



# INTERIM FINANCIAL STATEMENTS

## 9 MONTHS 2008

***Table of contents:***

|           |   |           |
|-----------|---|-----------|
| <b>1.</b> | <b>Balance Sheet .....</b>  | <b>5</b>  |
| <b>2.</b> | <b>FINANCIAL STATEMENT FOR THE PERIOD .....</b>                               | <b>6</b>  |
| <b>3.</b> | <b>STATEMENT OF CHANGES IN NET EQUITY FOR THE PERIOD .....</b>                | <b>8</b>  |
| <b>4.</b> | <b>CASH FLOW STATEMENT .....</b>  | <b>10</b> |
| <b>5.</b> | <b>NOTES TO THE ANNUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS.....</b> | <b>11</b> |
| 5.1.      | General Information .....   | 11        |
| 5.2.      | Accounting principles for the preparation of Financial Statements .....       | 12        |
| 5.3.      | Significant accounting estimations and management judgment .....              | 24        |
| 5.5.      | Financial Risk Management – Financial Risk Factors.....                       | 28        |
| 5.5.1     | Credit Risk.....  | 30        |
| 5.5.2     | Liquidity Risk.....   | 31        |
| 5.5.3     | Capital Management .....  | 31        |
| 5.5.4     | Accounting Principles and Accounting Management.....                          | 32        |
| 5.5.6     | Categories and Analysis of Financial Instruments .....                        | 32        |
| 5.6.      | Transition to IFRS .....  | 32        |
| 5.7.      | Tangible Assets .....   | 33        |
| 5.8.      | Intangible Assets.....  | 35        |
| 5.9.      | Investments in Subsidiaries .....   | 36        |
| 5.10.     | Other fixed assets .....  | 36        |
| 5.11.     | Inventory .....   | 37        |
| 5.12.     | Trade and other current assets .....  | 37        |
| 5.13.     | Financial Assets.....   | 37        |
| 5.14.     | Cash and Cash equivalent .....  | 37        |
| 5.15.     | Share Capital and Share premium.....  | 37        |
| 5.16.     | Fair Value Reserves .....   | 38        |
| 5.17.     | Other Reserves .....  | 38        |
| 5.18.     | Loans .....   | 38        |
| 5.19.     | Other long term liabilities .....   | 39        |
| 5.20.     | Trade and other short term liabilities.....                                   | 39        |
| 5.21.     | Deferred Taxation .....   | 39        |
| 5.22.     | Retirement benefit obligation .....   | 40        |
| 5.23.     | Sales.....  | 41        |
| 5.24.     | Cost of Sales.....  | 41        |
| 5.25.     | Other operating income .....  | 41        |
| 5.26.     | Employee benefits .....   | 41        |
| 5.27.     | Other operating expenses .....  | 42        |
| 5.28.     | Breakdown of administration expenses.....                                     | 42        |

## HELLENIC DUTY FREE SHOPS S.A.

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|      |  |    |
|------|--|----|
| 5.29 | Breakdown of distribution expenses .....         | 42 |
| 5.30 | Results (income) from investing activities ..... | 43 |
| 5.31 | Income tax .....                                 | 43 |
| 5.32 | Earnings per share .....                         | 43 |
| 5.33 | Contingencies .....                              | 44 |
| 5.34 | Dividends payable .....                          | 44 |
| 5.35 | Transactions with other related parties.....     | 45 |
| 5.36 | Number of employed personnel .....               | 45 |
| 5.37 | Real Liens.....                                  | 46 |
| 5.38 | Contested or under arbitration disputes.....     | 46 |
| 5.39 | Contingencies and undertakings .....             | 46 |
| 5.40 | Post Balance Sheet Events .....                  | 46 |

**HELLENIC DUTY FREE SHOPS S.A.**  
**INTERIM FINANCIAL STATEMENTS**  
**COMPILED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL**  
**REPORTING STANDARDS**  
**9MONTHS 2008**  
**(PERIOD FROM JANUARY 1<sup>ST</sup> TO SEPTEMBER 30<sup>TH</sup> 2008)**

It is declared that the accompanying Financial Statements are those, which have been published by posting on the internet, at the address [www.dutyfreeshops.gr](http://www.dutyfreeshops.gr). It is noted that, the published in the press, data and information of the period as of January 1<sup>st</sup> to September 30<sup>th</sup> 2008, 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](http://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, November 24, 2008

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

**Georgios Velentzas**  
**General Director**  
**Member of the Board of Directors**

# 1. BALANCE SHEET

Amounts reported in € thousand

| <b>ASSETS</b>  | <b>Note</b> | <b>THE GROUP</b>  |                   | <b>THE COMPANY</b> |                   |
|--|-------------|-------------------|-------------------|--------------------|-------------------|
|  |             | <b>30.09.2008</b> | <b>31.12.2007</b> | <b>30.09.2008</b>  | <b>31.12.2007</b> |
| Tangible Fixed Assets  | <b>5.7</b>  | 150,142.23        | 144,894.48        | 24,406.88          | 25,051.91         |
| Intangible Fixed Assets  | <b>5.8</b>  | 165,171.78        | 239,458.67        | 49,061.19          | 49,657.15         |
| Investments in property  |             | 82,647.22         |                   |                    |                   |
| Investments to subsidiaries  | <b>5.9</b>  | 0.00              | 0.00              | 230,626.53         | 221,720.56        |
| Deferred taxation  | <b>5.21</b> | 3,791.61          | 1,710.26          | 1,814.09           | 0.00              |
| Other fixed assets   | <b>5.10</b> | 7,865.24          | 6,921.06          | 3,822.38           | 3,638.60          |
| Inventory  | <b>5.11</b> | 159,249.75        | 122,042.57        | 59,143.34          | 42,461.05         |
| Trade receivables  | <b>5.12</b> | 23,626.57         | 22,347.39         | 532.29             | 314.47            |
| Financial assets fairly valued   | <b>5.13</b> | 817.33            | 1,712.49          | 804.23             | 1,694.89          |
| Other current assets   | <b>5.13</b> | 66,212.99         | 58,715.45         | 11,081.42          | 5,833.47          |
| Cash and other cash equivalents  | <b>5.14</b> | 42,280.77         | 38,012.63         | 19,121.95          | 4,611.80          |
| <b>TOTAL ASSETS</b>  |             | <b>701,805.49</b> | <b>635,815.00</b> | <b>400,414.30</b>  | <b>354,983.89</b> |
| <b>EQUITY AND LIABILITIES</b>  |             |                   |                   |                    |                   |
| Share capital  | <b>5.15</b> | 15,802.50         | 15,802.50         | 15,802.50          | 15,802.50         |
| Share premium  | <b>5.15</b> | 65,259.02         | 65,259.02         | 65,259.02          | 65,259.02         |
| Fair value reserves  | <b>5.16</b> | 49.81             | 49.81             | 49.81              | 49.81             |
| Other reserves   | <b>5.17</b> | 32,280.43         | 32,255.77         | 31,917.35          | 31,917.35         |
| Share buyback  |             | -8,906.98         | -7,791.18         | -5,713.40          | -4,458.33         |
| Foreign Exchange differences   |             | -2,162.45         | -843.46           | 0.00               | 0.00              |
| Profits carried forward  |             | 50,363.10         | 49,712.79         | 70,457.93          | 44,334.44         |
| <b>Total capital and reserves of the Shareholders of the Company (a)</b> |             | <b>152,685.43</b> | <b>154,445.25</b> | <b>177,773.21</b>  | <b>152,904.79</b> |
| Minority interests (b)   |             | 13,082.17         | 14,582.55         |                    |                   |
| <b>Total Equity (c) = (a)+(b)</b>  |             | <b>165,767.60</b> | <b>169,027.79</b> | <b>177,773.21</b>  | <b>152,904.79</b> |
| Long term debt liabilities   | <b>5.18</b> | 212,233.68        | 207,121.67        | 100,000.00         | 100,000.00        |
| Provision for employees benefit  |             | 7,658.13          | 6,881.84          | 6,257.15           | 5,667.33          |
| Provision / other long-term liabilities                                  | <b>5.19</b> | 7,186.83          | 7,428.39          | 0.00               | 0.00              |
| Deferred income taxes  | <b>5.21</b> | 5,608.89          | 3,589.95          | 3,323.75           | 1,726.38          |
| Trade creditors and other liabilities                                    | <b>5.20</b> | 161,848.90        | 128,833.27        | 49,512.89          | 31,041.55         |
| Short-term borrowings  | <b>5.18</b> | 141,501.45        | 112,932.09        | 63,547.30          | 63,643.85         |
| <b>Total liabilities (d)</b>   |             | <b>536,037.89</b> | <b>466,787.21</b> | <b>222,641.09</b>  | <b>202,079.11</b> |
| <b>TOTAL EQUITY &amp; LIABILITIES (c)+(d)</b>                            |             | <b>701,805.49</b> | <b>635,815.00</b> | <b>400,414.30</b>  | <b>354,983.89</b> |

## 2. FINANCIAL STATEMENT FOR THE PERIOD

Amounts reported in € thousand

|  |      | THE GROUP              |                        |                        |                        |
|--|------|------------------------|------------------------|------------------------|------------------------|
|  | Note | 01.01-<br>30.09.2008   | 01.01-<br>30.09.2007   | 01.07-<br>30.09.08     | 01.07-<br>30.09.07     |
|  |      | CONTINUING<br>ACTIVITY | CONTINUING<br>ACTIVITY | CONTINUING<br>ACTIVITY | CONTINUING<br>ACTIVITY |
| Sales  | 5.23 | 455,646.94             | 259,995.70             | 195,061.17             | 122,924.58             |
| Cost of sales  | 5.24 | <u>-234,327.60</u>     | <u>-125,003.98</u>     | <u>-102,745.84</u>     | <u>-61,597.01</u>      |
| <b>Gross profit</b>  |      | <b>221,319.34</b>      | <b>134,991.72</b>      | <b>92,315.33</b>       | <b>61,327.57</b>       |
| Other income   | 5.25 | 15,189.35              | 9,865.27               | 3,715.39               | 2,354.41               |
| Administration expenses  | 5.28 | -28,224.51             | -18,410.15             | -9,807.39              | -6,800.94              |
| Distribution & operating expenses  | 5.29 | -141,200.81            | -77,847.27             | -54,074.58             | -32,668.85             |
| Other expenses   | 5.27 | -1,291.04              | -1,037.64              | -554.74                | -347.73                |
| <b>Earnings before interest and taxes (EBIT)</b>                               |      | <b>65,792.33</b>       | <b>47,561.93</b>       | <b>31,594.01</b>       | <b>23,864.46</b>       |
| Finacial income  | 5.30 | <u>-15,728.40</u>      | <u>-1,169.72</u>       | <u>-5,571.08</u>       | <u>-711.38</u>         |
| <b>Earnings before taxes</b>   |      | <b>50,063.93</b>       | <b>46,392.21</b>       | <b>26,022.93</b>       | <b>23,153.08</b>       |
| Less taxes   | 5.31 | -12,260.33             | -12,364.49             | -6,392.93              | -6,513.97              |
| <b>Earnings after taxes</b>  |      | <b>37,803.60</b>       | <b>34,027.72</b>       | <b>19,630.00</b>       | <b>16,639.11</b>       |
| Distributed to:  |      |                        |                        |                        |                        |
| Company's shareholders   |      | 36,001.01              | 34,027.73              | 19,117.97              | 16,639.12              |
| Minority interests   |      | 1,802.59               | -0.01                  | 512.03                 | -0.01                  |
| Earnings per share after taxes - basic (in €)                                  | 5.32 | 0.6893                 | 0.6515                 | 0.3660                 | 0.3186                 |
| Depreciation   |      | 9,885.28               | 5,236.47               | 3415.16                | 1706.36                |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b> |      | <b>75,677.61</b>       | <b>52,798.40</b>       | <b>35,009.17</b>       | <b>25,570.82</b>       |

