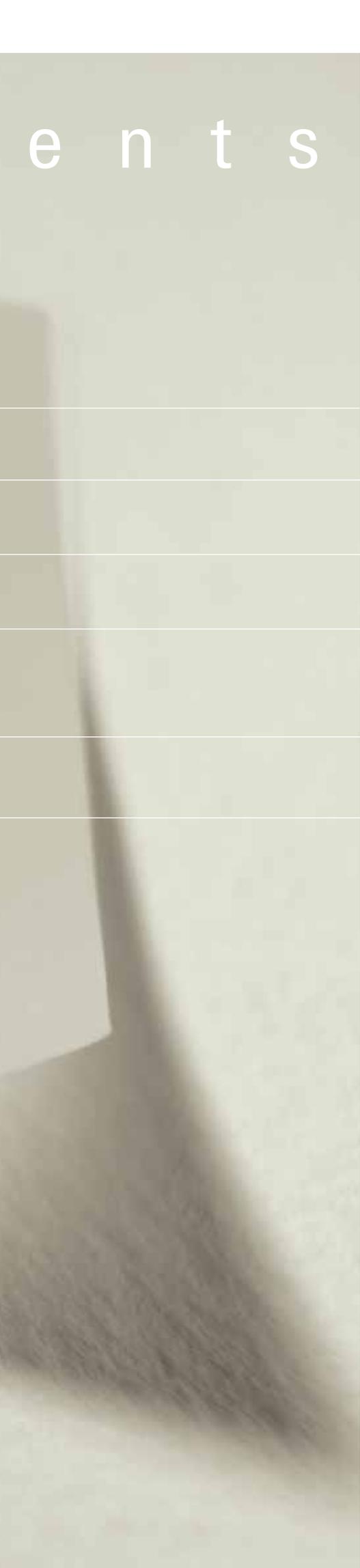
annual report

2006

HELLENIC DUTY FREE SHOPS S.A.

t a b l e o f c o n t

- a Report and explanatory report of the Board of Directors **7**
- b Auditors' report **15**
- c Financial Statements **19**
- d Condensed financial data and information **61**
- e Report regarding Company transactions with affiliated companies in accordance to article 2 par. 4 of codified Law 3016/2002 **65**
- f Information according to article 10 of Law 3401/2005 **67**
- g The annual financial statements, the auditors reports of the companies included in the consolidated financial statements as they are posted on the Company's website **69**



e n t s



a

Report and explanatory report of the Board of Directors

BOARD OF DIRECTORS MANAGEMENT REPORT

2006 constituted yet another dynamic year for the Hellenic Duty Free Shops S.A. Group, characterized by significant growth as well as expansion for the Group's activities. Consolidated sales posted a double digit growth rate, thus reaffirming the Group's continuous positive performance during the past years. In detail, for 2006 consolidated sales amounted to €300.0 million compared to €261.5 million in 2005, posting an increase of 14.8%. At this point it is worth noting that the compound annual growth rate of consolidated sales and consolidated earnings after taxes for the period 2001-2006 was 12.0% and 9.5% respectively.

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to €64.8 million from €58.0 million in 2005, posting an increase of 11.7%, while consolidated earnings after taxes and minority interest increased by 13.6% reaching to €43.0 million compared to €37.9 million the previous year.

Following seven years of FOLLIE-FOLLIE S.A.'s participation in the Company's share capital, which has been characterized by FOLLIE-FOLLIE's Management as a long-term strategic investment, the latter considered GERMANOS S.A.'s sale of HDFS' stake, in the context of GERMANOS' acquisition by COSMOTE, as an exceptional opportunity and thus went forward with acquiring its participation, while increasing its stake further a few weeks later. Therefore, today FOLLIE-FOLLIE's participation in the Company amounts to 52.3%.



The acquisition of the British jewelry, watches and luxury items company LINKS (London) LTD. by the subsidiary company HELLENIC DISTRIBUTIONS S.A. in July 2006, for £41 million (approximately €60 million), took place in the context of implementing the Company's strategy. The company LINKS (London) LTD. is one of the most well-known British companies that trade jewelry, watches and luxury items. The brand developed rapidly opening stores with the LINKS brand on the one hand and on the other operating its own spaces in renowned department stores. Today its network of stores numbers more than 40 points of sale in Europe, N. America and Asia located in important cities such as New York, London, Hong Kong etc. For the five-month period August – December 2006, its sales amounted to €27 million and earnings after taxes to €3.2 million.

The Company went forward with implementing a share buy back scheme according to article 16, par. 5 C.L.2190/1920. Specifically, the Annual Ordinary General Shareholders' Meeting that took place in Agios Stefanos on May 31st 2006, decided to purchase up to 10% of the total shares during the period between June 1st 2006 and May 31st 2007. It is worth noting that until 31.12.2006, 94,172 shares had been purchased while until 14.03.2007 the total own shares held by the Company amounted to 121,674 shares.

Passenger traffic increased by 6.3% in 2006, despite the decrease during the first quarter, which was attributed to adverse weather conditions and to bird flue cases in neighboring countries as well as to strikes in the Athens and Thessaloniki airports.

With regards to the implementation effective from November 6th 2006, of additional European Union Security measures concerning the transfer of liquids and products in gel form, in all E.U. airports, there is no limit on the quantities, items and package sizes that are purchased after check-in, where all the Company's stores are located.

Finally, this past year, we continued the implementation of the "Travel Value Shopping" policy, namely uniform selling prices for the majority of sold goods, regardless of our customers' destination. Until today the implementation of the particular pricing policy, also applied by the largest companies in the sector, proved the most effective following the Duty Free abolishment in E.U. since 01.07.1999 as well as the Schengen Agreement.

2007 Outlook

The outlook for the current year is particularly positive, a fact expected to be reflected in the Company's financial results.

Specifically, the strategy of HDFFS, aiming at further strengthening the Company's growth, will focus on the following growth drivers: **a.** acquisition of international brands, **b.** development of Greek brands that will meet the challenges of a global competitive environment, **c.** support of the Tourism sector and **d.** opening new stores in every exit point of Greece.

The Management of the Company aims at introducing a new reality for the Company and support and promotes HELLENIC DUTY FREE SHOPS as an international brand and a key player in the global environment. The significant know-how and experience of FOLLI-FOLLIE in managing and developing international brands will also contribute to this target.

Regarding LINKS (London) Ltd., its direct priority is the development of new stores in countries such as China and Japan, by utilizing the knowledge and experience developed by the parent company of the FOLLI-FOLLIE S.A. Group in such countries.

Dividend policy

In the past, when the Company was a state owned company, its dividend policy included the total distribution of Earnings after Taxes to shareholders (namely to the Greek State). During the listing of its shares on the Athens Exchange (1998), the Company committed to distributing as dividend at least 85% of Earnings after Taxes.

Subsequently, the Company's BoD decided to amend the dividend policy in order for the distributed dividend to provide a satisfactory return to Company shareholders, always keeping in mind its financing needs. For 2006, the Company decided to propose to the Annual Ordinary General Shareholders' Meeting a dividend distribution of €0.66, which corresponds to a distribution of all distributable earnings.

Explanatory Report of the Board of Directors according to Law

3371/2005 par. 1 art. 11a

Structure of the Company's share capital.

The Company's share capital amounts to €15,802,500 divided into 52,675,000 common registered shares of a par value €0.30 each. Each share provides the right of one vote. The Company's shares are listed in the Securities Market of the Athens Stock Exchange, under the "Large Capitalization" classification.

Each share incorporates all the rights and obligations established by the Law and HDFS's Articles of association, the latter not including any provisions more restrictive than those of the Law. Shareholder liability is limited to the nominal value of the shares they hold. Holders of share certificates automatically accept HDFS's Articles of association and the legal decisions of the General Meetings of the Shareholders. HDFS's Articles of association do not grant any special rights to specific shareholders, nor do they contain any terms relating to changes to the capital and to the rights of shareholders that are more restrictive than those established by Law. Shareholders exercise their rights regarding the Management of the Company by means of the General Meetings. Each shareholder is entitled to participate in the General Meetings of the Company's shareholders either in person or by proxy. Each share gives right to one vote.

For shareholders to participate in the General Meetings they must first block all or part of their shares through their Operator in the Dematerialized Securities System (SAT) or (if their shares are in the SAT Special Account) through the Central Securities Depository S.A. The relevant certificate attesting to such blocking of shares, together with the representation documents need to be furnished to the Company at least 5 full days prior to the date set for the General Meeting, and each shareholder must receive a receipt in order to be able to attend such meeting. Each shareholder may request the annual financial statements and the relevant reports of the Company's Board of Directors and Auditors 10 days prior to the date of the Ordinary General Meeting.

Shareholders holding 5% of the Company's paid up share capital shall be entitled to request from the Court of First Instance in the location of the Company's seat to appoint one or more auditors specifically to audit the Company under Articles 40 and 40 (e) of Law 2190/1920. They may also request that an Extraordinary General Meeting of the shareholders is convened. In that case the Board of Directors is required to convene such General Meeting within 30 days from the submission of the request with the Chairman of the Board of Directors. The requesting parties must state in the request the issues on which the General Meeting is called upon to decide.

Shareholders have option rights for each future increase of the Company's share capital in proportion to their participation in the Company's current share capital, as set forth in Article 13 (5) of Codified Law 2190/1920.

The dividend of each share is paid within 2 months from the date of the Ordinary General Meeting that approved the financial statements. The place and terms of payment are communicated to shareholders in the Press. Dividends are distributed from profits already taxed; hence shareholders are not subject to taxation for the dividends they receive. Dividends that have not been claimed for five years are derecognized and are paid to the Government.

Any disputes between the Company and its shareholders or any third party shall fall under the jurisdiction of ordinary Courts, and the Company may only be brought before the courts of the area where its headquarters are.

Restrictions on the transfer of the Company's shares.

The transfer of the Company's shares is affected in accordance with the law and the Athens Exchange Rulebook and there are no restrictions on their transfer pursuant from the Company's Articles of incorporation.

Significant direct or indirect participations in the sense of P.D. 51/1992.

Shareholder	Shares	Percentage (%)
FOLLI-FOLLIE S.A.	27,539,000	52.28
AGRICULTURAL BANK OF GREECE S.A.	10,595,056	20.11

As of date of: 04.04.2007

No other physical or legal entity holds percentage larger than 5% of the share capital.

Holders of any type of a share that provide special rights of audit.

There are no shares of the Company that provide special rights of audit.

Restrictions on voting right.

No restrictions on the voting rights deriving from the Company's shares.

Company's Shareholders' agreements.

The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of the Company's shares or on the voting rights conferred by its shares.

Rules of appointment and replacement of Board of Directors' members and amendment of Articles of incorporation.

The rules provided in the Company's Articles regarding the appointment and replacement of its Board of Directors members, as well as the amendment of its Articles are in accordance to those provided for in codified law 2190/1920.

Specifically, according to article 9 of the Company's Articles of Association, the Board of Directors consists of nine (9) to thirteen (13) members and is elected by the Company's General Shareholders' Assembly with a total majority for a five-year term, which is extended until the first General Assembly following the end of its term, which in any case cannot exceed six years.

In case of death or resignation or departure for any reason, of a Board of Directors' member, the remaining members of the Board of Directors, given the legal quorum, are required to elect a temporary advisor in replacement of the former for the remaining of the relevant member's term. This election is subject to approval by the first, subsequent to the election, General Shareholders' Assembly, which either ratifies the election or appoints another individual. The non-ratification of this election does not affect the validity of the Board of Directors' decisions, which were made during the period from the aforementioned election up to the first subsequent General Assembly.

Competency of the Board of Directors or some of its members to issue new shares or purchase owned shares.

According to article 6 of the Company's Articles of Association, it is stipulated that the Board of Directors has the right, by means of a relevant decision made by a majority of at least two thirds (2/3) of its members, to increase the Company's share capital partially or in full through the issuance of new shares, for an amount that cannot exceed the initial share capital.

This authority may also be assigned to the Board of Directors by a decision from the General Assembly, which is subject to the disclosure statements of article 7b of C.L. 2190/1920. In such a case, the share capital can increase up to the amount of capital that is paid up during the date when the relevant authority was granted to the Board of Directors.

By exception of the provisions of the two aforementioned paragraphs, if the Company's reserves exceed one fourth (1/4) of the paid up share capital, then a decision by the General Assembly is at all times required with the exceptional quorum and majority defined by one twentieth (1/20) of the total paid up share capital, according to article 25 of the Company's Articles of Association.

As regards to the share buy back according to article 32 of the Company's Articles of Association, the Company may go forward with the acquisition of own shares through the Stock Exchange, with the objective of supporting the share's price based on the terms and conditions of paragraphs 5 to 14 included, of article 16 of C.L. 2190/1920 as is in effect.

Important agreement contracted by the Company, which will enter into effect, will be amended or will expire in case of change in the Company's control following a public offer and the results of this agreement.

There is no such agreement.

Agreements that the Company has contracted with the members of the Board of Directors or with its personnel, which provide for the payment of compensation in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of termination of their term or employment due to a public offer.





The background of the page is a faded, light-colored image of several shopping bags, likely made of paper or canvas, with handles visible. The bags are scattered across the page, creating a sense of a retail or shopping environment.

b Auditors' report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of «HELLENIC DUTY FREE SHOPS S.A.»

Report on the Financial Statements

We have audited the accompanying financial statements of «HELLENIC DUTY FREE SHOPS S.A.» as well as the consolidated financial statements of the Company, which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards, which are based on International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 management, as well as evaluating the overall presentation of the financial statements.

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 financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2006, 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.

Emphasis of Matter

We do not state any ambiguity as regards the Report conclusions however, we would like to call your attention to the Note 4 to the financial statements which indicates that the tax obligations of the Company have not yet been audited by the tax authorities and accordingly its tax obligations for those years are not considered final. The outcome of the tax audit could not be previewed at this stage.

Report on Other Legal and Regulatory Requirements

The content of the Management's Report is consistent to the accompanying financial statements.



BAKER TILLY HELLAS

Certified Public Accountants - Consultants A.E.

76, 3rd Septembriou Str. 104 33 Athens, Greece

SOEL Reg.No: 148

Athens, 14 March 2007

The Certified Public Accountants

GEORGIOS I. VARTHALITIS DIMITRIOS I.IAKOVIDIS

SOEL. Reg. No: 10251 SOEL. Reg. No. 13251



C

Financial Statements

HELLENIC DUTY FREE SHOPS S.A. ANNUAL FINANCIAL STATEMENTS COMPILED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS FINANCIAL YEAR 2006

(Period from January 1st to December 31st 2006)

It is declared that the accompanying Financial Statements are those, which have been published by posting them on the internet, at the address www.dutyfreeshops.gr. It is noted that, the published in the press, data and information of the period as of January 1st to December 31st 2006, in accordance with the common Ministerial Decision with reg. nr. 172/10.01.2006 of the Ministers of National Economy, Finance and Development respectively, aim at providing the public with certain general elements of financial information but they do not present a comprehensive view of the financial position and the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards.

Therefore, it is recommended, to any reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit the Company's web site, at the address www.dutyfreeshops.gr where, the Annual financial statements prepared in accordance with the International Financial Reporting Standards accompanied with the Review Report of the Certified Auditor Accountants, are posted.

Ag. Stefanos, March 9, 2007

For H.D.F.S. S.A.

Georgios Velentzas

General Director

Member of the Board of Directors





Ermenegildo Z

1. balance sheet

AMOUNTS REPORTED IN THOUSAND €

		THE GROUP		THE COMPANY	
		31.12.2006	31.12.2005	31.12.2006	31.12.2005
ASSETS					
Non current Assets					
Property, plant and equipment	6.6	33,521.11	26,041.53	24,804.59	24,416.47
Intangible assets	6.7	107,674.04	53,141.31	51,405.73	53,066.49
Investments to subsidiaries	6.8	0.00	0.00	14,059.92	2,059.92
Deferred tax income	6.8	0.00	640.67	0.00	378.03
Other debtors	6.8	3,490.30	3,223.76	2,960.04	2,787.18
		144,685.45	83,047.27	93,230.28	82,708.09
Current Assets					
Inventory	6.9	52,204.15	49,783.14	39,750.03	46,212.36
Trade debtors and other debtors	6.10	19,810.21	9,368.05	11,694.33	13,560.77
Financial assets evaluated at fair value through results	6.11	1,955.53	1,866.26	1,955.53	1,866.26
Cash and cash equivalent	6.12	60,787.36	64,201.52	45,314.37	60,996.72
		134,757.25	125,218.97	98,714.26	122,636.11
Total Assets		279,442.70	208,266.24	191,944.54	205,344.20
NET EQUITY					
Capital and reserves returned to parent company shareholders					
Share capital	6.13	15,802.50	15,802.50	15,802.50	15,802.50
Share premium	6.13	65,259.02	65,259.02	65,259.02	65,259.02
Fair value reserves	6.14	49.81	49.81	49.81	49.81
Other reserves	6.15	45,073.59	38,869.75	44,735.17	38,516.32
Purchase of own shares	6.15	-1,230.87	0.00	-1,230.87	0.00
Currency exchange differences	6.15	70.14	0.00	0.00	0.00
Retained earnings	6.15	3,602.67	1,558.35	406.36	1,286.50
		128,626.86	121,539.43	125,021.99	120,914.15
Minority rights		0.09	0.12		
Total equity		128,626.95	121,539.55	125,021.99	120,914.15
LIABILITIES					
Long Term Liabilities					
Provisions for employees benefits	6.16	5,160.90	4,326.74	5,019.77	4,260.11
Other provisions	6.16	0.00	25.41	0.00	25.41
Bank Loans	6.16	60,060.93	0.00	0.00	0.00
Other long term liabilities	6.16	8,492.01	0.00	0.00	0.00
Deferred tax income	6.16	333.42	0.00	415.14	0.00
		74,047.26	4,352.15	5,434.91	4,285.52
Short Term Liabilities					
Trade creditors and other liabilities	6.17	25,957.02	21,696.57	11,351.87	20,031.74
Current tax income	6.17	16,045.97	18,537.97	15,370.27	17,972.79
Dividends payable	6.17	34,765.50	42,140.00	34,765.50	42,140.00
		76,768.49	82,374.54	61,487.64	80,144.53
Total Liabilities		150,815.75	86,726.69	66,922.55	84,430.05
Total Equity and Liabilities		279,442.70	208,266.24	191,944.54	205,344.20

2. company financial statement for the period

AMOUNTS REPORTED IN THOUSAND €

	Notes	01.01-31.12.2006	01.01-31.12.2005
Turnover (Sales)	6.21	251,807.55	245,677.03
Cost of Sales		-130,161.42	-126,948.26
Gross Profit		121,646.13	118,728.77
Other income	6.22	12,859.70	8,437.50
Administration Expenses	6.26	-12,975.03	-12,039.45
Selling and Distribution Expenses	6.26	-67,123.16	-62,696.30
Other expenses		-796.12	-800.93
Earnings before interest and taxes (EBIT)		53,611.52	51,629.59
Depreciation	6.24	4,863.72	4,596.32
Earnings before interest, taxes, depreciation and amortization (EBITDA)		58,475.24	56,225.91
Earnings from financing-investing operation		1,862.96	4,268.58
Earnings before taxes		55,474.48	55,898.17
Less Taxes	6.27	-15,370.27	-17,972.79
Earnings after taxes		40,104.21	37,925.38
<u>Attributable to:</u>			
Company Shareholders		40,104.21	37,925.38
Minority interest			
Earnings per share after taxes-basic (in €)		0.76	0.72
Proposed dividend per share (in €)		0.66	0.80

3. group financial statement for the period

AMOUNTS REPORTED IN THOUSAND €

	Notes	01.01-31.12.2006	01.01-31.12.2005
Turnover (Sales)	6.21	300,046.55	261,450.91
Cost of Sales		-152,609.44	-138,042.76
Gross Profit		147,437.11	123,408.15
Other income	6.22	18,573.97	13,158.07
Administration Expenses	6.26	-18,400.99	-12,550.62
Selling and Distribution Expenses	6.26	-88,299.76	-69,955.06
Other expenses		-844.60	-817.98
Earnings before interest and taxes (EBIT)		58,465.73	53,242.56
Depreciation	6.24	6,357.73	4,796.83
Earnings before interest, taxes, depreciation and amortization (EBITDA)		64,823.46	58,039.39
Earnings from financing-investing operation		593.87	3,166.28
Earnings before taxes		59,059.60	56,408.84
Less Taxes	6.27	-16,045.97	-18,537.97
Earnings after taxes		43,013.63	37,870.87
<u>Attributable to:</u>			
Company Shareholders		43,013.62	37,870.82
Minority interest		0.01	0.05
Earnings per share after taxes-basic (in €)		0.82	0.72

4. statement of changes in net equity for the period

THE COMPANY

AMOUNTS REPORTED IN THOUSAND €

	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Purchase of own shares	Retained earnings	Total	Total Equity
Balance at 01.01.2005	15,802.50	64,608.36	49.81	35,734.75	0.00	8,933.35	125,128.77	125,128.77
Accounting method changes and revised amounts							0.00	0.00
Revised Balance	15,802.50	64,608.36	49.81	35,734.75	0.00	8,933.35	125,128.77	125,128.77
- Period Results	0.00					37,925.38	37,925.38	37,925.38
- Dividends payable						-42,140.00	-42,140.00	-42,140.00
- Transfer to reserves		650.66		2,781.57		-3,432.23	0.00	0.00
Balance at 31 December 2005	15,802.50	65,259.02	49.81	38,516.32	0.00	1,286.50	120,914.15	120,914.15
Balance at 01.01.2006	15,802.50	65,259.02	49.81	38,516.32		1,286.50	120,914.15	120,914.15
Accounting method changes and revised amounts							0.00	0.00
Revised Balance	15,802.50	65,259.02	49.81	38,516.32		1,286.50	120,914.15	120,914.15
Purchase of own shares					-1,230.87		-1,230.87	-1,230.87
- Period Results	0.00	0.00	0.00	0.00	0.00	40,104.21	40,104.21	40,104.21
- Dividends payable	0.00					-34,765.50	-34,765.50	-34,765.50
- Transfer to reserves	0.00			6,218.85		-6,218.85	0.00	0.00
Balance at 31 December 2006	15,802.50	65,259.02	49.81	44,735.17	-1,230.87	406.36	125,021.99	125,021.99