## HELLENIC DUTY FREE SHOPS S.A.

| THE COMPANY  |      |                        |                        |                        |                        |
|--|------|------------------------|------------------------|------------------------|------------------------|
|  | Note | 01.01-<br>30.09.2008   | 01.01-<br>30.09.2007   | 01.07-<br>30.09.08     | 01.07-<br>30.09.07     |
|  |      | CONTINUING<br>ACTIVITY | CONTINUING<br>ACTIVITY | CONTINUING<br>ACTIVITY | CONTINUING<br>ACTIVITY |
| Sales  | 5.23 | 211,769.66             | 203,949.66             | 104,405.12             | 101,983.79             |
| Cost of sales  | 5.24 | -105,747.30            | -102,555.23            | -53,090.64             | -53,199.18             |
| <b>Gross profit</b>  |      | <b>106,022.36</b>      | <b>101,394.43</b>      | <b>51,314.48</b>       | <b>48,784.61</b>       |
| Other income   | 5.25 | 6,641.01               | 6,340.17               | 1,017.09               | 1,929.41               |
| Administration expenses  | 5.28 | -9,287.47              | -9,410.69              | -3,273.50              | -3,357.74              |
| Distribution & operating expenses  | 5.29 | -56,101.34             | -51,597.66             | -24,384.94             | -22,818.35             |
| Other expenses   | 5.27 | -671.08                | -479.53                | -235.55                | -145.62                |
| <b>Earnings before interest and taxes (EBIT)</b>                               |      | <b>46,603.48</b>       | <b>46,246.72</b>       | <b>24,437.58</b>       | <b>24,392.31</b>       |
| Finacial income  | 5.30 | 22,857.18              | 1,438.20               | -2,836.18              | 155.59                 |
| <b>Earnings before taxes</b>   |      | <b>69,460.66</b>       | <b>47,684.92</b>       | <b>21,601.40</b>       | <b>24,547.90</b>       |
| Less taxes   | 5.31 | -8,571.67              | -11,746.87             | -5,393.84              | -6,210.41              |
| <b>Earnings after taxes</b>  |      | <b>60,888.99</b>       | <b>35,938.05</b>       | <b>16,207.56</b>       | <b>18,337.49</b>       |
| Distributed to:  |      |                        |                        |                        |                        |
| Company's shareholders   |      | 60,888.99              | 35,938.05              | 16,207.56              | 18,337.49              |
| Minority interests   |      |                        |                        |                        |                        |
| Earnings per share after taxes - basic (in €)                                  | 5.32 | 1.1658                 | 0.6881                 | 0.3103                 | 0.3511                 |
| Depreciation   |      | 3,635.84               | 3,584.45               | 1,223.37               | 1,178.17               |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b> |      | <b>50,239.32</b>       | <b>49,831.17</b>       | <b>25,660.95</b>       | <b>25,570.48</b>       |

### 3. STATEMENT OF CHANGES IN NET EQUITY FOR THE PERIOD

#### THE COMPANY

Amounts reported in € thousand

|                                       | Share Capital    | Share Premium    | Own Shares       | Fair Value Reserves | Currency exchange differences | Other reserves   | Retained earnings | Total net equity  |
|---------------------------------------|------------------|------------------|------------------|---------------------|-------------------------------|------------------|-------------------|-------------------|
| <b>Balance at 01.01.2007</b>          | <b>15,802.50</b> | <b>65,259.02</b> | <b>-1,230.87</b> | <b>49.81</b>        | <b>0.00</b>                   | <b>44,735.17</b> | <b>406.36</b>     | <b>125,021.99</b> |
| Period Results                        | 0.00             | 0.00             | 0.00             | 0.00                | 0.00                          | 0.00             | 35,938.05         | 35,938.05         |
| Dividends paid                        | 0.00             | 0.00             | 0.00             | 0.00                | 0.00                          | 0.00             | 0.00              | 0.00              |
| Transition to reserves                | 0.00             | 0.00             | 0.00             | 0.00                | 0.00                          | 0.00             | 0.00              | 0.00              |
| Share buyback                         | 0.00             | 0.00             | -2,658.27        | 0.00                | 0.00                          | 0.00             | 0.00              | -2,658.27         |
| <b>Balance on September 30th 2007</b> | <b>15,802.50</b> | <b>65,259.02</b> | <b>-3,889.14</b> | <b>49.81</b>        | <b>0.00</b>                   | <b>44,735.17</b> | <b>36,344.41</b>  | <b>158,301.77</b> |
| <b>Balance at 01.01.2008</b>          | <b>15,802.50</b> | <b>65,259.02</b> | <b>-4,458.33</b> | <b>49.81</b>        | <b>0.00</b>                   | <b>31,917.35</b> | <b>44,334.44</b>  | <b>152,904.79</b> |
| Period Results                        | 0.00             | 0.00             | 0.00             | 0.00                | 0.00                          | 0.00             | 60,888.99         | 60,888.99         |
| Dividends paid                        |                  |                  |                  |                     |                               |                  | -34,765.50        | -34,765.50        |
| Transition to reserves                | 0.00             | 0.00             | 0.00             | 0.00                |                               | 0.00             | 0.00              | 0.00              |
| Share buyback                         | 0.00             | 0.00             | -1,255.07        | 0.00                | 0.00                          | 0.00             | 0.00              | -1,255.07         |
| <b>Balance on September 30th 2008</b> | <b>15,802.50</b> | <b>65,259.02</b> | <b>-5,713.40</b> | <b>49.81</b>        | <b>0.00</b>                   | <b>31,917.35</b> | <b>70,457.93</b>  | <b>177,773.21</b> |



## HELLENIC DUTY FREE SHOPS S.A.

### THE GROUP

Amounts reported in € thousand

|  | Share Capital    | Share Premium    | Fair Value Reserves | Other Reserves   | Own Shares       | Retained earnings | Currency exchange differences | Total Equity of the Shareholders (b) | Minority interest (c) | Total net equity (d) = (b) + (c) |
|--|------------------|------------------|---------------------|------------------|------------------|-------------------|-------------------------------|--------------------------------------|-----------------------|----------------------------------|
| <b>Balance at 01.01.07</b>                                   | <b>15,802.50</b> | <b>65,259.02</b> | <b>49.81</b>        | <b>45,073.59</b> | <b>-1,230.87</b> | <b>3,602.67</b>   | <b>70.14</b>                  | <b>128,626.86</b>                    | <b>0.09</b>           | <b>128,626.95</b>                |
| Period Results   | 0                | 0                | 0                   | 0                | 0                | 34,027.73         | 0.00                          | 34,027.73                            | 0.00                  | 34,027.73                        |
| Share Buyback  |                  |                  |                     |                  | -2658.27         |                   |                               | -2,658.27                            |                       | -2,658.27                        |
| Dividends paid   |                  |                  |                     |                  |                  | 0.00              |                               | 0.00                                 |                       | 0.00                             |
| Other changes  |                  |                  |                     | 0                |                  | 0.00              | -319.24                       | -319.24                              | 0.00                  | -319.24                          |
| <b>Balance on September 30th 2007</b>                        | <b>15,802.50</b> | <b>65,259.02</b> | <b>49.81</b>        | <b>45,073.59</b> | <b>-3,889.14</b> | <b>37,630.40</b>  | <b>-249.10</b>                | <b>159,677.08</b>                    | <b>0.09</b>           | <b>159,677.17</b>                |
| <b>Balance at 01.01.2008</b>                                 | <b>15,802.50</b> | <b>65,259.02</b> | <b>49.81</b>        | <b>32,255.77</b> | <b>-7,791.18</b> | <b>49,712.79</b>  | <b>-843.46</b>                | <b>154,445.24</b>                    | <b>14,582.54</b>      | <b>169,027.78</b>                |
| Period Results   | 0.00             | 0.00             | 0.00                | 0.00             | 0.00             | 36,001.02         | 0.00                          | 36,001.02                            | 1,802.59              | 37,803.61                        |
| Share Buyback  | 0.00             | 0.00             | 0                   | 0.00             | -1,115.79        | 0.00              | 0.00                          | -1,115.79                            |                       | -1,115.79                        |
| Interests of others due to acquisition of subsidiary         | 0.00             | 0.00             | 0                   | 0.00             | 0.00             | 0.00              | 0.00                          | 0.00                                 | -3,862.45             | -3,862.45                        |
| Interests of others due to share capital issue of subsidiary | 0.00             | 0.00             | 0                   | 0.00             | 0.00             | 0.00              | 0.00                          | 0.00                                 | 4,550.00              | 4,550.00                         |
| Expenses due to share capital increase of subsidiary         |                  |                  |                     |                  |                  | -38.50            |                               | -38.50                               | -71.50                | -110.00                          |
| Deferred taxation of subsidiary on Equity                    |                  |                  |                     |                  |                  | 9.62              |                               | 9.62                                 | 17.88                 | 27.50                            |
| Dividends paid   | 0.00             | 0.00             |                     | 0.00             | 0.00             | -34,722.68        | 0.00                          | -34,722.68                           | -3,936.89             | -38,659.57                       |
| Transition to reserves                                       | 0.00             | 0.00             |                     | 24.66            | 0.00             | -501.23           | 476.56                        | 0.00                                 | 0.00                  | 0.00                             |
| Currency exchange differences                                | 0.00             | 0.00             | 0                   | 0.00             | 0.00             | -97.92            | -1,795.56                     | -1,893.48                            | 0.00                  | -1,893.48                        |
| <b>Balance on September 30th 2008</b>                        | <b>15,802.50</b> | <b>65,259.02</b> | <b>49.81</b>        | <b>32,280.43</b> | <b>-8,906.97</b> | <b>50,363.10</b>  | <b>-2,162.46</b>              | <b>152,685.43</b>                    | <b>13,082.17</b>      | <b>165,767.60</b>                |

## 4. CASH FLOW STATEMENT

Amounts reported in € thousand

| 2nd Alternative: Indirect method   | THE GROUP            |                      | THE COMPANY          |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 01.01-<br>30.09.2008 | 01.01-<br>30.09.2007 | 01.01-<br>30.09.2008 | 01.01-<br>30.09.2007 |
| <b>Cash flow from operating activities</b>   |                      |                      |                      |                      |
| Earnings before taxes (continuing activity)  | 50,063.93            | 46,392.21            | 69,460.66            | 47,684.92            |
| Profit / Loss adjustments for:   |                      |                      |                      |                      |
| Depreciation   | 9,885.28             | 5,236.47             | 3,635.84             | 3,584.45             |
| Provisions   | 776.29               | 585.34               | 589.81               | 540.19               |
| Foreign Exchange Differences   | 213.56               | 128.57               |                      | 0.00                 |
| Results (income) from investing activity   | -1,354.18            | -1,977.48            | -31,320.55           | -1,574.43            |
| Debit interest and similar expenses  | 17,082.58            | 3,147.20             | 8,463.37             | 136.23               |
| Plus/less changes in working capital   |                      |                      |                      |                      |
| or operating activities  |                      |                      |                      |                      |
| Decrease / (increase) of inventory   | -37,207.18           | -13,245.15           | -16,682.29           | -11,270.19           |
| Decrease / (increase) of trade & other receivables                                 | -8,346.12            | -2,911.48            | -4,126.79            | -4,762.22            |
| Increase / (decrease) of liabilities (excl. banks)                                 | 29,291.44            | 9,754.07             | 16,864.72            | 17,621.02            |
| <b>Less:</b>   |                      |                      |                      |                      |
| Debit interest and similar expenses paid   | -13,877.24           | -3,150.33            | -5,258.65            | -112.34              |
| Taxation paid  | -13,762.44           | -10,463.31           | -8,704.54            | -8,536.97            |
| <b>Total cash flow from operating activities (a)</b>                               | <b>32,765.92</b>     | <b>33,496.11</b>     | <b>32,921.58</b>     | <b>43,310.66</b>     |
| <b>Cash flow from investing activities</b>   |                      |                      |                      |                      |
| Acquisition of subsidiaries, related companies, joint ventures & other investments | -8,905.96            | 0.00                 | -8,905.96            | 0.00                 |
| Purchase of tangible and intangible fixed assets                                   | -20,202.61           | -4,725.03            | -2,394.86            | -2,290.23            |
| Proceeds from sale of fixed assets   | 7,526.61             | 0.00                 | 0.00                 | 3.22                 |
| Proceeds from sale of financial assets   | 0.00                 | 99.72                | 0.00                 | 0.00                 |
| Dividends received   | 1,258.44             | 1,977.48             | 282.30               | 1,574.43             |
| Interest received  | 95.74                | 0.00                 | 31,038.25            | 0.00                 |
| <b>Total cash flow from investing activities (b)</b>                               | <b>-20,227.78</b>    | <b>-2,647.83</b>     | <b>20,019.73</b>     | <b>-712.58</b>       |
| <b>Cash flow from financing activities</b>   |                      |                      |                      |                      |
| Income from loans  | 31,505.35            | 9,679.12             | -2,410.59            | 0.00                 |
| Share buyback  | -1,115.79            | -2,658.27            | -1,255.07            | -2,658.27            |
| Dividends paid   | -38,659.56           | -34,765.50           | -34,765.50           | -34,765.50           |
| <b>Total cash flow from financing activities (c)</b>                               | <b>-8,270.00</b>     | <b>-27,744.65</b>    | <b>-38,431.16</b>    | <b>-37,423.77</b>    |
| <b>Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)</b>          | <b>4,268.14</b>      | <b>3,103.63</b>      | <b>14,510.15</b>     | <b>5,174.31</b>      |
| <b>Cash at the beginning of the period</b>   | <b>38,012.63</b>     | <b>60,787.36</b>     | <b>4,611.80</b>      | <b>45,314.37</b>     |
| <b>Cash at the end of the period</b>   | <b>42,280.77</b>     | <b>63,890.99</b>     | <b>19,121.95</b>     | <b>50,488.68</b>     |

## **5. NOTES TO THE ANNUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

### **5.1. General Information**

The company HELLENIC DUTY FREE SHOPS S.A. is active in the travel retail 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 90 shops in 44 points (21 airports, 11 border crossings and 12 ports) throughout Greece. HELLENIC DUTY FREE SHOPS S.A. is a societe anonyme company incorporated and domiciled in Greece. The address of its registered office is 23<sup>rd</sup> km Athens - Lamia National Road, Ag. Stefanos, web site [www.dutyfreeshops.gr](http://www.dutyfreeshops.gr), and has its primary listing on the Athens Stock Exchange (Sector "Retail – Specialty Retailers").