THE GROUP

AMOUNTS REPORTED IN THOUSAND €

	Share Capital	Share Premium	Fair value Reserves	Other reserves	Currency exchange differences	Purchase of own shares	Retained earnings	Total	Minority interest	Total net equity
Balance at 01.01.2005	15,802.50	64,608.36	49.81	36,005.07			9,342.87	125,808.61	0.07	125,808.68
Accounting methods changes and revised amounts								0.00	0	0.00
Revised balance	15,802.50	64,608.36	49.81	36,005.07			9,342.87	125,808.61	0.07	125,808.68
- Period results							37,870.82	37,870.82	0.05	37,870.87
- Dividends payable							-42,140.00	-42,140.00		-42,140.00
- Transfer to reserves		650.66		2,864.66			-3,515.34	-0.02		0.02
Balance at 31st December 2005	15,802.50	65,259.02	49.81	38,869.73	0,00	0,00	1,558,35	121,539,41	0,12	121,539,53
Balance at 01.01.06	15,802.50	65,259.02	49.81	38,869.75			1,558.35	121,539.43	0.12	121,539.55
Accounting methods changes and revised amounts								0.00	0	
Revised balance	15,802.50	65,259.02	49.81	38,869.75			1,558.35	121,539.43	0.12	121,539.55
- Period results	0	0	0	0			43,013.63	43,013.63	0.00	43,013.63
Purchase of own shares						-1,230.87		-1,230.87		-1,230.87
Accounting methods changes and revised amounts				0.00				0.00		0.00
Currency exchange differences					70.14	0.00		70.14		70.14
Changes (due to reduced minority percentage)				0.03	0.00		0.00	0.03	-0.03	0.00
- Dividends payable							-34,765.50	-34,765.50		-34,765.50
Transfer to reserves				6,218.85			-6,218.85	0.00		0.00
Balance at 31st December 2006	15,802.50	65,259.02	49.81	45,088.63	70.14	-1,230.87	3,587.63	128,626.86	0.09	128,626.95

5. cash flow statement

AMOUNTS REPORTED IN THOUSAND €

	THE GROUP		THE COMPANY	
	01.01-31.12.2006	01.01-31.12.2005	01.01-31.12.2006	01.01-31.12.2005
Cash flow from operating activities				
Profit before taxes	59,059.60	56,408.84	55,474.48	55,898.17
<i>Profit adjustments related to the following transactions:</i>				
Depreciation	6,357.73	4,796.83	4,863.72	4,596.32
Provisions	780.70	-98.46	759.66	-122.91
Currency exchange differences	70.07	0.00	0.00	0.00
Results (earnings) from investing activities	-2,259.17	-3,330.68	-1,993.65	-4,405.39
Debit interest and similar expenses	371.10	152.40	130.69	136.80
Operating profit prior to any changes of the working capital	64,380.03	57,928.93	59,234.90	56,102.99
Decrease (increase) of inventory	4,486.36	-12,461.00	6,462.33	-10,671.57
Decrease (increase) of receivables and other accounts	-2,617.55	1,950.42	2,812.62	-114.30
Increase (decrease) of current liabilities (exc. banks)	-1,302.79	10,655.55	-6,200.28	10,950.76
Cash inflows from core operations	64,946.05	58,073.90	62,309.57	56,267.88
Debit interest and other similar expenses paid	-371.10	-152.40	-130.69	-136.80
Paid taxes	-21,354.45	-18,537.97	-20,892.93	-17,972.79
Cash inflows from operating activities	43,220.50	39,383.53	41,285.95	38,158.29
Cash inflows from Investing activities				
Acquisition of subsidiaries, alliances, consortia and other investing activities	-59,741.78	0.00	-12,000.00	0.00
Purchase of tangible and intangible fixed assets	-5,725.11	-10,738.40	-3,591.08	-9,636.24
Interest received	2,149.47	2,412.66	1,884.69	2,337.43
Dividends received - Income from securities	109.70	918.02	108.96	2,067.96
Total inflow from investing activities	-63,207.72	-7,407.72	-13,597.43	-5,230.85
Cash flow from financing activities				
Inflow from issued/derived loans	59,943.93	0.00	0.00	0.00
Purchase of own shares	-1,230.87	0.00	-1,230.87	0.00
Dividends paid	-42,140.00	-36,872.50	-42,140.00	-36,872.50
Cash flow from financing activities	16,573.06	-36,872.50	-43,370.87	-36,872.50
Net increase (decrease) in cash and cash equivalent	-3,414.16	-4,896.69	-15,682.35	-3,945.06
Cash at the beginning of period	64,201.52	69,098.21	60,996.72	64,941.78
Cash at the end of period	60,787.36	64,201.52	45,314.37	60,996.72



6. notes to the annual financial statements and to the consolidated financial statements

6.1. General Information

The company HELLENIC DUTY FREE SHOPS SA is active in the retail travel sector. In particular, the Company holds the exclusive right to operate duty free shops in existence or that may later be established in the future in Greece. This right was conceded to the Company under art. 120 of L. 2533/1997. The Company operates 88 shops in 43 points (20 airports, 11 border crossings and 12 ports) throughout Greece. HELLENIC DUTY FREE SHOPS SA is a societe anonyme company incorporated and domiciled in Greece. The address of its registered office is 23rd km Athens - Lamia National Road, Ag. Stefanos, web site www.dutyfreeshops.gr, and has its primary listing on the Athens Stock Exchange (Sector "Retail - Specialty Retailers").

The consolidated financial statements of the Company cover the Company and its subsidiaries (The Group).

- Structure of the Group

COMPANY	Registered Offices	Shareholding
H.D.F.S. S.A.	Ag.Stefanos	Parent
HELLENIC DISTRIBUTIONS S.A.	Ag.Stefanos	99.99% Subsidiary
LINKS (LONDON) LIMITED	United Kingdom	99.99% Subsidiary
LINKS OF LONDON (INTERNATIONAL) LTD (UK)	United Kingdom	99.99% Subsidiary
LINKS OF LONDON COM LTD (UK)	United Kingdom	99.99% Subsidiary
LINKS OF LONDON ASIA LTD (HK)	Hong Kong	99.99% Subsidiary
LINKS OF LONDON INC (USA)	USA	99.99% Subsidiary
LINKS OF LONDON (FRANCE)	France	99.99% Subsidiary
HDFS SKOPJE DOO	Skopje	100.00% Subsidiary
HTB HELLENIC TOURIST BUREAU S.A.	Ag.Stefanos	99.99% Subsidiary

As of 5.5.2006, the Group is included under the full consolidation method, in the consolidated financial statements of the Company FOLLI FOLLIE S.A., a company with registered address in Ag. Stefanos Attica, with a 52,28% participation, whereas, until 4.5.2006 was included under the equity consolidation method in the consolidated financial statements of the companies FOLLI FOLLIE S.A. and GERMANOS S.A. both with registered address in Ag. Stefanos, Attica, with a 24,68% participation each.

The subsidiary company "HELLENIC DISTRIBUTIONS S.A.", acquired the 100% of the company "LINKS (LONDON) LIMITED" on 27th July 2006, and therefore, participates indirectly to the subsidiaries of this company.

The Company from the specific 100% acquisition, realized goodwill of €52,366,391.24, which was determined as follows:

• Date of acquisition		27.7.2006
• Acquired stake		100%
• Shares (total)		2,171,635
• Purchase of shares		2,171,635
• Nominal value of shares	Euro	0.01465
	GBP	0.01000
• Purchase price	Euro	26.42
	GBP	18.03
• Shares purchase price		
• Cash paid for the acquisition of shares		56,860,978.33 €
• Direct Expenses related to the acquisition of shares		562,499.43 €
• Total acquisition cost		57,423,477.76 €
• Share Capital Increase		3,736,260.00 €
		61,159,737.76 €
• Less: Fair value of assets and liabilities of the company		-8,793,346.52 €
• Acquisition goodwill		52,366,391.24 €

Following an audit executed on 31.12.06, the goodwill from €52,366,391.24 changed to €51,098,645.48 due to company's liabilities of €1.267.746 related to the period before the acquisition.

Specifically, the acquired assets, the liabilities as well as any possible liabilities undertaken by the Group on the acquisition date of the 100% of the company LINKS (LONDON) LTD, following the initial estimation are presented below:

	Accounting Value (thous.€)	Fair Value (thous.€)
Fixed assets	6,505.97	6,505.97
Intangible fixed assets	3,772.56	3,772.56
Other long term assets	457.30	457.30
Inventory	6,907.35	6,907.35
Trade debtors and other debtors	7,082.41	7,082.41
Cash and Cash equivalent	1,417.96	1,417.96
Long term liabilities	-7,443.00	-7,443.00
Trade creditors and other liabilities	-9,907.21	-9,907.21
	8,793.34	8,793.34

6.2. Summary of significant accounting policies applied by the Group

6.2.1 Accounting principles for the preparation of financial statements

These Company and Consolidated financial statements for the period 1st January to 31st December 2006, have been prepared based on:

- The principle of historical cost
- The principle of continuation of activity (going concern)
- The principle of independence of each financial year
- The uniformity of presentation
- The significance of data

They have also been prepared in accordance with the IFRS that have been issued from the International Accounting Standards Board (IASB), as well as their interpretations issued by the Standards Interpretation Committee (IFRIC) of IASB, adopted by the European Union under the Regulation nr. 1606/2002 of the European Union on December 31st, 2005.

The current financial statements are covered by IFRS 1 "First time adoption of IFRS", as they are part of the Group's first financial statements for the year for which financial statements are prepared and published in accordance with IFRS (financial year 2005). 1st January 2004 is considered as the Group's transition date to the new standards in accordance with IFRS 1. The policies set out below have been consistently applied to all the periods presented.

HELLENIC DUTY FREE SHOPS' financial statements have been prepared in accordance with Greece's Generally Accepted Accounting Principles (GAAP) until 31 December 2004. GAAP differs in some areas from IFRS. The comparative figures in respect of 2004 have been restated to reflect the adjustments, according to the adopted for IFRS, accounting principles and accounting estimates.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments in the process of applying the Company's accounting policies.

6.2.2 Consolidation – Evaluation of subsidiaries and other related Companies

The method of purchase is the accounting method used for the consolidation. The cost for the acquisition of a subsidiary company is the fair value of the assets given, instruments issued and liabilities incurred or assumed at the date of the exchange, plus any costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business consolidation are measured initially at their fair values at the acquisition date, irrespective of the shareholding percentage. The cost beyond the one of the fair value cost, of the acquired data is recorded as goodwill.

If the total cost of acquisition is less than the fair value of the net assets acquired, the difference is recorded directly in the income statement.