The Company acquired 28,718,770 common shares of ELMEC SPORT S.A., namely 51.84% of its share capital and voting rights, on 05.10.2007. The cost of the transaction, along with the commission and the transfer fees amounted to €120,928,461.65. Since with this transaction the Company exceeded one third (1/3) of the voting rights of ELMEC, the Company submitted a Mandatory Public Offer for the acquisition of the entirety of ELMEC shares pursuant to the provisions of Law 3461/2006, at the price of €4.00/ per share. On 31.12.2007 the Company owned 91.12% of the share capital of ELMEC for €207,660,641, including the commission and the transfer fees. On 31.03.2008 the Company owned 94.71% of the share capital of ELMEC for €215,636,102, including the commission and the transfer fees. On 30.06.2008 the Company owned 94.90% of the share capital of ELMEC for €216,052,614, including the commission and the transfer fees. On 30.09.2008 the Company owned 95.1366% of the share capital of ELMEC for €216,566,605, including the commission and the transfer fees.

The consolidated financial statements of the Company cover the Company and its subsidiaries (The Group). The subsidiaries of the Group and the respective participation percentages, which are included in the consolidated financial statements (under the full consolidation method) are:

## HELLENIC DUTY FREE SHOPS S.A.

### - Structure of the Group

| COMPANY                                       | REGISTERED OFFICE     | % PARTICIPATION | CONSOLIDATION METHOD |
|---|-----------------------|-----------------|----------------------|
| a. HELLENIC DUTY FREE SHOPS S.A.              | Agios Stefanos Attica | Parent Company  |                      |
| b. HELLENIC DISTRIBUTIONS S.A.                | Agios Stefanos Attica | 99.9900%        | Direct, full         |
| ba. LINKS (LONDON) LIMITED                    | United Kingdom        | 99.9900%        | Indirect, full       |
| ba1. LINKS OF LONDON (INTERNATIONAL) LTD (UK) | United Kingdom        | 99.9900%        | Indirect, full       |
| ba2. LINKS OF LONDON COM LTD (UK)             | United Kingdom        | 99.9900%        | Indirect, full       |
| ba3. LINKS OF LONDON ASIA LTD (HK)            | Hong-Kong             | 99.9900%        | Indirect, full       |
| ba4. LINKS OF LONDON INC (USA)                | USA                   | 99.9900%        | Indirect, full       |
| ba5. LINKS OF LONDON (FRANCE)                 | France                | 99.9900%        | Indirect, full       |
| c. HDF5 SKOPJE DOO (FYROM)                    | Skopje                | 100.0000%       | Direct, full         |
| d. HELLENIC TOURIST BUREAU S.A.               | Agios Stefanos        | 99.9900%        | Direct, full         |
| e. ELMEC SPORT S.A.                           | Glyfada               | 95.1366%        | Direct, full         |
| ea. FACTORY OUTLET S.A.                       | Greece                | 95.1366%        | Indirect, full       |
| eb.FACTORY OUTLET AIRPORT S.A.                | Greece                | 95.1366%        | Indirect, full       |
| ec. ELMEC ROMANIA SRL                         | Romania               | 95.1366%        | Indirect, full       |
| ed. ELMEC SPORT BULGARIA EOOD                 | Bulgaria              | 95.1366%        | Indirect, full       |
| ee. CHRONOSPORT S.A.                          | Greece                | 47.5700%        | Indirect, full       |
| ef. MOUSTAKIS S.A.                            | Greece                | 95.1366%        | Indirect, full       |
| eg. LOGISTICS EXPRESS S.A.                    | Greece                | 95.1366%        | Indirect, full       |
| eh. ATTICA DPT. S.A.                          | Greece                | 45.1300%        | Indirect, full       |
| ei. IPIROTIKI S.A.                            | Greece                | 33.3000%        | Indirect, full       |
| ej. NORTH LANDMARK S.A.                       | Greece                | 33.1800%        | Indirect, full       |
| ek. ICS ELMEC SPORT SRL                       | Moldova               | 95.1366%        | Indirect, full       |

As of 05.05.2006, 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 53.2321% participation.

### 5.2. Accounting principles for the preparation of Financial Statements

#### 5.2.1 In accordance with the IFRS

These Company and Consolidated financial statements of HDF5 S.A. have 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, which have been adopted by the European Union until December 31<sup>st</sup>, 2007.

#### 5.2.2. Accounting principles of Financial Statements

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. These Company and Consolidated financial statements for the period 1<sup>st</sup> January to 30<sup>th</sup> September 2008, 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

### **5.2.3 Approval of the Financial Statements**

On November 24th, 2008 the Board of Directors of the Company approved the annual consolidated financial statements, which are about to be finally approved on the Annual General Assembly of the Shareholders.

### **5.2.4 Period concerned**

These annual consolidated financial statements include the financial statements of HDFFS S.A. and its subsidiaries', who are mentioned as a Group, concern the period 1<sup>st</sup> January to 30<sup>th</sup> September 2008.

### **5.2.5 Consolidation – Valuation 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.

#### **5.2.6 Goodwill from acquiring subsidiaries**

On 05.10.2007, the Company acquired 51.84% of ELMEC SPORT S.A. Since with this transaction the Company exceeded one third (1/3) of the voting rights of ELMEC, the Company submitted a Mandatory Public Offer for the acquisition of the entirety of ELMEC shares pursuant to the provisions of Law 3461/2006, at the price of €4.00 per share. On 15.11.2007 HELLENIC CAPITAL MARKET COMMISSION approved the Public Offer, submitted by the Company. As a result, on 31.12.2007 the Company owned 91.12% of the share capital and the voting rights of ELMEC SPORT S.A.

Acquiring 51.84% of ELMEC SPORT S.A. had as a result a €70,372,973 goodwill, which was amounted as follows:

| ASSETS                                 | Amounts in €    |
|--|-----------------|
| <b>Fixed assets</b>                    |                 |
| Tangible fixed assets                  | 106,855,455.00  |
| Intangible fixed assets                | 3,560,318.00    |
| Consolidation goodwill                 | 11,170,682.00   |
| Investments available for selling      | 545,346.00      |
| Deferred taxation                      | 1,566,467.00    |
| Other long-term debtors                | 1,491,681.00    |
|  | 125,189,949.00  |
| <b>Current assets</b>                  |                 |
| Inventory                              | 68,069,210.00   |
| Trade and other short-term receivables | 75,849,814.00   |
| Investments fairly valued              | 2,640,094.00    |
| Cash and other cash equivalents        | 20,927,417.00   |
|  | 167,486,535.00  |
| <b>TOTAL ASSETS</b>                    | 292,676,484.00  |
| <b>LIABILITIES</b>                     |                 |
| <u>Long-term liabilities</u>           |                 |
| Loans & financial leasing              | -45,916,145.00  |
| Deferred taxation                      | -1,847,374.00   |
| Employees' retirement                  | -925,291.00     |
| Tax provision                          | -840,271.00     |
|  | -49,529,081.00  |
| <u>Short-term liabilities</u>          |                 |
| Loans & financial leasing              | -58,404,977.00  |
| Trade creditors and other liabilities  | -68,562,595.00  |
| Current tax liabilities                | -9,383,474.00   |
| Provisions for risks and expenses      | -2,664,375.00   |
|  | -139,015,421.00 |
| <b>TOTAL LIABILITIES</b>               | -188,544,502.00 |

## HELLENIC DUTY FREE SHOPS S.A.

|  |                |
|--|----------------|
| Minority interests                             | -6,508,143.00  |
| TOTAL EQUITY ( Assets - Liabilities )          | 97,623,839.00  |
| Group's acquisition percentage                 | 51.8390%       |
| Group's purchased assets value                 | 50,607,222.00  |
| <b>Plus</b> acquired goodwill                  | 70,372,973.00  |
| Cost of acquisition                            | 120,980,195.00 |
| Less cash and other cash equivalents           | -20,927,417.00 |
| Net cash outflow (of subsidiary's acquisition) | 100,052,778.00 |

During the period 08.10.2007 – 31.12.2007 the Company purchased 21,760,115 shares of ELMEC SPORT S.A. for €86,680,445.67 which resulted in an additional goodwill of €48,763,141. Consequently, on 31.12.2007 the total temporary known goodwill came up to €119,136,114. The additional goodwill was counted as follows:

### ASSETS

### Amounts in €

#### **Fixed assets**

|                                   |                |
|-----------------------------------|----------------|
| Tangible fixed assets             | 109,334,834.00 |
| Intangible fixed assets           | 3,562,885.00   |
| Consolidation goodwill            | 11,170,682.00  |
| Investments available for selling | 411,746.00     |
| Deferred taxation                 | 1,634,473.00   |
| Other long-term debtors           | 1,448,325.00   |
|                                   | 127,562,945.00 |

#### **Current assets**

|  |                |
|--|----------------|
| Inventory                              | 69,181,805.00  |
| Trade and other short-term receivables | 53,908,024.00  |
| Investments fairly valued              | 2,561,537.00   |
| Cash and other cash equivalents        | 26,923,944.00  |
|  | 152,575,310.00 |

|              |                |
|--------------|----------------|
| TOTAL ASSETS | 280,138,255.00 |
|--------------|----------------|

### LIABILITIES

#### Long-term liabilities

|                           |                |
|---------------------------|----------------|
| Loans & financial leasing | -45,833,839.00 |
| Deferred taxation         | -1,863,575.00  |
| Employees' retirement     | -1,017,161.00  |
| Tax provision             | -610,459.00    |
|                           | -49,325,034.00 |

#### Short-term liabilities

|                                       |                 |
|---------------------------------------|-----------------|
| Loans & financial leasing             | -44,973,024.00  |
| Trade creditors and other liabilities | -74,200,107.00  |
| Current tax liabilities               | -5,868,734.00   |
| Provisions for risks and expenses     | -2,664,375.00   |
|                                       | -127,706,240.00 |

|                   |                 |
|-------------------|-----------------|
| TOTAL LIABILITIES | -177,031,274.00 |
|-------------------|-----------------|

|                    |               |
|--------------------|---------------|
| Minority interests | -5,952,194.00 |
|--------------------|---------------|

|                                       |               |
|---------------------------------------|---------------|
| TOTAL EQUITY ( Assets - Liabilities ) | 97,154,787.00 |
| Group's acquisition percentage        | 91.117%       |

## HELLENIC DUTY FREE SHOPS S.A.

|  |                |
|--|----------------|
| Group's purchased assets value                 | 88,524,527.00  |
| <b>Plus</b> acquired goodwill                  | 119,136,114.00 |
| Cost of acquisition                            | 207,660,641.00 |
| Less cash and other cash equivalents           | -26,923,944.00 |
| Net cash outflow (of subsidiary's acquisition) | 180,736,697.00 |
| Less goodwill 05.10.2007                       | 70,372,973.00  |

|                                      |                |
|--------------------------------------|----------------|
| Goodwill on purchased for the period |                |
| 06.10.2007 - 31.12.2007              | 48,763,141.00  |
| Total goodwill                       | 119,136,114.00 |

During the period 01.01.2008 – 11.03.2008 the Company purchased 1,990,492 shares of ELMEC SPORT S.A. for €7,961,968.00 which resulted in an additional goodwill of €4,484,689.23. Consequently, on 31.03.2008 the total temporary known goodwill came up to €123,620,803.23. The additional goodwill was counted as follows:

| ASSETS                                 | Amounts in €    |
|--|-----------------|
| <b>Fixed assets</b>                    |                 |
| Tangible fixed assets                  | 109,334,834.00  |
| Intangible fixed assets                | 3,562,885.00    |
| Consolidation goodwill                 | 11,170,682.00   |
| Investments available for selling      | 411,746.00      |
| Deferred taxation                      | 1,634,473.00    |
| Other long-term debtors                | 1,448,325.00    |
|  | 127,562,945.00  |
| <b>Current assets</b>                  |                 |
| Inventory                              | 69,181,805.00   |
| Trade and other short-term receivables | 53,908,024.00   |
| Investments fairly valued              | 2,561,537.00    |
| <b>Cash and other cash equivalents</b> | 26,923,944.00   |
|  | 152,575,310.00  |
| <b>TOTAL ASSETS</b>                    | 280,138,255.00  |
| <br><b>LIABILITIES</b>                 |                 |
| <u>Long-term liabilities</u>           |                 |
| Loans & financial leasing              | -45,833,839.00  |
| Deferred taxation                      | -1,863,575.00   |
| Employees' retirement                  | -1,017,161.00   |
| Tax provision                          | -610,459.00     |
|  | -49,325,034.00  |
| <u>Short-term liabilities</u>          |                 |
| Loans & financial leasing              | -44,973,024.00  |
| Trade creditors and other liabilities  | -74,200,107.00  |
| Current tax liabilities                | -5,868,734.00   |
| Provisions for risks and expenses      | -2,664,375.00   |
|  | -127,706,240.00 |
| <b>TOTAL LIABILITIES</b>               | -177,031,274.00 |
| Minority interests                     | -5,952,194.00   |
| <b>TOTAL EQUITY</b>                    |                 |
| ( Assets - Liabilities )               | 97,154,787.00   |
| Group's acquisition percentage         | 94.710%         |
| Group's purchased assets value         | 92,015,298.77   |
| Plus acquired goodwill                 | 123,620,803.23  |