Specifically, for those business mergers that have been realized before the date of transition of the Group to the IFRS (1st January 2004), the exception of IFRS 1 was used and the purchase method was not applied retrospectively. In the context of the aforementioned exception, the Company did not recalculate the acquisition cost of the subsidiaries acquired before the transition date to the IFRS, nor the fair value of the acquired assets and liabilities at the acquisition date, and therefore no goodwill has been recognized in its consolidated financial statements in accordance with IFRS.

Inter - company transactions, balances and unrealized gains from transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the subsidiaries are consistent with the policies adopted by the Group.

The participations in subsidiaries in the balance sheet of the parent Company are measured at acquisition cost less any provision for impairment of their values.

The companies of the Group with their respective participation percentages that are included in the consolidated financial statements (with the method of full consolidation) are:

COMPANY	Registered Offices	Consolidation Method	Shareholding
H.D.F.S. S.A.	Ag. Stefanos	Direct Full	Parent
HELLENIC DISTRIBUTIONS S.A.	Ag. Stefanos	Direct Full	99.99% Subsidiary
LINKS (LONDON) LIMITED	United Kingdom	Indirect Full	99,99%
LINKS OF LONDON (INTERNATIONAL) LTD (UK)	United Kingdom	Indirect Full	99,99%
LINKS OF LONDON COM LTD (UK)	United Kingdom	Indirect Full	99,99%
LINKS OF LONDON ASIA LTD (HK)	Hong Kong	Indirect Full	99,99%
LINKS OF LONDON INC (USA)	USA	Indirect Full	99,99%
LINKS OF LONDON (FRANCE)	France	Indirect Full	99,99%
HDFS SKOPJE DOO	Skopje	Direct Full	100.00% Subsidiary
HTB HELLENIC TOURIST BUREAU S.A.	Ag. Stefanos	Direct Full	99.99% Subsidiary

6.2.3 Segment Reporting

Primary format for reporting segment information is by geographical segments, based on revenue from duty free and duty paid sales.

6.2.4 Property, Plant and Equipment

Property, plant and equipment are estimated at cost less subsequent depreciation. The cost includes expenditure that is directly attributable for the acquisition of the items. Subsequent costs are included in the asset's carrying amount or only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Installations on third parties' property (establishment of stores) are depreciated over the estimated time of the lease.

Land is not depreciated. Depreciation of buildings - installations on third parties' property is calculated using the straight - line method over their estimated useful lives and other PPE are based on the rates provided by P.D. 299/2003, as follows:

- Buildings (privately owned)	50	Years
- Installations on third parties' property (buildings)	20	»
- Installations on third parties' property (other)	12.50	»
- Machinery equipment	8.33	»
- Cars - Vehicles	6.67 – 8.33	»
- Other equipment	6.67	»

The useful life of PPE is periodically revised and the depreciation factors are readjusted for the current and the future financial years, if they differ significantly from the preceded estimations. When the accounting values of tangible assets exceed their recovered value, the difference (impairment) is recognized directly in the income statement.

Residual values are not recognized.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

6.2.5 Intangible Assets

(a) Exclusive Right to operate Duty Free Shops

The exclusive right to operate Duty Free shops (art. 120 L. 2533/1997) is shown at cost less accumulated amortization. Amortization is calculated using the straight - line method to allocate the cost of licenses over their estimated useful lives, which is set to 50 years (amortization rate 2%).

(b) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives, which is estimated to 4.17 years approx. (amortization rate 24%).

(c) Concession Rights

Concession Rights are related to the value of stores obtained with the acquisition of the company "THE NUANCE GROUP (HELLAS) S.A." and are calculated by an independent evaluator, based on future cash flows.

6.2.6 Inventory

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost formula. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses wherever is necessary.

6.2.7 Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

6.2.8 Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short - term highly liquid and low risk investments with original maturities of three months or less.

6.2.9 Transactions in foreign currencies

Transactions expressed in foreign currencies, are translated into Euro at the exchange rate effective at the date of the transaction. At the balance sheet date the monetary property assets and liabilities that are expressed in foreign currencies are translated into Euro at the exchange rate effective at this date. The exchange differences that arise at this conversion are recognized in the income statement.

6.2.10 Share Capital

Ordinary shares are classified as equity. Incremental costs related to the issuance of new shares are shown in equity as a deduction from the proceeds, net of tax. Direct costs related to the issuance of shares for the acquisition of enterprises are shown in the acquisition cost of the acquired company.

The acquisition cost of own shares, deducted by the tax income (if need occurs) is shown as deducted by the Company's equity until the shares are disposed or cancelled. Any profit or loss resulted from the sale of own shares, net from any related to the transaction costs and tax income, if need arises, is shown as reserve in the equity.

6.2.11 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all provided conditions.

Government grants relating to costs are deferred and recognized in the income statement over a period required to correspond them with the costs that are intended to compensate.

6.2.12 Deferred Tax Income

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred income tax is determined using tax rates (and laws) that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.



6.2.13 Employee Benefits

(a) Short Term Benefits

Short - term employee benefits towards the employees in money and in kind are recognized as an expense when accrued.

(b) Post Employment Benefits

Post - employment benefit schemes comprise both defined contribution plans (Government pension insurance) and defined benefit plans (lump sum benefit paid to employee on retirement dependent on years of service. Provided and imposed by L. 2112/20). Accrued cost of defined contribution plans is recognized as an expense over the related period.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using “the projected unit credit method”. According to this method, the defined benefit obligations that relate to past - service at the date of value determination are accounted separately from the expected benefits at the year after the date of value determination (employees remaining in service for a specific period of time).

The most significant assumptions used at the two aforementioned dates are as follows:

Date of value determination	Discount Interest Rate	Inflation	Future salary increases
31.12.2004	4.50%	2.80%	4.00%
31.12.2005	4.00%	2.80%	4.00%

6.2.14 Provisions

Provisions are recognized when:

- There is a present legal or constructive obligation as a result of past events,
- It is more likely than not that an outflow of resources will be required to settle the obligation and,
- The required amount has been reliably estimated

6.2.15 Revenue Recognition

Revenue comprises the fair value of the sale of goods and services, net of value - added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognized as follows:

(a) Sales of goods

Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured. The sales of goods are mainly carried out in cash or by credit cards.

(b) Interest Income

Interest income is recognized based on the principle of accrued income, using the effective interest.

(c) Marketing – Royalties etc.

Income from marketing activities - customizations - royalties - HR services etc. is recognized on an accruals basis, in accordance with the substance of the relevant agreements.

(d) Dividends

Dividend income is recognized when the right to receive payment is established, i.e. when approved by the body entitled to pay them out (General Assembly).

6.2.16 Dividend Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's and in the Group's financial statements in the period in which the dividends are approved by the Board of Directors. Thus, the dividend for distribution in the closing Balance Sheets (31.12) of each year is shown as a liability and not as an increase in Equity.

6.2.17. New Accounting Standards and interpretations of the IFRIC

The International Accounting Standards Committee, as well as the Interpretations Committee has already issued a series of new accounting standards and interpretation, the implementation of which is mandatory for the accounting periods starting as of 1st January 2006. The Company evaluates the impact of those new standards and interpretations as follows:

- **IFRS 6: Exploration and evaluation of mineral assets**

Not applicable, and not influencing the Group's financial statements.

- **IFRS 7: Financial Instruments Disclosures**

Will not affect the financial statements of the Group.

- **IFRS 3: Emission Rights**

Not applicable, and not influencing the Group's financial statements.

- **IFRS 4: Determining whether an arrangement contains a lease**

Not applicable, and not influencing the Group's financial statements.

- **IFRS 5: Rights to interests from Decommissioning, restoration and environmental rehabilitation funds**

Not applicable, and not influencing the Group's financial statements.

- **IFRS 6: Liabilities arising from participating in a specific market-waste, electrical and electronic equipment**

Not applicable, and not influencing the Group's financial statements.

- **IFRS 7: Applying the restatement approach under IAS 29**

Not applicable, and not influencing the Group's financial statements.

- **IFRS 8: Scope of IFRS 2**

Not applicable, and not influencing the Group's financial statements.

6.3. Financial Risk Management – Financial Risk Factors

(a) Credit risk

The Company has no significant concentrations of credit risk because most of the sales concern on one hand, retail sales carried out in cash or with credit cards and, on the other hand, wholesale sales representing a small percentage of total sales, mainly made towards customers with an appropriate credit history.

(b) Liquidity risk

Liquidity risk is zero due to availability of sufficient cash and securities.

(c) Cash flow and fair value risk due to changes of interest rate

The company has interest - bearing assets due to placing its cash and cash equivalents at bank time deposit accounts of zero risk, at an interest rate fixed in advance. The variation of this interest rate is not so significant as to raise a cash flow and fair value risk due to changes of interest rate.

6.4. Critical accounting estimates and judgments of the Management

The Company makes estimates and assumptions concerning the future. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months.

6.5. Transition to IFRS

6.5.1. Basis of transition to IFRS

6.5.1.1. Application of IFRS 1

The Company's and the Group's financial statements for the year 31st December 2005 were the first annual financial statements under IFRS. These financial statements have been prepared as described in Note 6.2.1. The Group has complied with IFRS 1. The reporting date of these financial statements is 31st December 2005. The IFRS adoption date is 1st January 2005. The Group has applied certain of the optional exemptions from full retrospective application of IFRS, in preparing these annual financial statements in accordance with IFRS 1.

6.5.1.2 Exemptions from full retrospective application decided by the Group

Employee benefits exemption

The Company has decided to recognize all cumulative actuarial gains and losses as at 1st January 2004.

6.5.1.3 Consistency of estimates between Greek GAAP and IFRS

The estimates under IFRS, as of 01.01.2004 are consistent with the estimates made for the same date under Greek GAAP, with the exception of the cases where there is evidence that those estimates were in error. Such is the case of the assets' useful lives, which under previous GAAP were based on tax provisions.

6.5.2 Compliance of IFRS with Greek GAAP

The following reconciliations provide an overview of the impact on equity of the transition to IFRS.