## HELLENIC DUTY FREE SHOPS S.A.

|  |                       |
|--|-----------------------|
| Cost of acquisition                            | 215,636,102.00        |
| Less cash and other cash equivalents           | -26,923,944.00        |
| Net cash outflow (of subsidiary's acquisition) | 188,712,158.00        |
| Less goodwill 31.12.2007                       | 119,136,114.00        |
| Goodwill on 31.12.2007                         | 119,136,114.00        |
| <b>Goodwill on purchased for the period</b>    |                       |
| <b>01.01.2008 - 31.03.2008</b>                 | <b>4,484,689.23</b>   |
| Total goodwill                                 | <b>123,620,803.23</b> |

During the period 21.05.2008 – 26.06.2008 the Company purchased 103,980 shares of ELMEC SPORT S.A. for €416,512.00 which resulted in an additional goodwill of €231,936.77. Consequently, on 30.03.2008 the total temporary known goodwill came up to €123,852,740.00. The additional goodwill was counted as follows:

|  | Amounts in €                  |
|--|-------------------------------|
| <b>ASSETS</b>                                |                               |
| <b>Fixed assets</b>                          |                               |
| Tangible fixed assets                        | 109,252,901.00                |
| Intangible fixed assets                      | 3,459,617.00                  |
| Consolidation goodwill                       | 11,170,682.00                 |
| Investments available for selling            | 411,746.00                    |
| Deferred taxation                            | 2,026,430.00                  |
| Other long-term debtors                      | 1,879,743.00                  |
|  | <u>128,201,119.00</u>         |
| <b>Current assets</b>                        |                               |
| Inventory                                    | 76,500,118.00                 |
| Trade and other short-term receivables       | 60,523,003.00                 |
| Investments fairly valued                    | 2,373,759.00                  |
| <b>Cash and other cash equivalents</b>       | 26,520,552.00                 |
|  | <u>165,917,432.00</u>         |
| <b>TOTAL ASSETS</b>                          | <u><b>294,118,551.00</b></u>  |
| <b>LIABILITIES</b>                           |                               |
| <u>Long-term liabilities</u>                 |                               |
| Loans & financial leasing                    | -45,456,396.00                |
| Deferred taxation                            | -2,098,362.00                 |
| Employees' retirement                        | -1,063,429.00                 |
| Tax provision                                | -610,459.00                   |
|  | <u>-49,228,646.00</u>         |
| <u>Short-term liabilities</u>                |                               |
| Loans & financial leasing                    | -53,344,573.00                |
| Trade creditors and other liabilities        | -74,829,001.00                |
| Current tax liabilities                      | -6,126,235.00                 |
| Provisions for risks and expenses            | -2,664,375.00                 |
|  | <u>-136,964,184.00</u>        |
| <b>TOTAL LIABILITIES</b>                     | <u><b>-186,192,830.00</b></u> |
| Minority interests                           | -8,638,178.00                 |
| <b>TOTAL EQUITY ( Assets - Liabilities )</b> | 99,287,543.00                 |
| Group's acquisition percentage               | 94.90%                        |
| Cost of acquisition                          | 416,512.51                    |
| Less : Group's purchased assets value        | 184,575.74                    |

## HELLENIC DUTY FREE SHOPS S.A.

|  |                       |
|--|-----------------------|
| Goodwill                                 | 231,936.77            |
| Plus: acquired goodwill up to 31.03.2008 | 123,620,803.23        |
| <b>Total goodwill on 30.06.2008</b>      | <b>123,852,740.00</b> |

During the period 01.07.2008 – 30.09.2008 the Company purchased 132,239 shares of ELMEC SPORT S.A. for €513,991.74 which resulted in an additional goodwill of €326,886.70. Consequently, on 30.09.2008 the total temporary known goodwill came up to €124,274,576.63. The additional goodwill was counted as follows:

| <b>Amounts in €</b>                          |                 |
|--|-----------------|
| <b>ASSETS</b>                                |                 |
| <b>Fixed assets</b>                          |                 |
| Tangible fixed assets                        | 114,881,421.00  |
| Intangible fixed assets                      | 3,788,296.00    |
| Consolidation goodwill                       | 11,170,682.00   |
| Investments available for selling            | 411,746.00      |
| Deferred taxation                            | 1,841,362.00    |
| Other long-term debtors                      | 2,010,705.00    |
|  | 134,104,212.00  |
| <b>Current assets</b>                        |                 |
| Inventory                                    | 78,326,875.00   |
| Trade and other short-term receivables       | 51,645,578.00   |
| Investments fairly valued                    | 2,291,664.00    |
| <b>Cash and other cash equivalents</b>       | 25,843,214.00   |
|  | 158,107,331.00  |
| <b>TOTAL ASSETS</b>                          | 292,211,543.00  |
| <b>LIABILITIES</b>                           |                 |
| <u>Long-term liabilities</u>                 |                 |
| Loans & financial leasing                    | -45,053,321.00  |
| Deferred taxation                            | -2,175,525.00   |
| Employees' retirement                        | -1,109,970.00   |
| Tax provision                                | -907,434.00     |
|  | -49,246,250.00  |
| <u>Short-term liabilities</u>                |                 |
| Loans & financial leasing                    | -107,166,571.00 |
| Trade creditors and other liabilities        | -51,690,129.00  |
| Current tax liabilities                      | -5,074,226.00   |
| Provisions for risks and expenses            | -2,664,375.00   |
|  | -166,595,301.00 |
| <b>TOTAL LIABILITIES</b>                     | -215,841,551.00 |
| Minority interests                           | -9,326,976.00   |
| <b>TOTAL EQUITY ( Assets - Liabilities )</b> | 67,043,016.00   |

## HELLENIC DUTY FREE SHOPS S.A.

|                                      |                              |
|--------------------------------------|------------------------------|
| Group's acquisition percentage       | 0.951366                     |
| Group's purchased assets value       | 187,105.04                   |
| Cost of acquisition 01.07-30.09.2008 | 513,991.74                   |
| Plus: acquired goodwill              | 326,886.70                   |
| Plus: goodwill 30.06.2008            | <u>123,852,740.00</u>        |
| <b>Total goodwill on 30.09.2008</b>  | <b><u>124,179,626.70</u></b> |

During the current quarter (01.07 – 30.09.2008) the Group proceeded with the valuation of the property (land – buildings) of the acquired during the previous fiscal year (on 05.10.2007) ELMEC SPORT S.A., along with the assets (land – buildings) of its subsidiaries, FACTORY OUTLET S.A., , FACTORY OUTLET AIRPORT S.A., IPIROTIKI S.A., ELMEC ROMANIA SRL, ELMEC SPORT BULGARIA EOOD, at fair value.

The valuation has been made by an Independent Auditor according to IFRS 3 and within the provided 12month period from the acquisition.

The Group increased the value of the fixed assets of the aforementioned companies, in the consolidated statements, reaching their fair value, and reclassified them as tangible assets and investments in property.

The valuation of the assets (land – buildings) of the abovementioned companies is shown in the following table:

### **A. TANGIBLE ASSETS**

|                                     | <u>FAIR VALUE</u>    | <u>RESIDUAL<br/>VALUE</u> | <u>DIFFERENCE</u>        |
|-------------------------------------|----------------------|---------------------------|--------------------------|
| <b>1. ELMEC SPORT BULGARIA EOOD</b> | <b>156,408.00</b>    | <b>127,513.00</b>         | <b>28,895.00</b>         |
| <b>2. ELMEC ROMANIA SRL</b>         |                      |                           |                          |
| Land                                | 13,665,000.00        | 5,275,959.00              | <b>8,389,041.00</b>      |
| Buildings                           | 8,952,000.00         | 5,242,672.00              | <b>3,709,328.00</b>      |
|                                     | <b>22,617,000.00</b> | <b>10,518,631.00</b>      | <b>12,098,369.00</b>     |
| <b>3. ELMEC SPORT S.A.</b>          | 22,290,971.00        | 12,283,890.00             | <b>10,007,081.00</b>     |
| <b>4. IPIROTIKI S.A.</b>            | <u>36,728,109.00</u> | <u>36,518,980.00</u>      | <u><b>209,129.00</b></u> |
| <b>TOTAL ( 1 )</b>                  | <b>81,792,488.00</b> | <b>59,449,014.00</b>      | <b>22,343,474.00</b>     |

### **B. INVESTMENTS IN PROPERTY**

|                                       |                       |                      |                      |
|---------------------------------------|-----------------------|----------------------|----------------------|
| <b>1. FACTORY OUTLET S.A.</b>         | 57,975,539.00         | 8,041,753.00         | 49,933,786.00        |
| <b>2. IPIROTIKI S.A.</b>              | 7,024,416.00          | 2,133,799.00         | 4,890,617.00         |
| <b>3. FACTORY OUTLET AIRPORT S.A.</b> | 17,647,268.00         | 16,209,167.00        | 1,438,101.00         |
| <b>TOTAL ( 2 )</b>                    | <b>82,647,223.00</b>  | <b>26,384,719.00</b> | <b>56,262,504.00</b> |
| <b>TOTAL</b>                          | <b>164,439,711.00</b> | <b>85,833,733.00</b> | <b>78,605,978.00</b> |

The above difference of €78,605,978.00 reduced equally the goodwill from the acquisition of the group of Elmec Sport S.A., resulting in a €45,573,648 goodwill from the acquisition of Elmec Sport S.A.

**5.2.7 Property, Plant & 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.

During the selling of property, plant and equipment the differences between the obtained part and its accounting value are registered as gain or loss in the statements.

**5.2.8 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.

### **5.2.9 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.

### **5.2.10 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.

### **5.2.11 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.

### **5.2.12 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.

The currency of operation of the foreign subsidiaries of the Group (none of which had double digit inflation on the 31<sup>st</sup> December 2007) is the official currency of each country where the subsidiary operates. Therefore, in each date of the financial statements, all balance sheet accounts of assets and liabilities of the subsidiaries are translated into Euro based on the exchange rate effective at the date of the financial statements, and the accounts of shareholder equity are identified according to the historical rate. Income and expenses are translated based

on the average exchange rate, effective during the financial period covered by the financial statements.

### **5.2.13 Share Capital**

Common 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 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.

### **5.2.14 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.

### **5.2.15 Loans**

Loans are initially registered at their fair value deducted by the direct expenses for the realization of the transaction. Subsequently, they are evaluated at the non-depreciated cost based on the real interest rate. Any difference between the received amount (net from related expenses) and the payment value is identified at the results during the loan period based on the method of the real interest. Loans are classified as short term liabilities except when the Group has the right to postpone the payment of liability for at least 12 months from the date of the balance sheet. The loans debit interests' are classified directly in the income statement of the period they are related to.

### **5.2.16 Deferred taxation**

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

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

### **5.2.17 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).

### **5.2.18 Provisions**

Provisions are recognized when:

- a)** There is a present legal or constructive obligation as a result of past events,
- b)** It is more likely that an outflow of resources will be required to settle the obligation and,
- c)** The required amount has been reliably estimated.

### **5.2.19 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) Sale of goods*

Sale of goods is recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collection 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).

### **5.2.20 Dividend Distribution**

Thereinafter, the dividend distribution will be considered as the Company's obligation following the approval of the General Assembly. Thus, in this year end, they appear at the shareholders equity account and after their approval by the General Assembly, will be transferred to the Liabilities Account "Dividend payable". In the previous financial years, the company considered the dividend distribution as liability after their approval by the BoD and therefore they were appearing in the account "Dividend payable".

### **5.3 Significant accounting estimations and management judgment**

The Company proceeds to estimations and assumptions with regard to future events. There are no estimations or assumptions that could cause substantial adjustments in the accounting principles of the assets and the liabilities within the next 12 months.

### **5.4 Standards, amendments and interpretations on standards already in existence which are not yet in effect or adopted**

The International Accounting Standards Committee as well as the Interpretation Committee have issued a series of new accounting standards and interpretations which will be implemented for the accounting periods starting as of 1<sup>st</sup> January 2007 and or afterwards. The Group evaluates the impact of these new standards and interpretations as follows:

- **Amendments on IAS 1 "Presentation of Financial Statements" (is implemented for annual accounting periods starting as of or after 1<sup>st</sup> January 2009)**

IAS 1 has been amended to upgrade the utility of information presented in the financial statements.

The basic changes of this Standard are summarized in the separate presentation of the changes in net equity derived from transaction with the shareholders under their capacity as shareholders (e.g. dividends, capital increases) from the other changes in net equity (e.g. transition reserves). In addition, the advanced issue of the standard, brings changes in terminology as well as in the presentation of the financial statements.

However, the new definitions of the standard, do not change the rules of recognition, measurement or disclosure of specific transactions and other events required by the other standards.

The modification of IAS 1 is mandatory for the periods starting as of or after 1<sup>st</sup> January 2009 whilst, these requirements are also implemented in the IAS 8 "Accounting policies, changes in accounting estimations and errors". The changes caused by the modification of IAS 1 have retrospective implementation.



The Group has no intention to implement earlier the revised Standard.

- IFRS 7 Disclosures of Financial Instruments

The Group implemented for the first time the IFRS 7 "Disclosures of Financial Instruments", the implementation of which became mandatory for the financial period under examination, as well as the subsequent amendments on IAS 1 "Presentation of Financial Statements".

The impact of the implementation of IFRS 7 and the amendments of IAS 1 was the increase in the disclosures related to the financial instruments of the Group (see § 5.5)

### **Interpretation 7, Implementation of the revision approach of IAS 29 – Financial Statements in inflationary economies**

Interpretation 7 requires that during the period in which a company identifies double digit inflation in the economy of its operation currency, when there was no double digit inflation in the prior period, it should implement the requirements of IAS 29 as though the economy was always in inflationary situation.

Interpretation 7 does not apply to the Group.

### **Interpretation 9, Reevaluation of embedded derivatives**

Interpretation 9 requires that a company evaluates whether a contract includes an embedded derivative at the signing of the contract and any subsequent reevaluation is not allowed except if there is a change in the terms of the contract with a substantial impact on the cash flow.

Interpretation 9 does not apply to the Group.

### **Interpretation 10, Interim Financial Report and impairment**

Interpretation 10 may have an impact on the Financial statements in the case where an impairment loss is identified in an interim period related to surplus-value or investments in securities available for disposal or not listed, retained at cost, as this impairment can not cross entry in the following interim or annual financial statements.

The Interpretation 10 has no implementation in the Group.

Until the approval date of the financial statements, new IFRS, interpretations and amendments of the existing standards have been issued, the application of which is not mandatory for the current accounting period, and which the Group did not apply earlier, as follows:

### **Interpretation 14, "IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction " (applicable for accounting periods beginning on or after 1<sup>st</sup> January 2008)**

Interpretation 14 provides guidance on how to access the limit on the amount of the surplus that can be recognized as an asset in a defined benefit program according to IAS 19 "Employee benefits". It also explains how this limit may be affected when there is a legal or contractual minimum funding requirement and it also standardizes existing practice.

The Group expects that this interpretation will not affect its financial position or performance.

**Revised IFRS 3 "joint ventures" and Amended IAS 27 "Consolidated and company financial statements" (applicable for accounting periods beginning on or after 1<sup>st</sup> July 2009).**

On 10.01.2008, the International Accounting Standards Board issued IFRS 3 "joint ventures" and IAS 27 "Consolidated and company financial statements". The revised IFRS 3 introduces a series of changes to the accounting of joint ventures which will affect the amount of recognized goodwill, the results of the financial period, during which a joint venture is carried out, and future results. These changes include costing of expenses related to the acquisition and recognition of future changes at the fair value of the perspective valuation in the results (instead of adjusting goodwill). The amended IAS 27 requires that transactions leading to changes in participation percentages in subsidiaries should be recorded in the equity. Therefore, they do not affect the goodwill nor create a result (profit or loss). Furthermore, the amended standard changes the accounting of damages from subsidiaries, as well as loss of control of a subsidiary.

All the changes of the aforementioned standards will be applied as of their implementation date and will affect future acquisitions and transactions with minority shareholders as of this date and afterwards.

**Amendments in IAS 32 and IAS 1 "Financial Instruments available by the owner" (implemented for annual accounting periods starting as of or after 1<sup>st</sup> January 2009).**

The amendment in IAS 32 requires that certain financial instruments available by the owner (puttable instruments) and liabilities deriving from the liquidation of an entity are registered as shareholders equity provided that certain criteria are fulfilled. The amendment in IAS 1 requires disclosure of information with regard to "puttable instruments" that are registered in shareholders equity.

The Group expects that these amendments will not affect its financial statements.

- IFRS 8 Operating Sectors

The IFRS 8 maintains the general purpose of IAS 14. Demands that the financial entities whose shares and bonds are listed, as well as the financial entities currently in the process to issue shares or bonds, to present financial information per sector. If the explanatory notes of the financial statements include the consolidated financial statements of the mother company in the framework of IFRS 8, as well as the financial statements of the mother company, the financial information per sector is required only for the consolidated financial statements. The IFRS 8 is valid for financial years starting as of or after 1<sup>st</sup> January 2009.

- **IAS 23 Borrowing cost (amendment)**

In the revised standard of IAS 23 "Borrowing cost", the previous benchmark treatment of recognising borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of the asset. The revised version of IAS 23 Borrowing Cost needs to be applied for annual periods beginning as of or after 1st January 2009. The Group will not be affected by the specific amendment.

- **IFRIC 11 IFRS 2 - Transactions in participating titles of the same company or companies of the same group**

This interpretation is implemented for the annual accounting periods starting as of or after 1<sup>st</sup> March 2007. The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. This is a significant distinction as there are important differences in the required accounting management. For example, payment in cash are evaluated at fair value at each date of balance sheet. On the contrary, for payments in participating titles the fair value is determined at the date of provision and identified in the period where the relevant service is provided.

- **IFRIC 12 Service Concession Agreements**

This interpretation is implemented for the annual accounting periods starting as of or after 1<sup>st</sup> January 2008. IFRIC 12 provides instructions for the accounting and administration in which (i) an entity of the public sector (the "grantor") provides concession agreements for the provision of public services to professionals of the private sector ("administrators of concessions") and (ii) these provided services prerequisite the use of infrastructure by the administrator of the concession (private enterprise). IFRIC 12 is a long interpretation which refers to a complicated issue.

- **IFRIC 13 Customer Loyalty Programmes**

The International Financial Reporting Interpretations Committee (IFRIC) issued a new interpretation relating to the application of IAS 18 Revenue Recognition. IFRIC 13 "Customer Loyalty Programmes" clarifies that where entities grant award credits (e.g. loyalty points or reward miles) as part of a sales transaction and customers can redeem those award credits in the future for free or discounted goods or services, IAS 18 paragraph 13 applies. This requires that the award credits are treated as a separate component of the sales transaction and an amount of the consideration received or receivable needs to be allocated to the award credits. The timing of the recognition of this element of revenue is deferred until the entity satisfies its obligations relating to the award credits, either by supplying the rewards directly or by transferring the obligation to a third party. IFRIC 13 needs to be applied for annual periods beginning on or after 1st July 2008.

### **5.5. Financial Risk Management – Financial Risk Factors**

The Group is exposed to market, credit and liquidity risk.

The risk management is under the responsibility of both treasury and credit departments.

#### **Market risk**

##### Foreign exchange risk:

(a) Risk of reduction of gross profitability due to revalue of US dollar.

(b) Risk derived from the conversion of financial statements expressed in foreign exchange currency.

As far as (a) is concerned, the risk derives from the fact that the group purchases part of its merchandise (as far as the ELMEC SPORT Group is concerned) at prices expressed in USD and disposes this merchandise in the Greek, Romanian, and Bulgarian markets at prices expressed in local currency, and specifically from the fact that these prices are defined approximately 9 months before the Group proceeds to their import, payment and disposal. Since the sale prices are defined several months before the import and payment of merchandise, any revalue of the USD would increase the cost of sales without subsequent increase in selling prices, resulting to loss of part of gross profit of the Group.

The Group Treasury department in cooperation with the respective Commercial Departments is responsible for the management of this risk. The BoD takes the decision if and to which degree the Group should be covered against the foreign exchange currency risk. The Commercial Departments take into consideration the risk of the change of the exchange rate for the determination of the selling prices of their merchandise.

The Group in the past was using products for the counter balance of exchange risk, mainly agreements of "forward type". However, the use of these products during the financial year under examination was negligible compared to the level of the total purchases and liabilities of the Group in USD.

The liabilities of the Group in USD as at 31.12.2007 amounted to \$500,237 against \$103,555 at 31.12.2006. However, these amounts are not representing the risk the group is exposed to. The management considers more representative the total purchase amount in USD during the year which is \$27,115,620 for 2007 against \$35,246,214 for 2006.

Taking into consideration the total purchases of the group in USD and based on the "sensitivity analysis" executed by the company for internal use (revalue)/devaluation of USD against EURO by 10%, would impose (reduction)/increase in net profit of financial year 2007 by approx. €(1.4)/1.2 million, whilst, by approx. €(2.1)/1.7 million for the financial year 2006. The "reduction of sensitivity" is attributed to the fact that since June 2006 and thereafter, the Group purchases the NIKE products, sold in the Greek domestic market in EURO (and not in USD).

As far as (b) is concerned, the Group has investments in foreign enterprises, for which Euro is not their operating currency; therefore their financial statements are not expressed in Euro. Thus, the Group is exposed in risk from the conversion of these financial statements in Euro, in order to be consolidated in the financial statements of the Group.

For the fiscal year:

a) In case the Romanian currency (RON) was revalued/(devalued) by 10% compared to Euro, the net profit of the Group would be higher/(lower) by approx. €1.5/(1.3) million as a result of the conversion of the financial statements of Elmec Romania SRL from its operation currency to Euro. In addition, the shareholders equity would be higher/lower by approx. €2.2/(1.8) million.

Subsequently, the net profit of the financial year 2006 for the Group would be higher/(lower) by approx. €147/(120) thousand and the shareholders equity would be higher/(lower) by approx. €653/(534) thousand. The "increase of sensitivity" is attributed in the high profitability of Elmec Romania SRL during the financial year 2007, which subsequently is attributed mainly in the sale of its contribution in MicroCom Doi SRL.

b) In case the Bulgarian currency (BGN) was revalued/(devalued) by 10% compared to Euro, the net profit of the Group would be higher/(lower) by approx. €112/(92) thousand as a result of the conversion of the financial statements of Elmec Sport Bulgaria EOOD from its operation currency(BGN) to Euro. In addition the own share capital would be higher/(lower) by approx. €324/(265) thousand.

Subsequently, the net profit of the financial year 2006 for the Group would be higher/(lower) by approx. €30/(25) thousand and the shareholder equity would be higher/(lower) by approx. €212/(173) thousand. The "increase of sensitivity" is attributed in the high profitability of Elmec Sport Bulgaria EOOD during the financial year 2007.

c) In case the Great Britain currency (GBP) was revalued/(devalued) by 10% compared to Euro, the net profit for the Group would be higher/(lower) by approx. €239/(196) thousand as a result of the translation of the financial statements of LINKS Ltd from its operation currency (GBP) to Euro. In addition the own share capital would be higher/lower by approx. €239/(215) thousand.

Subsequently, the net profit of the financial year 2006 for the Group would be higher/(lower) by approx. €85/(35) thousand and the shareholder equity would be higher/(lower) by approx. €113/(110) thousand.

### Price Risk

The company possesses certain securities listed in the ASE, and therefore their fair value is determined by the market prices and the valuation differences are registered in the results. Based on the possessed securities as of 31.12.2007, an increase/(decrease), in prices by 10% would impose increase/(decrease) on net profit in financial year 2007 by approx. €268 thousand.

Besides, the prices of merchandise of the Group (fashion, footwear, cosmetics etc) do not present any particular variation, therefore they are not considered as price risk source.

### Interest risk

This risk is based on the Building and equipment Lease agreements, as well as the bonding and short term bank loans of the Group and specifically from the fact that these agreements are expressed in floating rate in connection with EURIBOR index.

Based on the "sensitivity analysis" executed by the Group for internal use, an increase in EURIBOR by 1 percentage would impose reduction in profit after tax and minority results of financial year 2007 by approx. €2,184 thousand whilst, by approx. €886 thousand for 2006. The increase in "sensitivity" is based on the increase of the average loan balance.

### **5.5.1 Credit Risk**

The credit risk results from cash in hand, bank deposits, as well as from credit reports to the wholesale sales customers of the ELMEC SPORT GROUP.

As far as banks and other financial institutions are concerned in general, the risk is low due to accurate selection of the financial institutions with substantial credit rating, under the responsibility of the Treasury Department.

Additionally, the credit risk resulting from the wholesales is limited, due to the wide clientele of the Group.

The credit risk related to wholesale sales is managed by the Credit Department of the Group and includes, among others, detailed control of the financial data of its client before any decision is taken

for the provision of the credit limit to the client. The BoD is responsible for the credit policy for the companies of the Group.

In addition, the mother company ELMEC SPORT has signed insurance credit contracts with the companies Euler Hermes and Attradius, which cover part of the credit in Greece and abroad.