TABLE OF ADJUSTMENT OF NET EQUITY OPENING PERIOD (01.01.2006 AND 01.01.2005 RESPECTIVELY) BETWEEN THE GREEK ACCOUNTING POLICIES (GAAP) AND THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

AMOUNTS REPORTED IN €

	THE GROUP		COMPANY	
	01.01.2006	01.01.2005	01.01.2006	01.01.2005
Total net equity under local GAAP (as at 1.1.2006 and 1.1.2005 respectively)	123,788,118	130,681,212	122,496,152	129,363,326
Set - up provision for employee indemnity	-4,234,780	-3,800,541	-4,234,780	-3,800,541
Recognition of deferred tax liabilities	640,676	1,473,969	378,028	1,195,335
Restatement due to useful life used for fixed assets depreciation and restatement of their revalued cost to historical cost.	-24,103	-176,591	86,423	-83,142
Write - off of amortisable expenses	-378,932	-378,932	-380,910	-380,910
Transfer of withheld taxes related to tax free reserves to tax free reserves	-192,539	-192,539	-192,539	-192,539
Adjustment of accrued income	-770,831	-770,831	0	0
Recognition of currency exchange differences in income statement	0	68	0	68
Valuation of securities at market prices (31.12.2005)	257,137	48,153	257,137	48,153
Adjustment of long term liabilities to current values	-369,195	-439,114	-355,355	-420,478
Valuation of participations at cost	0	12,000	0	0
Goodwill resulted from absorbtion of NUANCE	3,340,000		3,340,000	
Provision for tax differences	-516,000	-648,180	-480,000	-600,000
Total equity of the period opening under IFRS (as at 1.1.2006 and 1.1.2005 respectively)	121,539,551	125,808,674	120,914,157	125,129,272

TABLE OF ADJUSTMENT OF FINANCIAL RESULTS FOR PERIOD
1.1-31.12.2004 BETWEEN THE GREEK ACCOUNTING POLICIES (GAAP)
AND THE INTERNATIONAL ACCOUNTING STANDARDS (IAS)

AMOUNTS REPORTED IN €

	GROUP	COMPANY
Net profit of period after taxes in accordance with the GAAP	42,821,476.30	42,601,467.84
Offsetting of long term depreciation expenses in accordance with GAAP and not recognized by IAS	1,102,610.08	1,100,632.14
Restatement due to useful life used for PPE's depreciation	-278,297.11	-259,838.63
Adjustment of long term liabilities to current values	69,918.36	65,123.36
Set up provision for employees indemnity	-227,310.00	-227,310.00
Valuation of participations at cost	396,425.99	396,425.99
Provision for tax differences	-312,000.00	-300,000.00
Adjustment of accrued income	-770,831.00	0.00
Offsetting of accounting exchanges differences recognised in the Income Statement of 31.12.03	-16,734.61	-16,734.61
Profit distributable to the employees	-375,116.77	-375,116.77
Recognition of deferred taxation 01.1-31.12.04	-431,884.36	-676,246.03
Net profit for the period revised in accordance with IAS	41,978,256.88	42,308,403.29

6.6. Property, Plant and Equipment

THE GROUP

	Land	Buildings	Machinery & Mechanical equipment	Transportation means	Furniture Fittings & equipment	Fixed assets under construction	Total
01.01.2005							
Cost	86.60	20,147.45	3,025.05	1,152.16	15,686.86	44.32	40,142.44
Additions	17.70	1,880.26	85.56	327.29	1,899.02	3,422.96	7,632.79
Balance 31.12.05	104.30	22,027.71	3,110.61	1,479.45	17,585.88	3,467.28	47,775.23
Accumulated Depreciation							
Balance 01.01.2005	0.00	5,333.77	1,602.91	786.16	10,027.89	0.00	17,750.73
Depreciation	0.00	1,399.56	263.28	133.86	2,186.27	0.00	3,982.97
Balance 31.12.05	0.00	6,733.33	1,866.19	920.02	12,214.16	0.00	21,733.70
Residual Value 31.12.05	104.30	15,294.38	1,244.42	559.43	5,371.72	3,467.28	26,041.53
01.01 – 31.12.2006							
Opening Balance	104.30	22,027.71	3,110.61	1,479.45	17,585.88	3,467.28	47,775.23
Additions	0.00	2,551.60	212.48	48.01	2,324.31	111.46	5,247.86
Acquisition of subsidiary	0.00	3,968.55	185.14	55.66	7,760.13		11,969.48
Currency exchange differences		76.51	3.09	0.90	91.17		171.67
Disposals	-2.37	-942.22	0.00	-210.16	0.00	0.00	-1,154.75
Balance 31.12.2006	101.93	27,682.15	3,511.32	1,373.86	27,761.49	3,578.74	64,009.49
Accumulated Depreciation							
Balance 01.01.2006	0.00	6,733.33	1,866.19	920.02	12,214.16	0.00	21,733.70
Accumulated Depreciation from acquisition of subsidiary until 29.07.06	0.00	1,173.96	130.34	5.86	3,832.09		5,142.25
Depreciations for the period	0.00	1,159.02	278.07	144.78	2,975.20	0.00	4,557.07
Currency exchange differences		37.83	2.14	0.89	59.95		100.81
Impairment of Depreciation	0.00	-928.29	0.00	-117.16	0.00	0.00	-1,045.45
Balance 31.12.2006	0.00	8,175.85	2,276.74	954.39	19,081.40	0.00	30,488.38
Residual value 31.12.2006	101.93	19,506.30	1,234.58	419.47	8,680.09	3,578.74	33,521.11

THE COMPANY

	Land	Buildings	Machinery & Mechanical equipment	Transportation means	Furniture Fittings & equipment	Fixed assets under construction	Total
01.01.2005							
Cost	86.60	19,506.87	2,985.59	1,152.16	15,140.60	44.32	38,916.14
Additions	17.70	1,875.51	81.02	268.06	1,861.51	2,520.79	6,624.59
Balance 31.12.05	104.30	21,382.38	3,066.61	1,420.22	17,002.11	2,565.11	45,540.73
Accumulated Depreciation							
Balance 01.01.2005	0.00	5,144.51	1,595.01	786.16	9,783.30	0.00	17,308.98
Depreciation of the period	0.00	1,348.67	257.78	130.75	2,078.08	0.00	3,815.28
Balance 31.12.05	0.00	6,493.18	1,852.79	916.91	11,861.38	0.00	21,124.26
Residual Value 31.12.05	104.30	14,889.20	1,213.82	503.31	5,140.73	2,565.11	24,416.47
01.01 – 31.12.2006							
Opening Balance	104.30	21,382.38	3,066.61	1,420.22	17,002.11	2,565.11	45,540.73
Additions	0.00	2,145.86	184.47	48.01	1,010.07	113.17	3,501.58
Disposals	-2.37	-942.22	0.00	-160.35	0.00	0.00	-1,104.94
Balance 31.12.2006	101.93	22,586.02	3,251.08	1,307.88	18,012.18	2,678.28	47,937.37
Accumulated Depreciation							
Balance 01.01.2006	0.00	6,493.18	1,852.79	916.91	11,861.38	0.00	21,124.26
Depreciations for the period	0.00	964.88	257.85	136.37	1,732.23	0.00	3,091.33
Impairment of Depreciation	0.00	-928.29	0.00	-117.16	-37.36	0.00	-1,082.81
Balance 31.12.2006	0.00	6,529.77	2,110.64	936.12	13,556.25	0.00	23,132.78
Residual value 31.12.2006	101.93	16,056.25	1,140.44	371.76	4,455.93	2,678.28	24,804.59

6.7. Intangible Assets

	THE GROUP				THE COMPANY		
	Other set up expenses	Acquisition of subsidiary	Grant & right for industrial ownership	Total Group	Other set up expenses	Grant & right for industrial ownership	Total Company
01.01.2005							
Cost	1,381.06		58,694.05	60,075.11	1,317.99	58,694.06	60,012.05
Additions/Reductions	3,904.13		0.00	3,904.13	3,810.10	0.00	3,810.10
Balance 31.12.05	5,285.19		58,694.05	63,979.24	5,128.09	58,694.06	63,822.15
Accumulated depreciation							
Balance 01.01.2005	1,008.38		8,217.15	9,225.53	958.92	8,217.17	9,176.09
Depreciation for the period	438.51		1,173.89	1,612.40	405.69	1,173.88	1,579.57
Balance 31.12.05	1,446.89		9,391.04	10,837.93	1,364.61	9,391.05	10,755.66
Residual Value 31.12.2005	3,838.30		49,303.01	53,141.31	3,763.48	49,303.01	53,066.49
01.01 – 31.12.2006							
Opening Balance	5,285.19		58,694.05	63,979.24	5,128.09	58,694.06	63,822.15
Assets acquired from subsidiary		3,790.78	0.00	3,790.78	0.00		
Additions	134.55	7.35	0.00	141.90	111.63	0.00	111.63
Acquisition of subsidiary		52,366.39	0.00	52,366.39			0.00
Currency exchange differences		61.63		61.63			
Sales	-9.08		0.00	-9.08	0.00	0.00	0.00
Balance 31.12.06	5,410.66	56,226.15	58,694.05	120,330.86	5,239.72	58,694.06	63,933.78
Accumulated depreciations							
Balance 01.01.2005	1,446.89	0.00	9,391.04	10,837.93	1,364.61	9,391.05	10,755.66
Depreciation from the acquisition of subsidiary		18.23		18.23			
Depreciation for the period	625.62	1.16	1,173.88	1,800.66	598.51	1,173.88	1,772.39
Impairment of depreciation	0.00		0.00	0.00	0.00	0.00	0.00
Currency exchange differences		0.00		0.00			
Balance 31.12.06	2,072.51	19.39	10,564.92	12,656.82	1,963.12	10,564.93	12,528.05
Residual value 31.12.2006	3,338.15	56,206.76	48,129.13	107,674.04	3,276.60	48,129.13	51,405.73

6.8. Other long term receivables

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Investment on subsidiaries	0.00	0.00	14,059.92	2,059.92
Receivables from deferred taxes	0.00	640.67	0.00	378.03
Other long term receivables	3,490.30	3,223.76	2,960.04	2,787.18
	3,490.30	3,864.43	17,019.96	5,225.13

6.9. Inventory

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Merchandise	52,204.15	49,783.14	39,750.03	46,212.36
	52,204.15	49,783.14	39,750.03	46,212.36

6.10. Trade and other receivables

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Net balance of trade receivables	8,123.98	1,218.61	4,991.20	6,964.00
Checks	1,019.32	572.40	11.43	82.77
Sundry debtors	9,817.31	6,124.74	5,919.17	5,466.89
Other receivables	849.60	1,452.30	772.53	1,047.11
	19,810.21	9,368.05	11,694.33	13,560.77

6.11. Financial assets

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Securities	1,955.53	1,866.26	1,955.53	1,866.26

6.12. Cash and cash equivalent

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Cash in hand	1,666.62	2,020.15	1,582.78	1,962.55
Current and time deposits	59,115.30	62,181.37	43,729.89	59,034.17
Credit cards (Banks)	5.44	0.00	1.70	0.00
	60,787.36	64,201.52	45,314.37	60,996.72

6.13. Share Capital and share premium

	Number of shares	Common shares	Issued capital	Share premium	Own shares	Total
1 st January 2005	52,675,000	52,675,000	15,802.50	64,608.36	0	80,410.86
Credits for the year 2005				650.66		650.66
31 st December 2005	52,675,000	52,675,000	15,802.50	65,259.02	0	81,061.52
1 st January 2006	52,675,000	52,675,000	15,802.50	65,259.02	0	81,061.52
31 st December 2006	52,675,000	52,675,000	15,802.50	65,259.02	0	81,061.52

The total authorized number of common shares is 52,765,000 shares with a nominal value of €0.30 per share. All issued shares are fully paid.

6.14. Fair Value Reserves

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Differences resulting from readjustment of securities value	49.81	49.81	49.81	49.81

6.15. Profit carried forward and other reserves

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Profit carried forward	3,602.67	1,558.35	406.36	1,286.50
Legal Reserve	12,474.27	12,474.26	12,273.20	12,273.20
Tax free reserves	32,599.32	26,395.49	32,461.97	26,243.12
Purchase of own shares	-1,230.87	0.00	-1,230.87	0.00
Currency exchange differences	70.14	0.00	0.00	0.00
Minority interest	0.09	0.12		
	47,515.62	40,428.22	43,910.66	39,802.82

According to the provisions of the Companies' Act of Greece (L. 2190/20) the formation of Legal Reserve, with the per annum transfer of an amount equal to 5% of annual net profits, is mandatory until the size of the legal reserve reaches the one third (1/3) of the Share Capital. The other reserves (tax - free reserves) concern accumulated profit for which it is provided either an exemption from taxation or taxation at a lower tax rate, as long as they are not distributed. In case of appropriation it shall be paid income tax at the tax rate effective at the time of its appropriation. The General Meeting of Shareholders decides the appropriation of reserves.

6.16. Long Term Liabilities

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Employees' indemnity provision	5,160.90	4,326.74	5,019.77	4,260.11
Other provisions	0.00	25.41	0.00	25.41
Bank loans	60,060.93	0.00	0.00	0.00
Other long term liabilities	8,492.01	0.00	0.00	0.00
Deferred tax income	333.42	0.00	415.14	0.00
	74,047.26	4,352.15	5,434.91	4,285.52

6.17. Trade and other liabilities and expenses provisions

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Trade payables	24,653.80	26,023.82	18,279.03	24,477.25
Checks payables	1,433.77	0.00	0.00	0.00
Prepayments from trade receivables	199.88	152.05	107.99	130.43
Current income tax payables and other taxes	16,045.97	18,537.97	15,370.27	17,972.79
Social security payables	2,963.44	1,735.37	1,671.95	1,490.39
Other payables	6,583.48	2,122.71	2,343.58	2,064.22
Income tax prepayment and other taxes	-9,877.35	-8,337.38	-11,050.68	-8,130.55
Dividends payable	34,765.50	42,140.00	34,765.50	42,140.00
	76,768.49	82,374.54	61,487.64	80,144.53

6.18. Short term provisions for other payables and expenses

The Company has been audited by the Tax Authorities for the financial year 2004. Thus, the un-audited financial years are 2005 and 2006. The Company has not considered it necessary to make respective provision for the financial year 2006 nor maintain the already existing one for 2005. Therefore, the “Emphasis of matter” presented in the independent auditors’ report, refers to the un-audited tax liabilities of the Company. Finally, the contingent tax that might occur will burden the results of the financial year during which the audit will take place.

6.19. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

The offset amounts are as follows:

THE COMPANY	31.12.2006	31.12.2005
Deferred Tax Assets:		
To be recovered after 12 months	1,640,060.94	1,425,268.23
To be recovered within 12 months	41,706.10	19,553.70
	1,681,767.04	1,444,821.93
Deferred Tax Liabilities:		
To be recovered after 12 months	1,066,202.84	1,064,947.40
To be recovered within 12 months	1,030,702.30	1,846.50
	2,096,905.14	1,066,793.90

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	Provisions	Fixed Assets	Long term receivables	Total
1 st January 2004	1,250,630.85	253,530.78	169,960.25	1,674,121.88
Charged/Credited to the income statement	-300,495.60	-1,263.24	-57,677.36	-359,436.20
31 st December 2004	950,135.25	252,267.54	112,282.89	1,314,685.68
Charged/Credited to the income statement	108,559.75	42,415.98	-20,839.48	130,136.25
31 st December 2005	1,058,695.00	294,683.52	91,443.41	1,444,821.93
Charged/Credited to the income statement	188,566.03	67,264.85	-18,885.77	236,945.11
31 st December 2006	1,247,261.03	361,948.37	72,557.64	1,681,767.04

Deferred tax liabilities

	Other receivables	Long term amortization expenses	Currency exchange differences	Total
1 st January 2004		203,339.97	-5,880.95	197,459.02
Charged/Credited to the income statement		-322,690.78	5,880.95	-316,809.83
31 st December 2004		-119,350.81	0.00	-119,350.81
Charged/Credited to the income statement		-91,104.20	0.00	-91,104.20
Charged/Credited to own share capital		-856,338.89	0.00	-856,338.89
31 st December 2005		-1,066,793.90	0.00	-1,066,793.90
Charged/Credited to the income statement	-1,034,396.46	4,285.22	0.00	-1,030,111.24
31 st December 2006	-1,034,396.46	-1,062,508.68	0.00	-2,096,905.14

THE GROUP	31.12.2006	31.12.2005
Deferred Tax Assets:		
To be recovered after 12 months	1,684,630.74	1,457,314.97
To be recovered within 12 months	45,105.02	249,813.93
	1,729,735.76	1,707,128.90
Deferred Tax Liabilities:		
To be recovered after 12 months	1,061,254.67	1,064,356.97
To be recovered within 12 months	1,001,906.46	2,096.10
	2,063,161.13	1,066,453.07

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	Provisions	Offsetting of receivables	Fixed Assets	Long Term Receivables	Total
1 st January 2004	1,250,630.85	0.00	278,293.61	178,161.02	1,707,085.48
Charged/Credited to the income statement	-300,495.60	246,665.92	139.17	-60,691.79	-114,382.30
31 st December 2004	950,135.25	246,665.92	278,432.78	117,469.23	1,592,703.18
Charged/Credited to the income statement	108,559.75	-23,124.93	48,295.98	-19,305.08	114,425.72
31 st December 2005	1,058,695.00	223,540.99	326,728.76	98,164.15	1,707,128.90
Charged/Credited to the income statement	193,826.03	-223,540.99	72,598.14	-20,276.32	22,606.86
31 st December 2006	1,252,521.03	0.00	399,326.90	77,887.83	1,729,735.76

Deferred tax liabilities

	Other Receivables	Long term term amortization expenses	Currency exchange differences	Total
1 st January 2004		204,648.49	-5,880.95	198,767.54
Charged/Credited to the income statement		-323,383.06	5,880.95	-317,502.11
31 st December 2004		-118,734.57	0.00	-118,734.57
Charged/Credited to the income statement		-91,379.61	0.00	-91,379.61
Charged/Credited to own share capital		-856,338.89	0.00	-856,338.89
31 st December 2005		-1,066,453.07	0.00	-1,066,453.07
Charged/Credited to the income statement	-1,034,396.46	37,688.40	0.00	-996,708.06
31 st December 2006	-1,034,396.46	-1,028,764.67	0.00	-2,063,161.13

6.20. Retirement benefit obligation (L.2112/20)

Based on the provisions of L. 2112/20 the Company is obliged to pay to the retired employees a lump sum multiple amount of the monthly salary at the time of retirement (determined by the Law), on the basis of the years of service. These benefits were determined by an independent actuary. The main actuarial assumptions used are as follows:

	2006	2005
Discount interest rate (%)	4.10%	4.00%
Future salary increases	4.00%	4.00%

The movement of the account from 01.01.2004 to 31.12.2006 is as follows:

	THE GROUP	THE COMPANY
Balance of obligation at 01.01.04	3,598,086	3,573,231
Expense charged to period 01.01 – 31.12.04	886,257	814,441
Paid compensation 01.01 - 31.12.2004	-641,516	-587,131
Balance of obligation at 31.12.2004	3,842,827	3,800,541
Expense charged to period 01.01 – 31.12.05	646,853	595,557
Paid compensation 01.01 - 31.12.2005	-162,942	-135,992
Balance of obligation at 31.12.05	4,326,738	4,260,106
Expense charged to period 01.01 - 31.12.2006	980,258.00	873,024
Paid compensation 01.01 - 31.12.2006	-146,100.00	-113,360
Balance of obligation at 31.12.06	5,160,896	5,019,770

6.21. Sales

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Sales to passengers from non EU countries (duty free)	163,923.70	137,578.64	127,271.65	132,670.22
Sales to EU passengers (duty paid)	136,048.06	123,670.32	124,461.11	112,804.86
Other sales	74.79	201.95	74.79	201.95
Total	300,046.55	261,450.91	251,807.55	245,677.03

6.22. Other operating income

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Income from marketing activities, customizations, royalties, HR Services, etc.	17,579.20	11,866.00	11,963.77	7,207.72
Other income	994.77	1,292.07	895.93	1,229.78
	18,573.97	13,158.07	12,859.70	8,437.50

6.23. Employees Benefits

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Salaries and wages	35,011,34	28,422,23	27,120,93	24,572,43
Social Security contribution	8,588,50	7,280,25	7,103,20	6,217,76
Dismissal Compensation	146,1	164,37	113,36	137,41
Provision for retirement benefits	780,7	434,24	759,66	434,24
Other Benefits	1521,8	664,93	1340,54	580,46
	46,048,44	36,966,02	36,437,69	31,942,30

6.24. Depreciation

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Depreciation of tangible assets	4,557.07	3,257.81	3,091.33	3,064.69
Amortization of intangible assets	1,800.66	1,539.02	1,772.39	1,531.63
	6,357.73	4,796.83	4,863.72	4,596.32

6.25. Other operating expenses

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Third parties fees - expenses	2,136.58	2,199.77	1,947.07	1,968.89
Insurance premiums, repairs, maintenance, concession fees etc.	33,013.14	31,516.20	29,887.32	29,353.86
Taxes - Duties	134.09	132.03	90.82	89.58
Transportation expenses	586.85	473.31	531.73	446.08
Logistics	0.00	2,215.65	2,001.73	2,215.65
Promotion and advertisement expenses	1,445.32	1,465.13	1,432.60	1,437.68
Sundry expenses (travel, exhibitions, subscriptions, donations, grants, stationery, consumables, etc)	5,177.78	2,740.76	2,905.51	2,685.40
Various -LINKS	11,800.80	0.00	0.00	0.00
	54,294.56	40,742.85	38,796.78	38,197.14

6.26. Breakdown of administration expenses

THE GROUP

	31.12.2006		31.12.2005	
	ADMINISTRATION EXPENSES	DISTRIBUTION EXPENSES	ADMINISTRATION EXPENSES	DISTRIBUTION EXPENSES
Employees salaries and wages	7,460.74	38,587.70	6,620.84	30,345.18
Third parties fees	1,127.55	1,020.88	1,064.64	1,135.13
Third parties wages	1,596.51	31,404.77	1,539.76	29,976.44
Taxes - Duties	21.83	112.26	33.87	98.16
Other expenses	6,254.14	12,755.91	1,144.42	5,750.41
Depreciation of fixed assets	1,940.22	4,418.24	2,147.09	2,649.74
	18,400.99	88,299.76	12,550.62	69,955.06

THE COMPANY

	31.12.2006		31.12.2005	
	ADMINISTRATION EXPENSES	DISTRIBUTION EXPENSES	ADMINISTRATION EXPENSES	DISTRIBUTION EXPENSES
Employees salaries and wages	7,184.36	29,253.34	6,347.38	25,594.42
Third parties fees	964.10	982.97	859.79	1,109.10
Third parties wages	1,591.42	28,295.90	1,522.54	27,831.32
Taxes - Duties	20.51	70.31	23.70	65.88
Other expenses	1,278.85	5,592.71	1,131.42	5,653.89
Depreciation of fixed assets	1,935.79	2,927.93	2,154.62	2,441.69
	12,975.03	67,123.16	12,039.45	62,696.30

6.27. Income Tax

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Current tax for the period	15,587.88	17,709.02	15,057.10	17,171.82
Tax audit differences for the financial years 2003-2004		984.00		960.00
Less: Provision	0.00	-624.00	0.00	-600.00
Plus: Provision for non audited financial years	-516.00	492.00	-480.00	480.00
Dererred Tax	974.09	-23.05	793.17	-39.03
	16,045.97	18,537.97	15,370.27	17,972.79

6.28. Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of common issued shares during the period, excluding common shares purchased by the Company and held as treasury shares.