### **5.5.2 Liquidity Risk**

Considerable management of liquidity risk prerequisites a) substantial security of cash in hand, b) availability of financing through substantial credit lines.

Due to the dynamic nature of its operations, the group preserves financing flexibility by keeping high unused limits in short term bank loan contracts.

Furthermore, the Group possesses €35 million representing receivables by wholesale trades and another €19 million representing receivables from banks. These could be directly and at low cost liquidated strengthening the liquidity of the Group.

The Treasury Department composes anticipated cash flow statements under the supervision of management for optimum liquidity management.

The loan and other liabilities on the Group and the Company classified by the schedule of payment are presented extensively by the annual financial statements.

### **5.5.3 Capital Management**

The Capital Management intends to secure the continuation of the operations of the Group in order to provide profits to the shareholders and benefits to other interested parties.

The tools for the capital management are the dividend policy the issuance or return of capital and sale and purchase of assets.

The leverage ratio is the basic factor for capital management and is calculated as net debt divided to the total capital. The net debt is calculated as the total loans (including short and long term loans) minus the cash in hand. The total capital is calculated as shareholders equity appearing in the balance sheet plus the net debt.

The leverage ratio was estimated at 30.06.2008 and at 30.06.2007 respectively as follows:

| Amounts in € thousand | The Group      |                | The Company    |                |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | 30/09/2008     | 30/09/2007     | 30/09/2008     | 30/09/2007     |
| Borrowing capital     | 353,735        | 60,000         | 163,547        | 0              |
| Less: Cash            | 42,281         | 63,891         | 19,122         | 50,448         |
| Net debt              | <u>396,016</u> | <u>123,891</u> | <u>182,669</u> | <u>50,448</u>  |
| Total Equity          | <u>165,768</u> | <u>159,677</u> | <u>177,773</u> | <u>158,302</u> |
| Leverage ratio        | 70.5%          | 43.7%          | 50.7%          | 24.2%          |

The leverage ratio was increased at year end due to (a) the acquisition of the ELMEC SPORT Group.

### **5.5.4 Accounting Principles and Accounting Management**

The Total of Accounting Principles and Accounting Management implemented by the Company for the disclosure and evaluation for its financial instruments are presented in note 3 "summary of basic accounting principles" and separate notes for the financial instruments.

### **5.5.6 Categories and Analysis of Financial Instruments**

All financial instruments used by the company are presented and analyzed as above, either on the financial statements of in the relevant notes.

## **5.6. Transition to IFRS**

### **5.6.1. Basis of transition to IFRS**

#### **5.6.1.1 Application of IFRS 1**

The Company's and the Group's financial statements for the year 31<sup>st</sup> December 2005 were the first annual financial statements under IFRS. These financial statements have been prepared according to the above-mentioned. The Group has complied with IFRS 1. The reporting date of these financial statements is 31<sup>st</sup> December 2005. The IFRS adoption date is 1<sup>st</sup> January 2005. For the preparation of these financial statements, the group has implemented some of the optional exceptions of the retrospective implementation.

#### **5.6.1.2 Exemptions from full retrospective application decided by the Group** **Employee benefits**

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

#### **5.6.1.3 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.



## HELLENIC DUTY FREE SHOPS S.A.

### 5.7. Tangible Assets

The changes in property, plant and equipment of the Group and the Company are provided below:

| GROUP  |                  |                   |                                  |                      |                                 |                                 |                   |
|--|------------------|-------------------|----------------------------------|----------------------|---------------------------------|---------------------------------|-------------------|
|  | Land             | Buildings         | Machinery & Mechanical equipment | Transportation means | Furniture, Fittings & equipment | Fixed assets under construction | Total             |
| <b>01.01 – 31.12.2007</b>                    |                  |                   |                                  |                      |                                 |                                 |                   |
| Opening balance 01.01.2007                   | 101.93           | 27,682.15         | 3,511.32                         | 1,373.86             | 27,761.49                       | 3,578.74                        | 64,009.49         |
| Additions                                    | 0.30             | 2,731.06          | 806.52                           | 127.11               | 5,029.42                        | 3,371.08                        | 12,065.49         |
| Transitions                                  | 0.00             | 131.61            | 1,972.37                         | 45.60                | -2,149.58                       | 0.00                            | 0.00              |
| Assets of acquired subsidiary                | 13,431.69        | 58,089.92         | 1,301.39                         | 1,165.68             | 20,185.44                       | 30,447.47                       | 124,621.59        |
| Currency exchange differences                | 0.00             | -497.30           | -102.22                          | -0.57                | -954.45                         | 0.00                            | -1,554.55         |
| Disposals                                    | 0.00             | -188.72           | -145.78                          | -229.32              | -729.01                         | -2.21                           | -1,295.05         |
| <b>Balance 31.12.2007</b>                    | <b>13,533.92</b> | <b>87,948.71</b>  | <b>7,343.59</b>                  | <b>2,482.36</b>      | <b>49,143.31</b>                | <b>37,395.08</b>                | <b>197,846.98</b> |
| <b>Accumulated Depreciation</b>              |                  |                   |                                  |                      |                                 |                                 |                   |
| Balance 01.01.2007                           | 0.00             | 8,175.85          | 2,276.74                         | 954.39               | 19,081.40                       | 0.00                            | 30,488.38         |
| Depreciation from acquisition of subsidiary  | 0.00             | 8,899.21          | 522.35                           | 653.49               | 7,691.08                        | 0.00                            | 17,766.13         |
| Currency exchange differences                | 0.00             | -156.90           | -43.17                           | -0.57                | -479.94                         | 0.00                            | -680.58           |
| Depreciation for the period                  | 0.00             | 2,285.66          | 826.45                           | 181.48               | 3,259.93                        | 0.00                            | 6,553.52          |
| Impairment of depreciation                   | 0.00             | -246.74           | -144.84                          | -149.85              | -633.51                         | 0.00                            | -1,174.95         |
| <b>Balance 31.12.2007</b>                    | <b>0.00</b>      | <b>18,957.08</b>  | <b>3,437.52</b>                  | <b>1,638.94</b>      | <b>28,918.96</b>                | <b>0.00</b>                     | <b>52,952.50</b>  |
| <b>Residual value 31.12.2007</b>             | <b>13,533.92</b> | <b>68,991.63</b>  | <b>3,906.07</b>                  | <b>843.42</b>        | <b>20,224.36</b>                | <b>37,395.08</b>                | <b>144,894.48</b> |
| <b>Balance 01.01.2008</b>                    | 13,533.92        | 87,948.71         | 7,343.59                         | 2,482.36             | 49,143.31                       | 37,395.08                       | 197,846.98        |
| Additions                                    | 2,480.90         | 2,785.37          | 647.35                           | 150.43               | 5,206.44                        | 8,252.65                        | 19,523.14         |
| Transitions                                  | 0.00             | 724.82            |                                  | 0.00                 | 4.24                            | -1,311.13                       | -582.07           |
| Escalation in fair value                     | 29,947.69        | 48,658.28         |                                  |                      |                                 |                                 | 78,605.97         |
| Currency exchange differences                | -58.63           | -27.75            | -690.15                          | -10.35               | -2,427.19                       | 1,243.04                        | -1,971.03         |
| Disposals                                    |                  | -278.76           |                                  | -147.92              | -247.10                         |                                 | -673.78           |
| <b>Balance September 30th 2008</b>           | 45,903.88        | 139,810.67        | 7,300.79                         | 2,474.52             | 51,679.70                       | 45,579.64                       | 292,749.21        |
| <b>Accumulated Depreciation</b>              |                  |                   |                                  |                      |                                 |                                 |                   |
| Balance 01.01.2007                           | 0.00             | 18,957.08         | 3,437.52                         | 1,638.94             | 28,918.96                       | 0.00                            | 52,952.50         |
| Depreciation for the period                  | 0.00             | 3,537.22          | 581.96                           | 206.13               | 3,756.79                        | 0.00                            | 8,082.10          |
| Transitions                                  | 0.00             | 308.81            | 1,097.31                         | 45.99                | -1,370.30                       |                                 | 81.81             |
| Currency exchange differences                | 0.00             | 416.79            | -289.84                          | -18.32               | -815.88                         |                                 | -707.25           |
| Impairment of depreciation                   | 0.00             | -235.82           | 0.00                             | -64.55               | -149.03                         |                                 | -449.40           |
| <b>Balance 30.09.2008</b>                    | 0.00             | 22,984.08         | 4,826.95                         | 1,808.19             | 30,340.54                       | 0.00                            | 59,959.76         |
| <b>Residual value on September 30th 2008</b> | <b>45,903.88</b> | <b>116,826.59</b> | <b>2,473.84</b>                  | <b>666.33</b>        | <b>21,339.16</b>                | <b>45,579.64</b>                | <b>232,789.45</b> |

## HELLENIC DUTY FREE SHOPS S.A.

|                                       | COMPANY       |                  |                                  |                      |                                 |                                 |                  |
|---------------------------------------|---------------|------------------|----------------------------------|----------------------|---------------------------------|---------------------------------|------------------|
|                                       | Land          | Buildings        | Machinery & Mechanical equipment | Transportation means | Furniture, Fittings & equipment | Fixed assets under construction | Total            |
| <b>01.01 – 31.12.2007</b>             |               |                  |                                  |                      |                                 |                                 |                  |
| Opening balance 01.01.2007            | 101.93        | 22,586.02        | 3,251.08                         | 1,307.88             | 18,012.18                       | 2,678.28                        | 47,937.37        |
| Additions                             | 0.30          | 672.96           | 205.07                           | 0.00                 | 1,590.63                        | 805.16                          | 3,274.12         |
| Disposals                             | 0.00          | 0.00             | -23.48                           | -16.15               | -110.65                         | -2.21                           | -152.49          |
| <b>Balance 31.12.2007</b>             | <b>102.23</b> | <b>23,258.98</b> | <b>3,432.67</b>                  | <b>1,291.73</b>      | <b>19,492.16</b>                | <b>3,481.23</b>                 | <b>51,059.00</b> |
| <b>Accumulated Depreciation</b>       |               |                  |                                  |                      |                                 |                                 |                  |
| Balance 01.01.2007                    | 0.00          | 6,529.77         | 2,110.63                         | 936.12               | 13,556.25                       | 0.00                            | 23,132.77        |
| Depreciation for the period           | 0.00          | 1,046.45         | 251.23                           | 125.01               | 1,594.15                        | 0.00                            | 3,016.84         |
| Impairment of depreciation            | 0.00          | 0.00             | -18.94                           | -12.93               | -110.65                         | 0.00                            | -142.52          |
| <b>Balance 31.12.2007</b>             | <b>0.00</b>   | <b>7,576.22</b>  | <b>2,342.92</b>                  | <b>1,048.20</b>      | <b>15,039.75</b>                | <b>0.00</b>                     | <b>26,007.09</b> |
| <b>Residual value 31.12.2007</b>      | <b>102.23</b> | <b>15,682.76</b> | <b>1,089.75</b>                  | <b>243.53</b>        | <b>4,452.41</b>                 | <b>3,481.23</b>                 | <b>25,051.91</b> |
| Balance 01.01.2008                    | 102.23        | 23,258.98        | 3,432.67                         | 1,291.73             | 19,492.16                       | 3,481.23                        | 51,059.00        |
| Additions                             |               | 651.46           | 255.47                           | 20.49                | 868.11                          | 453.85                          | 2,249.38         |
| Transitions                           |               | 300.51           |                                  |                      |                                 | -971.08                         | -670.57          |
| Disposals                             |               |                  |                                  |                      |                                 |                                 | 0.00             |
| <b>Balance on September 30th 2008</b> | <b>102.23</b> | <b>24,210.95</b> | <b>3,688.14</b>                  | <b>1,312.22</b>      | <b>20,360.27</b>                | <b>2,964.00</b>                 | <b>52,637.81</b> |
| <b>Accumulated Depreciation</b>       |               |                  |                                  |                      |                                 |                                 |                  |
| Balance 01.01.2007                    | 0.00          | 7,576.22         | 2,342.92                         | 1,048.20             | 15,039.75                       | 0.00                            | 26,007.09        |
| Depreciation for the period           |               | 811.64           | 175.71                           | 78.95                | 1157.54                         |                                 | 2,223.84         |
| Impairment of depreciation            |               |                  |                                  |                      |                                 |                                 | 0.00             |
| <b>Balance on September 30th 2008</b> | <b>0.00</b>   | <b>8,387.86</b>  | <b>2,518.63</b>                  | <b>1,127.15</b>      | <b>16,197.29</b>                | <b>0.00</b>                     | <b>28,230.93</b> |
| <b>Residual value 30.09.2008</b>      | <b>102.23</b> | <b>15,823.09</b> | <b>1,169.51</b>                  | <b>185.07</b>        | <b>4,162.98</b>                 | <b>2,964.00</b>                 | <b>24,406.88</b> |