	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Net profit for the period	43,013.63	37,870.87	40,104.21	37,925.38
Attributable to:				
Shareholders of the Company	43,013.62	37,870.82	40,104.21	37,925.38
Minority Interest	0.01	0.05		
Weighted average number of ordinary shares in issue	52,675,000	52,675,000	52,675,000	52,675,000
Basic earnings per share	0.82	0.72	0.76	0.72

6.29. Dividends per share

The dividends paid in 2006, were €42,140.00 thousand (€0.80 per share) and concerned the year 2005 earnings.

6.30. Contingencies

The Group has contingent liabilities in respect of the Greek State, other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. No additional payments are anticipated at the date of these financial statements. The parent company has been audited by the tax authorities until the financial year 2004 and its subsidiary "HELLENIC DISTRIBUTIONS S.A." until the financial year 2002. For the non-audited years a respective provision has been formed. The merged company "THE NUANCE GROUP (HELLAS)" S.A., has been audited by tax authorities until the financial year 2005. It is predicted that there will be no tax audited differences for the other companies of the Group.

6.31. Transactions with other related parties

Company

The following transactions were carried out with related parties:

i) Sales – Purchases of goods and services

	31.12.2006	31.12.2005
Sales of goods to subsidiaries	3,485.90	3,661.69
Purchase of goods from parent company	2,356.47	0.00
Purchase of goods from subsidiaries	109.86	0.00
Sales of goods to related parties according to I.A.S. 24	0.00	0.00
Purchase of goods from related parties according to I.A.S. 24	1,649.69	5,910.48

ii) Year end balances arising from sale of goods and services

	31.12.2006	31.12.2005
Receivables from related parties		
- Subsidiaries	6,455.24	6,444.36
- Related parties according to I.A.S. 24	0.00	0.00

	31.12.2006	31.12.2005
Liabilities to related parties		
- Parent	3,012.26	0.00
- Subsidiaries	177.34	0.00
- Related parties according to I.A.S. 24	0.00	2,725.00

iii) Benefits to the Management and Directors of the Company according to I.A.S. 24

	31.12.2006	31.12.2005
Management and Directors remuneration and transactions	1,812.93	1,919.45
Receivables form directors and Board of Directors	0.00	0.00
Liabilities to Directors and members of the Board of Directors	0.00	0.00

Group

i) Sales – Purchases of goods and services

	31.12.2006	31.12.2005
Sales of goods to subsidiaries	0.00	0.00
Purchase of goods from parent Company	2,510.72	0.00
Purchase of goods from subsidiaries	0.00	0.00
Sales of goods to related parties according to I.A.S. 24	0.00	0.00
Purchase of goods from related parties according to I.A.S. 24	1,661.06	5,940.45

ii) Year end balances arising from sale of goods and services

	31.12.2006	31.12.2005
Receivables from related parties		
- subsidiaries	0.00	0.00
- related parties according to I.A.S. 24	0.00	0.00

	31.12.2006	31.12.2005
Liabilities to related parties		
- to parent	3,029.94	0.00
- to related parties according to I.A.S. 24	0.00	2,745.19

iii) Benefits to the Management and Directors of the Company following the I.A.S. 24

	31.12.2006	31.12.2005
Management and Directors remuneration and transactions	2,368.62	2,092.20
Receivables form directors and members of the Board of Directors	0.00	0.00
Liabilities to Directors and Board of Directors	0.00	0.00

6.32. Detailed accounting estimates

6.30.1 Useful lives of tangible assets

The management of the Company determines the estimated useful lives and the relevant depreciation impairments of the tangible assets.

6.33. Number of employed personnel

Average number of employed personnel at the end of the current period: Group, 1,779 Company, 1,212.

6.34. Real Liens

There are no pledges or mortgages on the fixed assets of the Company and the Group.

6.35. Contested or under arbitration disputes

There are no pending judicial cases or court decisions that may have a significant effect on the financial statements or the operations of the Company or the Group.





Condensed financial data and information for the year 2006

COMPANY INFORMATION	
Headquarters:	AGIOS STEFANOS - ATTICA
Societe Anonyme Registration Number:	14216/06/B/86/06
Proper prefecture:	Ministry of Development
Approval date of the interim financial statements (from which the "Financial Data and Information for the period" were obtained):	9.3.2007
Certified Auditors Accountants:	George Varthalitis Dimitris Iakovidis
Auditing company:	BAKER TILLY HELLAS SA
Audit opinion:	Unqualified opinion with emphasis
Company Web Site:	www.dutyfreeshops.gr
BOD COMPOSITION	
Chairman, Executive Member	George Koutsolioutsos
Vice Chairman, Independent, Non Executive Member	Zacharias Mantzavinos
Managing Director, Executive Member	Dimitrios Koutsolioutsos
Deputy Managing Director, Executive Member	Epaminondas Dafermos
General Director, Executive Member	George Velentzas
Independent, Non Executive Member	George Aronis
Non Executive Member	Nikolaos Kezos
Executive Member	Ilias Kouloukountis
Executive Member	Ekaterini Koutsolioutsos
Executive Member	Harilaos Lambropoulos
Executive Member	Ioannis Tsigounakis
Non Executive Member	Dionisios Fragos
Non Executive Member	Apostolos Chatziantoniou

HELLENIC DUTY
23rd Km ATHENS LAMIA NATIONAL
SOCIETE ANONYME REGISTRATION

Financial Data and Information for the period 1 January 2006 to 31 December 2006 (published according to Law 2190, article 135

The following condensed Financial Statements, notes and information provide a general view of the financial position and financial results of HELLENIC DUTY FREE of the Company, before making any investment decision or other transaction with the Company, to access the interim financial statements according to the IFRS,

BALANCE SHEET				
Amounts in € thousand				
ASSETS	THE GROUP		THE COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Fixed Assets				
Tangible Fixed Assets	33,521.11	26,041.53	24,804.59	24,416.47
Intangible Fixed Assets	107,674.04	53,141.31	51,405.73	53,066.49
Investments to subsidiaries	0.00	0.00	14,059.92	2,059.92
Deferred taxation	0.00	640.67	0.00	378.03
Other debtors	3,490.30	3,223.76	2,960.04	2,787.18
	144,685.45	83,047.27	93,230.28	82,708.09
Current Assets				
Inventory	52,204.15	49,783.14	39,750.03	46,212.36
Trade and other receivables	19,810.21	9,368.05	11,694.33	13,560.77
Financial assets fairly valued	1,955.53	1,866.26	1,955.53	1,866.26
Cash and other cash equivalents	60,787.36	64,201.52	45,314.37	60,996.72
	134,757.25	125,218.97	98,714.26	122,636.11
Total Assets	279,442.70	208,266.24	191,944.54	205,344.20
EQUITY				
Capital & reserves for Company's shareholders				
Share capital	15,802.50	15,802.50	15,802.50	15,802.50
Share premium	65,259.02	65,259.02	65,259.02	65,259.02
Fair value reserves	49.81	49.81	49.81	49.81
Other reserves	45,073.59	38,869.75	44,735.17	38,516.32
Share buyback	-1,230.87	0.00	-1,230.87	0.00
Foreign Exchange differences	70.14	0.00	0.00	0.00
Profits carried forward	3,602.67	1,558.35	406.36	1,286.50
	128,626.86	121,539.43	125,021.99	120,914.15
Minority interests	0.09	0.12		
Total Equity	128,626.95	121,539.55	125,021.99	120,914.15
LIABILITIES				
Long term liabilities				
Provision for employees benefit	5,160.90	4,326.74	5,019.77	4,260.11
Other provisions	0.00	25.41	0.00	25.41
Bank loans	60,060.93	0.00	0.00	0.00
Other long term liabilities	8,492.01	0.00	0.00	0.00
Deferred income taxes	333.42	0.00	415.14	0.00
	74,047.26	4,352.15	5,434.91	4,285.52
Short term liabilities				
Trade creditors and other liabilities	25,957.02	21,696.57	11,351.87	20,031.74
Income tax	16,045.97	18,537.97	15,370.27	17,972.79
Dividends payable	34,765.50	42,140.00	34,765.50	42,140.00
	76,768.49	82,374.54	61,487.64	80,144.53
Total Liabilities	150,815.75	86,726.69	66,922.55	84,430.05
Total Equity and Liabilities	279,442.70	208,266.24	191,944.54	205,344.20

CONDENSED STATEMENT OF CHANGES IN EQUITY				
Amounts in € thousand				
	THE GROUP		THE COMPANY	
	01.01-31.12.06	01.01-31.12.05	01.01-31.12.06	01.01-31.12.05
Equity balance at the beginning of the period (01.01.2006 and 01.01.2005 respectively)	121,539.55	125,808.68	120,914.15	125,128.77
Share buyback	-1,230.87	0.00	-1,230.87	0.00
Foreign Exchange differences	70.14	0.00	0.00	0.00
Earnings after taxes for the period	43,013.63	37,870.87	40,104.21	37,925.38
Dividends payable	-34,765.50	-42,140.00	-34,765.50	-42,140.00
Equity balance at the end of the period (31.12.2006 and 31.12.2005 respectively)	128,626.95	121,539.55	125,021.99	120,914.15

Additional notes and information:

1. The companies of the Group and the respective addresses and ownership stakes, included in the consolidated financial statements are:

Full consolidation method	Participation %	Consolidation method	Non-audited fiscal years
a. HELLENIC DUTY FREE SHOPS SA Agios Stefanos	Parent Company		2005-2006
b. HELLENIC DISTRIBUTIONS SA Agios Stefanos	99.99%	Direct, full	2003-2006
ba. LINKS (LONDON) LIMITED	99.99%	Indirect, full	2006
ba1. LINKS OF LONDON (INTERNATIONAL) LTD (UK)	99.99%	Indirect, full	2006
ba2. LINKS OF LONDON COM LTD (UK)	99.99%	Indirect, full	2006
ba3. LINKS OF LONDON ASIA LTD (HK)	99.99%	Indirect, full	2006
ba4. LINKS OF LONDON INC (USA)	99.99%	Indirect, full	2006
ba5. LINKS OF LONDON (FRANCE)	99.99%	Indirect, full	2006
c. HDFS SKOPJE DOO (FYROM)	100.00%	Direct, full	2004-2006
d. HELLENIC TOURIST BUREAU SA Agios Stefanos	99.99%	Direct, full	The first fiscal year exceeding 12 months ending on 31.12.2006

- The accounting policies applied in the preparation of these Financial Statements are the same as those applied for the Financial Statements for the year ended on 31.12.2005.
- The current fiscal period includes the financial figures of "THE NUANCE GROUP (HELLAS) S.A." which was absorbed on 01.10.05. In the previous fiscal year the financial results that were included were for the period 01.10.05 - 31.12.05. The effect of this on the financial results is insignificant.
- Tax authorities have audited the Company up to the fiscal year 2004 and its subsidiary "HELLENIC DISTRIBUTIONS S.A." up to the fiscal year 2002. The company "THE NUANCE GROUP (HELLAS) S.A." that was consolidated has been audited by the tax authorities up to the fiscal year 2005.
- The subsidiary "HELLENIC DISTRIBUTIONS S.A." acquired 100% of LINKS (LONDON) Ltd. on July 27, 2006 and thus indirectly participates in LINKS' subsidiaries, as stated in note 1. Moreover the current period includes the financial results of LINKS which were not included in the financial results of the previous fiscal period.
- There are no pledges or mortgages on the fixed assets of the Company and the Group.
- There are no pending judicial cases or court decisions that may have a significant effect on the financial statements or the operations of the Company or the Group.
- Average number of employees at the end of the current period: Group : 1,779 persons, Company : 1,212 persons.
- Investments in fixed assets for the first half of 2006 amounted to: Group : €5,391.49 thous., Company : €3,613.21 thous.

FREE SHOPS S.A.
HIGHWAY, 145 65 AGIOS STEFANOS
NUMBER 14216/06/B/86/06

for companies that prepare annual financial statements, on a consolidated and parent basis, according to IFRS)

SHOPS SA and the Group HELLENIC DUTY FREE SHOPS SA. Therefore we advise the reader who wants to have a complete view of the financial state and the results as well as the relevant certified auditor's report, whenever required, at the Company's web site www.dutyfreeshops.gr, where the financial statements are uploaded

CONDENSED INCOME STATEMENT				
Amounts in € thousand				
	THE GROUP		THE COMPANY	
	01.01-31.12.2006	01.01-31.12.2005	01.01-31.12.2006	01.01-31.12.2005
Sales	300,046.55	261,450.91	251,807.55	245,677.03
Cost of sales	-152,609.44	-138,042.76	-130,161.42	-126,948.26
Gross profit	147,437.11	123,408.15	121,646.13	118,728.77
Other income	18,573.97	13,158.07	12,859.70	8,437.50
Administration expenses	-18,400.99	-12,550.62	-12,975.03	-12,039.45
Distribution & operating expenses	-88,299.76	-69,955.06	-67,123.16	-62,696.30
Other expenses	-844.60	-817.98	-796.12	-800.93
Earnings before interest and taxes (EBIT)	58,465.73	53,242.56	53,611.52	51,629.59
Depreciation	6,357.73	4,796.83	4,863.72	4,596.32
Earnings before interest, taxes, depreciation and amortization (EBITDA)	64,823.46	58,039.39	58,475.24	56,225.91
Financial income	593.87	3,166.28	1,862.96	4,268.58
Earnings before taxes	59,059.60	56,408.84	55,474.48	55,898.17
Less taxes	-16,045.97	-18,537.97	-15,370.27	-17,972.79
Earnings after taxes	43,013.63	37,870.87	40,104.21	37,925.38
Distributed to:				
Company's shareholders	43,013.62	37,870.82	40,104.21	37,925.38
Minority interests	0.01	0.05		
Earnings per share after taxes - basic (in €)	0.82	0.72	0.76	0.72
Proposed dividend per share - (in €)			0.66	0.80

CONDENSED CASH FLOW STATEMENT				
Amounts in € thousand				
	THE GROUP		THE COMPANY	
	01.01-31.12.2006	01.01-31.12.2005	01.01-31.12.2006	01.01-31.12.2005
Cash flow from operating activities				
Earnings before taxes	59,059.60	56,408.84	55,474.48	55,898.17
Profit adjustments due to the following:				
Depreciation	6,357.73	4,796.83	4,863.72	4,596.32
Provisions	780.70	-98.46	759.66	-122.91
Foreign Exchange Differences	70.07	0.00	0.00	0.00
Results (income) from investment activity	-2,259.17	-3,330.68	-1,993.65	-4,405.39
Debit interest and similar expenses	371.10	152.40	130.69	136.80
Operating profit before working capital changes	64,380.03	57,928.93	59,234.90	56,102.99
Decrease / (increase) of inventory	4,486.36	-12,461.00	6,462.33	-10,671.57
Decrease / (increase) of trade & other receivables	-2,617.55	1,950.42	2,812.62	-114.30
Increase / (decrease) of liabilities (excl. banks)	-1,302.79	10,655.55	-6,200.28	10,950.76
Cash flow from core activity	64,946.05	58,073.90	62,309.57	56,267.88
Debit interest and similar expenses paid	-371.10	-152.40	-130.69	-136.80
Taxation paid	-21,354.45	-18,537.97	-20,892.93	-17,972.79
Total cash flow from operating activities	43,220.50	39,383.53	41,285.95	38,158.29
Cash flow from investment activities				
Acquisition of subsidiaries, related companies, joint ventures & other investments	-59,741.78	0.00	-12,000.00	0.00
Purchase of tangible and intangible fixed assets	-5,725.11	-10,738.40	-3,591.08	-9,636.24
Interest received	2,149.47	2,412.66	1,884.69	2,337.43
Dividends received - Income from securities	109.70	918.02	108.96	2,067.96
Total cash flow from investment activities	-63,207.72	-7,407.72	-13,597.43	-5,230.85
Cash flow from financing activities				
Income from loans	59,943.93	0.00	0.00	0.00
Sharebuyback	-1,230.87	0.00	-1,230.87	0.00
Dividends paid	-42,140.00	-36,872.50	-42,140.00	-36,872.50
Total cash flow from financing activities	16,573.06	-36,872.50	-43,370.87	-36,872.50
Increase / (decrease) in cash and cash equivalents	-3,414.16	-4,896.69	-15,682.35	-3,945.06
Cash at the beginning of the period	64,201.52	69,098.21	60,996.72	64,941.78
Cash at the end of the period	60,787.36	64,201.52	45,314.37	60,996.72

10. The following financial data concern transactions with related parties according to IFRS 24:

(Amounts in € thousand)	The Group	The Company
i) Sales	31.12.2006	31.12.2006
To subsidiaries	0,00	3,485,90
To related parties according to IFRS 24	0,00	0,00
ii) Purchases		
From the Company	2,510,72	2,356,47
From subsidiaries	0,00	109,86
From related parties according to IFRS 24	1,661,06	1,649,69
iii) Receivable and liabilities against the related parties		
Receivable	0,00	6,455,24
From subsidiaries	0,00	0,00
From related parties according to IFRS 24		
Liabilities		
To the Company	3,029,94	3,012,26
To subsidiaries	0,00	177,34
To related parties according to IFRS 24	0,00	0,00
BoD members' and directors' remuneration according to IFRS 24		
BoD members' and directors' remuneration and transactions	2,368,62	1,812,93
Receivable from directors and the BoD	0,00	0,00
Liabilities to directors and the BoD	0,00	0,00

Regarding the above financial data the transactions and the balance with the subsidiaries were eliminated from the consolidated financial statements of the Group.

11. Earnings per Share were calculated based on the allocation of the profits divided by the total weighted average number of shares.

12. The Company since 05.05.2006 is included in the consolidated financial statements of FOLLI-FOLLIE S.A., with registered office at Agios Stefanos, Attica and a participation of 52.28%, under the full consolidation method, while until 04.05.2006 it was included in the consolidated financial statements of the companies FOLLI-FOLLIE S.A. with a stake of 24.68% & GERMANOS S.A. with a stake of 24.68% with registered offices at Agios Stefanos, Attica, consolidated under the equity method.

Agios Stefanos, March 09, 2007

CHAIRMAN OF THE BOD GEORGE KOUTSOLIOUTSOS ID Ε 433750	MANAGING DIRECTOR DIMITRIOS KOUTSOLIOUTSOS ID H 159150	GENERAL DIRECTOR GEORGE VELENTZAS ID K 158202	FINANCE MANAGER VASILIS KALAMATIANOS ID AE 011034	HEAD OF ACCOUNTING ANNA BOUGA-TSOPELA ID K 044348
--	---	--	--	--



e

Report regarding Company transactions with associated companies in accordance to article 2 par. 4 of codified Law 3016/2002

REPORT OF TRANSACTIONS OF HELLENIC DUTY FREE SHOPS S.A. WITH ITS ASSOCIATED COMPANIES DURING 2006

In implementing Article 2 paragraph 4 of Law 3016/2002 on Corporate Governance, the transactions for 2006 between the Company and its associated companies, as defined in accordance with Article 42 par. e of Codified Law 2190/1920 are presented.

The following tables present the transactions during 2006 per category:

HELLENIC DISTRIBUTIONS S.A. (99.99% direct participation)	
Sales	3,485,901.25
Purchases	109,861.56
Receivable	6,448,681.77
Liabilities	177,345.19

HTB HELLENIC TOURIST BUREAU S.A. (99.99% direct participation)	
Sales	0.00
Purchases	0.00
Receivable	6,562.50
Liabilities	0.00



f

Information according to article 10 of Law 3401/2005

The following Announcements / Notifications have been published by the Company during 2006 and are available on the Company's website: www.dutyfreeshops.gr

(In chronological order.)

12.01.2006	Nuance merge	31.05.2006	Annual General Assembly
16.01.2006	Investors' Calendar 2006	31.05.2006	Dividend Information
20.02.2006	Tax audit results	31.05.2006	New era for HDF S.A.
22.02.2006	Replacement of BoD member	06.06.2006	Equity purchase
24.02.2006	Financial results for 2005	26.06.2006	Share buyback
27.02.2006	Intended corporate actions	04.07.2006	Reply to ASE letter
08.03.2006	SMEXA Presentation	18.07.2006	Change in shareholder structure
22.03.2006	New Deputy Managing Director	19.07.2006	Invitation to the Extraordinary General Assembly
29.03.2006	Guidance for 2006	27.07.2006	Acquisition of LINKS of LONDON
31.03.2006	Presentation to Greek Institutional Investors	22.08.2006	Extraordinary General Assembly
26.04.2006	Announcement	24.08.2006	Financial results 6M 2006
02.05.2006	Reply to CMC letter	31.08.2006	Share buyback - period 01.09.2006-31.12.2006
08.05.2006	Change in shareholders' structure	31.08.2006	Share buyback - period 30.06.2006-30.08.2006
09.05.2006	Invitation to the Annual Ordinary General Assembly	14.09.2006	HDFS - LINKS press conference
10.05.2006	International Tourism Exhibition 2006	20.09.2006	Participation to an international tender
16.05.2006	Availability of the Annual Report for 2005	02.10.2006	Tender in Turkey
17.05.2006	Comment on press article	06.11.2006	Conference call for the 9M financial results
22.05.2006	Financial results 3M 2006	06.11.2006	Announcement date of the 9M financial results
29.05.2006	Replacement of BoD members	23.11.2006	Financial results 9M 2006
		19.12.2006	Corporate bond

g

The annual financial statements,
the auditors reports of the companies
included in the consolidated financial
statements as they are posted
on the Company's website.

The annual financial statements, the auditors reports of the companies included in the consolidated financial statements and the reports of the Board of Directors are posted on the Company's website www.dutyfreeshops.gr



HELLENIC DUTY FREE SHOPS S.A.