## HELLENIC DUTY FREE SHOPS S.A.

### 5.8. Intangible Assets

|   | The Group             |                           |                   |  |                   |
|---|-----------------------|---------------------------|-------------------|--|-------------------|
|   | Other set up expenses | Acquisition of subsidiary | Goodwill          | Grant & right for industrial ownership | Total Group       |
| <b>01.01 – 31.12.2007</b>                       |                       |                           |                   |  |                   |
| Balance 01.01.2007                              | 5,410.66              | 3,859.76                  | 52,366.39         | 58,694.05                              | 120,330.86        |
| Additions                                       | 143.11                |                           | 0.00              | 25.00                                  | 168.11            |
| Additions from acquisition of subsidiary        | 1,389.72              |                           | 11,170.68         | 3,869.66                               | 16,430.06         |
| From acquisition of subsidiary                  |                       |                           | 119,136.11        |  | 119,136.11        |
| Currency exchange differences                   | -325.64               |                           | 0.00              | 0.00                                   | -325.64           |
| Disposals                                       | 0.00                  |                           | 0.00              | 0.00                                   | 0.00              |
| <b>Balance 31.12.2007</b>                       | <b>6,617.85</b>       | <b>3,859.76</b>           | <b>182,673.18</b> | <b>62,588.71</b>                       | <b>255,739.50</b> |
| <b>Accumulated Depreciation</b>                 |                       |                           |                   |  |                   |
| Balance 01.01.2007                              | 2,072.52              | 19.38                     | 0.00              | 10,564.92                              | 12,656.82         |
| Depreciation from the acquisition of subsidiary | 792.80                |                           |                   | 906.26                                 | 1,699.06          |
| Depreciation for the period                     | 672.65                |                           | 0.00              | 1,254.14                               | 1,926.79          |
| Impairment of depreciation                      | 0.00                  |                           | 0.00              | 0.00                                   | 0.00              |
| Currency exchange differences                   | -1.84                 |                           | 0.00              | 0.00                                   | -1.84             |
| <b>Balance 31.12.2007</b>                       | <b>3,536.13</b>       | <b>19.38</b>              | <b>0.00</b>       | <b>12,725.32</b>                       | <b>16,280.83</b>  |
| <b>Residual value 31.12.2007</b>                | <b>3,081.72</b>       | <b>3,840.38</b>           | <b>182,673.18</b> | <b>49,863.39</b>                       | <b>239,458.67</b> |
| <b>01.01 – 30.09.2008</b>                       |                       |                           |                   |  |                   |
| Balance 01.01.2008                              | 6,617.85              | 3,859.76                  | 182,673.18        | 62,588.71                              | 255,739.50        |
| Additions                                       | 219.60                | 1.23                      | 0.00              | 458.65                                 | 679.48            |
| Transitions                                     | 971.25                | -314.75                   |                   | -5.00                                  | 651.50            |
| From acquisition of subsidiary                  |                       |                           | 5,043.51          |  | 5,043.51          |
| Currency exchange differences                   | -13.24                | -255.40                   |                   |  | -268.64           |
| Disposals                                       |                       |                           |                   |  | 0.00              |
| <b>Balance 30.09.2008</b>                       | <b>7,795.46</b>       | <b>3,290.84</b>           | <b>187,716.69</b> | <b>63,042.36</b>                       | <b>261,845.35</b> |
| <b>Accumulated Depreciation</b>                 |                       |                           |                   |  |                   |
| Balance 01.01.2008                              | 3,536.13              | 19.38                     | 0.00              | 12,725.32                              | 16,280.83         |
| Depreciation from the acquisition of subsidiary |                       |                           |                   |  | 0.00              |
| Depreciation for the period                     | 662.36                | 2.66                      |                   | 1,138.16                               | 1,803.18          |
| Escalation from fair value                      |                       |                           | 78,605.97         |  | 78,605.97         |
| Transitions                                     | -11.11                |                           |                   | 1.00                                   | -10.11            |
| Impairment of depreciation                      |                       |                           |                   |  | 0.00              |
| Currency exchange differences                   | -6.21                 | -0.09                     |                   |  | -6.30             |
| <b>Balance 30.09.2008</b>                       | <b>4,181.17</b>       | <b>21.95</b>              | <b>78,605.97</b>  | <b>13,864.48</b>                       | <b>96,673.57</b>  |
| <b>Residual value 30.09.2008</b>                | <b>3,614.29</b>       | <b>3,268.89</b>           | <b>109,110.72</b> | <b>49,177.88</b>                       | <b>165,171.78</b> |

## HELLENIC DUTY FREE SHOPS S.A.

| The Company                      |                       |  |                  |
|----------------------------------|-----------------------|--|------------------|
|                                  | Other set up expenses | Grant & right for industrial ownership | Total Company    |
| <b>01.01 – 31.12.2007</b>        |                       |  |                  |
| Balance 01.01.2007               | 5,239.72              | 58,694.06                              | 63,933.78        |
| Additions                        | 29.14                 | 0.00                                   | 29.14            |
| Disposals                        | 0.00                  | 0.00                                   | 0.00             |
| <b>Balance 31.12.2007</b>        | <b>5,268.86</b>       | <b>58,694.06</b>                       | <b>63,962.92</b> |
| <b>Accumulated depreciation</b>  |                       |  |                  |
| Balance 01.01.2007               | 1,963.12              | 10,564.93                              | 12,528.05        |
| Depreciation for the period      | 603.85                | 1,173.87                               | 1,777.72         |
| Impairment of depreciation       | 0.00                  | 0.00                                   | 0.00             |
| <b>Balance 31.12.2007</b>        | <b>2,566.97</b>       | <b>11,738.80</b>                       | <b>14,305.77</b> |
| <b>Residual value 31.12.2007</b> | <b>2,701.89</b>       | <b>46,955.26</b>                       | <b>49,657.15</b> |
| <b>01.01 – 30.09.2008</b>        |                       |  |                  |
| Balance 01.01.2008               | 5,268.86              | 58,694.06                              | 63,962.92        |
| Additions                        | 120.18                | 25.30                                  | 145.48           |
| Transitions                      | 670.57                |  | 670.57           |
| Disposals                        |                       |  | 0.00             |
| <b>Balance 30.09.2008</b>        | <b>6,059.61</b>       | <b>58,719.36</b>                       | <b>64,778.97</b> |
| <b>Accumulated depreciation</b>  |                       |  |                  |
| Balance 01.01.2008               | 2,566.97              | 11,738.80                              | 14,305.77        |
| Depreciation for the period      | 530.95                | 881.06                                 | 1,412.01         |
| Impairment of depreciation       |                       |  | 0.00             |
| <b>Balance 30.09.2008</b>        | <b>3,097.92</b>       | <b>12,619.86</b>                       | <b>15,717.78</b> |
| <b>Residual value 30.09.2008</b> | <b>2,961.69</b>       | <b>46,099.50</b>                       | <b>49,061.19</b> |

### 5.9. Investments in Subsidiaries

|                              | THE GROUP   |             | THE COMPANY       |                   |
|------------------------------|-------------|-------------|-------------------|-------------------|
|                              | 30.09.2008  | 31.12.2007  | 30.09.2008        | 31.12.2007        |
| <b>Amounts in € thousand</b> |             |             |                   |                   |
| HELLENIC DISTRIBUTIONS S.A.  | 0.00        | 0.00        | 12,599.97         | 12,599.97         |
| HELLENIC TURIST BUREAU S.A.  | 0.00        | 0.00        | 499.95            | 499.95            |
| HDFS SCOPJE DOO              | 0.00        | 0.00        | 960.00            | 960.00            |
| ELMEC SPORT S.A.             | 0.00        | 0.00        | 216,566.61        | 207,660.64        |
|                              | <b>0.00</b> | <b>0.00</b> | <b>230,626.53</b> | <b>221,720.56</b> |

### 5.10. Other fixed assets

|                              | THE GROUP       |                 | THE COMPANY     |                 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                              | 30.09.2008      | 31.12.2007      | 30.09.08        | 31.12.2007      |
| <i>Amounts in € thousand</i> |                 |                 |                 |                 |
| Other long term receivables  | 1,832.61        | 1,336.79        | 0.00            | 0.00            |
| Warranty deposits            | 6,032.63        | 5,584.27        | 3,822.38        | 3,638.60        |
|                              | <b>7,865.24</b> | <b>6,921.06</b> | <b>3,822.38</b> | <b>3,638.60</b> |

## HELLENIC DUTY FREE SHOPS S.A.

### 5.11. Inventory

|                                  | The Group         |                   | The Company      |                  |
|----------------------------------|-------------------|-------------------|------------------|------------------|
|                                  | 30.09.2008        | 31.12.2007        | 30.09.2008       | 31.12.2007       |
| Merchandise                      | 161,643.10        | 124,142.42        | 59,143.34        | 42,223.56        |
| Products                         | 82.81             | 108.15            | 0.00             | 0.00             |
| Stock & supply                   | 557.46            | 722.59            | 0.00             | 237.49           |
| Other's merchandise              | 0.00              | 163.34            | 0.00             | 0.00             |
| Less: provisions of depreciation | -3,033.61         | -3,093.93         | 0.00             | 0.00             |
|                                  | <b>159,249.75</b> | <b>122,042.57</b> | <b>59,143.34</b> | <b>42,461.05</b> |

### 5.12 Trade and other current assets

|                                   | The Group        |                  | The Company      |                 |
|-----------------------------------|------------------|------------------|------------------|-----------------|
|                                   | 30.09.2008       | 31.12.2007       | 30.09.2008       | 31.12.2007      |
| Trade receivables                 | 23,626.57        | 22,347.39        | 532.29           | 314.47          |
| Cash receipt voucher & notes      | 1,299.65         | 1,909.21         | 0.00             | 0.00            |
| Checks                            | 14,031.85        | 11,219.49        | 5.00             | 0.00            |
| Dividends received                | 2.00             |                  | 0.00             |                 |
| Sundry debtors                    | 42,905.66        | 36,105.32        | 10,344.96        | 5,181.61        |
| Deposits for purchasing inventory | 5,560.77         | 6,693.03         | 512.16           | 535.49          |
| Other receivables                 | 2,413.06         | 2,788.40         | 219.30           | 116.37          |
|                                   | <b>89,839.56</b> | <b>81,062.84</b> | <b>11,613.71</b> | <b>6,147.94</b> |

### 5.13 Financial Assets

|            | The Group     |                 | The Company   |                 |
|------------|---------------|-----------------|---------------|-----------------|
|            | 30.09.2008    | 31.12.2007      | 30.09.2008    | 31.12.2007      |
| Securities | 817.33        | 1,712.49        | 804.23        | 1,694.89        |
|            | <b>817.33</b> | <b>1,712.49</b> | <b>804.23</b> | <b>1,694.89</b> |

### 5.14 Cash and Cash equivalent

|                           | The Group        |                  | The Company      |                 |
|---------------------------|------------------|------------------|------------------|-----------------|
|                           | 30.09.2008       | 31.12.2007       | 30.09.2008       | 31.12.2007      |
| Cash in hand              | 2,407.75         | 2,918.64         | 1,670.60         | 1,388.10        |
| Current and time deposits | 39,850.24        | 35,082.31        | 17,428.64        | 3,212.10        |
| Credit cards (Banks)      | 22.78            | 11.68            | 22.71            | 11.60           |
|                           | <b>42,280.77</b> | <b>38,012.63</b> | <b>19,121.95</b> | <b>4,611.80</b> |

### 5.15 Share Capital and Share premium

The total authorized number of common shares is 52,675,000 shares with a nominal value of €0.30 per share. All issued shares are fully paid. Information concerning Share Capital and own shares is provided below:

## HELLENIC DUTY FREE SHOPS S.A.

|                     | Number of shares | Common shares | Issued capital | Share premium | Own shares |
|---------------------|------------------|---------------|----------------|---------------|------------|
| 31st December 2007  | 52,675,000       | 52,675,000    | 15,802.50      | 65,259.02     | 336,660    |
| 30th September 2008 | 52,675,000       | 52,675,000    | 15,802.50      | 65,259.02     | 477,288    |

### 5.16 Fair Value Reserves

|   | The Group    |              | The Company  |              |
|---|--------------|--------------|--------------|--------------|
|   | 30.09.2008   | 31.12.2007   | 30.09.2008   | 31.12.2007   |
| Differences resulting from readjustment of securities value | 49.81        | 49.81        | 49.81        | 49.81        |
|   | <b>49.81</b> | <b>49.81</b> | <b>49.81</b> | <b>49.81</b> |

### 5.17 Other Reserves

|  | The Group        |                  | The Company      |                  |
|--|------------------|------------------|------------------|------------------|
|  | 30.09.2008       | 31.12.2007       | 30.09.2008       | 31.12.2007       |
| Legal reserve  | 12,498.93        | 12,474.27        | 12,273.20        | 12,273.20        |
| Tax free reserves from exempted from taxation income | 15,203.25        | 15,203.25        | 15,065.91        | 15,065.90        |
| Extraordinary reserve                                | 4,578.25         | 4,578.25         | 4,578.25         | 4,578.25         |
|  | <b>32,280.43</b> | <b>32,255.77</b> | <b>31,917.35</b> | <b>31,917.35</b> |

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 approves the distribution of reserves. With regard to tax free reserves under Law 3220/2004, the Company followed the tax legislation.

### 5.18 Loans

The Loans are presented below:

|                              | THE GROUP         |                   | THE COMPANY       |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                              | 30.09.2008        | 31.12.2007        | 30.09.2008        | 31.12.2007        |
| <i>Amounts in € thousand</i> |                   |                   |                   |                   |
| Long term borrowing          |                   |                   |                   |                   |
| Debenture loan               | 84,500.00         |                   |                   |                   |
| Bank loan                    | 127,733.69        | 207,121.67        | 100,000.00        | 100,000.00        |
| Total long term borrowing    | <b>212,233.69</b> | <b>207,121.67</b> | <b>100,000.00</b> | <b>100,000.00</b> |
| Short term borrowing         |                   |                   |                   |                   |
| Bank loan                    | 56,191.07         | 45,520.63         | 0.00              |                   |
| Current accounts             | 63,547.30         | 63,643.85         | 63,547.30         | 63,643.85         |
| Other debts                  | 21,763.08         | 3,767.61          | 0.00              |                   |
| Total short term borrowing   | <b>141,501.45</b> | <b>112,932.09</b> | <b>63,547.30</b>  | <b>63,643.85</b>  |
| <b>Total borrowing</b>       | <b>353,735.14</b> | <b>320,053.76</b> | <b>163,547.30</b> | <b>163,643.85</b> |

## HELLENIC DUTY FREE SHOPS S.A.

The repayment time of the loan is presented below:

| <b>30/09/2008</b> | <b>Two to five years</b> | <b>More than five years</b> | <b>Two to five years</b> | <b>More than five years</b> |
|-------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
| <b>Bank loan</b>  | 340,445.86               | 13,289.28                   | 163,547.30               | 0                           |
|                   | <b>340,445.86</b>        | <b>13,289.28</b>            | <b>163,547.30</b>        | <b>0</b>                    |
| <b>31/12/2007</b> | <b>Two to five years</b> | <b>More than five years</b> | <b>Two to five years</b> | <b>More than five years</b> |
| <b>Bank loan</b>  | 301,831.55               | 14,454.60                   | 163,643.85               | 0                           |
|                   | <b>301,831.55</b>        | <b>14,454.60</b>            | <b>163,643.85</b>        | <b>0</b>                    |

### 5.19 Other long term liabilities

|                     | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|---------------------|-------------------|-------------------|--------------------|-------------------|
|                     | <b>30.09.2008</b> | <b>31.12.2007</b> | <b>30.09.2008</b>  | <b>31.12.2007</b> |
| Long term financing | 6,326.71          | 7,428.39          | 0.00               | 0.00              |
| Tax provisions      | 860.12            | 0.00              | 0.00               | 0.00              |
|                     | <b>7,186.83</b>   | <b>7,428.39</b>   | <b>0.00</b>        | <b>0.00</b>       |

### 5.20 Trade and other short term liabilities

| <i>Amounts in € thousand</i>       | <b>The Group</b>  |                   | <b>The Company</b> |                   |
|------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                    | <b>30.09.2008</b> | <b>31.12.2007</b> | <b>30.09.2008</b>  | <b>31.12.2007</b> |
| Trade payables                     | 93,338.95         | 71,989.69         | 31,904.49          | 18,743.32         |
| Payments received                  | 15,034.08         | 15,332.84         | 221.96             | 0.00              |
| Prepayments from trade receivables | 3,107.33          | 4,481.03          | 120.09             | 105.42            |
| Taxes - duties                     | 18,586.80         | 13,263.27         | 11,803.13          | 7,580.20          |
| Social security payables           | 1,565.53          | 4,524.26          | 533.74             | 1,233.04          |
| Other payables                     | 30,017.82         | 19,242.18         | 4,929.48           | 3,379.57          |
| Dividends payable                  | 198.39            | 0.00              | 0.00               | 0.00              |
|                                    | <b>161,848.90</b> | <b>128,833.27</b> | <b>49,512.89</b>   | <b>31,041.55</b>  |

### 5.21 Deferred Taxation

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

The offset amounts are as follows:

## HELLENIC DUTY FREE SHOPS S.A.

|                              | THE GROUP          |                         |                    |                         | THE COMPANY        |                         |                    |                         |
|------------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|
|                              | 30/09/2008         | 31/12/2007              | 30/09/2008         | 31/12/2007              | 30/09/2008         | 31/12/2007              | 30/09/2008         | 31/12/2007              |
| Amounts in thousand €        | Deferred Tax Claim | Deferred Tax Obligation | Deferred Tax Claim | Deferred Tax Obligation | Deferred Tax Claim | Deferred Tax Obligation | Deferred Tax Claim | Deferred Tax Obligation |
| <b>Fixed Assets</b>          |                    |                         |                    |                         |                    |                         |                    |                         |
| Tangible Fixed Assets        | 492.68             | 0.00                    | 461.23             | 0.00                    | 429.34             | 0.00                    | 419.25             | 0.00                    |
| Transitions                  | -217.92            | -217.92                 |                    |                         | -217.92            | -217.92                 |                    | 0.00                    |
| Intangible Fixed Assets      | 0.00               | 975.48                  | 0.00               | 1,011.66                | 0.00               | 975.22                  | 0.00               | 1,044.79                |
| Long term Receivables        | 49.14              | 0.00                    | 51.44              | 0.00                    | 46.07              |                         | 48.37              | 0.00                    |
| <b>Current Assets</b>        | 0.00               | 0.00                    |                    |                         |                    |                         |                    | 0                       |
| Receivables                  | 1,902.30           | 1,033.91                | 1,634.47           | 1,033.91                |                    | 1,034.17                | 0.00               | 1,034.17                |
| <b>Long term Liabilities</b> |                    |                         |                    |                         |                    |                         |                    |                         |
| Post employment Benefits     | 1,565.42           | 0.00                    | 1,416.51           | 0.00                    | 1,556.61           | 0.00                    | 1,409.15           | 0.00                    |
| Liabilities                  | 0.00               | 3,817.42                |                    | 3,397.00                |                    | 1,532.29                |                    | 1,524.18                |
| <b>Total</b>                 | <b>3,791.61</b>    | <b>5,608.89</b>         | <b>3,563.65</b>    | <b>5,442.57</b>         | <b>1,814.09</b>    | <b>3,323.75</b>         | <b>1,876.77</b>    | <b>3,603.15</b>         |
| Offsetting                   | 0.00               | 0.00                    | -1,853.39          | -1,853.39               | 0.00               | 0.00                    | -1,876.77          | -1,876.77               |
| <b>Total</b>                 | <b>3,791.61</b>    | <b>5,608.89</b>         | <b>1,710.26</b>    | <b>3,589.18</b>         | <b>1,814.09</b>    | <b>3,323.75</b>         | <b>0.00</b>        | <b>1,726.38</b>         |

### 5.22 Retirement benefit obligation

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:

| As of date        | Discount interest rate (%) | Inflation (%) | Salary increase (%) |
|-------------------|----------------------------|---------------|---------------------|
| <b>31.12.2007</b> | 4.90%                      | 3.10%         | 4.00%               |
| <b>31.12.2006</b> | 4.90%                      | 2.80%         | 4.00%               |

|   | THE GROUP        |                  | THE COMPANY      |                  |
|---|------------------|------------------|------------------|------------------|
|   | 01.01-30.09.2008 | 01.01-31.12.2007 | 01.01-31.09.2008 | 01.01-31.12.2007 |
| Amounts in € thousand                         |                  |                  |                  |                  |
| Obligations of opening balance                | 6,881.84         | 5,996.19         | 5,667.33         | 5,019.77         |
| Retirement benefits (provisions and payments) | 776.29           | 885.65           | 589.81           | 647.56           |
| <b>Total</b>                                  | <b>7,658.13</b>  | <b>6,881.84</b>  | <b>6,257.15</b>  | <b>5,667.33</b>  |
| Expense charged:                              |                  |                  |                  |                  |
| Retirement benefits (provisions and payments) | 776.29           | 885.65           | 589.81           | 647.56           |
| <b>Total</b>                                  | <b>776.29</b>    | <b>885.65</b>    | <b>589.81</b>    | <b>647.56</b>    |



## HELLENIC DUTY FREE SHOPS S.A.

### 5.23 Sales

| Amounts in € thousand                               | The Group         |                   | The Company       |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 1.1 - 30.09.2008  | 1.1 - 30.09.2007  | 1.1 - 30.09.2008  | 1.1 - 30.09.2007  |
| Sales to passengers to non EU countries (duty free) | 139,444.89        | 128,975.42        | 85,441.65         | 80,795.17         |
| Sales to EU passengers (duty paid)                  | 135,266.30        | 130,924.33        | 126,222.09        | 123,058.54        |
| Sales of services in useless materials              | 67.73             | 58.10             | 66.31             | 58.10             |
| Proceeds from services                              | 0.00              | 0.00              | 0.00              | 0.00              |
| Sales of merchandise                                | 172,394.48        | 0.00              | 0.00              | 0.00              |
| Sales of products                                   | 30.59             | 0.00              | 0.00              | 0.00              |
| Other sales   | 28.02             | 0.00              | 0.00              | 0.00              |
| Services  | 8,414.92          | 37.85             | 39.61             | 37.85             |
| <b>Total</b>  | <b>455,646.94</b> | <b>259,995.70</b> | <b>211,769.66</b> | <b>203,949.66</b> |

### 5.24 Cost of Sales

| Amounts in € thousand | The Group         |                   | The Company       |                   |
|-----------------------|-------------------|-------------------|-------------------|-------------------|
|                       | 1.1 - 30.09.2008  | 1.1 - 30.09.2007  | 1.1 - 30.09.2008  | 1.1 - 30.09.2007  |
| Cost of Inventory     | 234,346.17        | 125,079.22        | 105,747.30        | 102,555.23        |
| Inferable income      | -18.57            | -75.24            |                   |                   |
| <b>Total</b>          | <b>234,327.60</b> | <b>125,003.98</b> | <b>105,747.30</b> | <b>102,555.23</b> |

### 5.25 Other operating income

| Amounts in € thousand                              | The Group        |                  | The Company      |                  |
|--|------------------|------------------|------------------|------------------|
|  | 1.1 - 30.09.2008 | 1.1 - 30.09.2007 | 1.1 - 30.09.2008 | 1.1 - 30.09.2007 |
| Income from marketing activities                   | 4,575.55         | 4,561.15         | 4,521.95         | 4,561.15         |
| Income from Promoters & Merch.                     | 4,716.89         | 4,596.58         | 1,260.71         | 1,282.18         |
| Other income                                       | 4,766.71         | 260.96           | 526.99           | 55.78            |
| Other extraordinary - previous fiscal years income | 491.15           | 446.58           | 331.36           | 441.06           |
| Currency exchange credits                          | 639.04           |                  | 0.00             |                  |
| <b>Total</b>                                       | <b>15,189.35</b> | <b>9,865.27</b>  | <b>6,641.01</b>  | <b>6,340.17</b>  |

### 5.26 Employee benefits

| Amounts in € thousand        | The Group        |                  | The Company      |                  |
|------------------------------|------------------|------------------|------------------|------------------|
|                              | 1.1 - 30.09.2008 | 1.1 - 30.09.2007 | 1.1 - 30.09.2008 | 1.1 - 30.09.2007 |
| Salaries and wages           | 54,963.79        | 23,473.85        | 22,851.03        | 20,487.82        |
| Social Security contribution | 12,859.12        | 6,236.30         | 5,978.11         | 5,400.13         |
| Dismissal Compensation       | 985.72           | 122.01           | 870.59           | 105.37           |
| Other Benefits               | <b>725.18</b>    | 530.36           | <b>605.26</b>    | 515.00           |
| <b>Total</b>                 | <b>69,533.81</b> | <b>30,362.52</b> | <b>30,304.99</b> | <b>26,508.32</b> |

## HELLENIC DUTY FREE SHOPS S.A.

### 5.27 Other operating expenses

| <i>Amounts in € thousand</i>                           | The Group       |                 | The Company   |               |
|--|-----------------|-----------------|---------------|---------------|
|  | 1.1 -           | 1.1 -           | 1.1 -         | 1.1 -         |
|  | 30.09.2008      | 30.09.2007      | 30.09.2008    | 30.09.2007    |
| Fines - surcharges, taxes - duties & prorata           | 65.87           | 223.03          | 65.87         | 61.66         |
| Currency exchange differences                          | 8.54            | 158.85          | 8.37          | 157.10        |
| Social Security contributions of previous fiscal years | 25.39           | 0.00            | 25.39         | 0.00          |
| Important donations of public benefit                  | 0.00            | 29.73           | 0.00          | 0.00          |
| Revenues and taxes on trades                           | 132.09          | 0.00            | 132.09        | 0.00          |
| Other expenses   | 1,040.57        | 575.24          | 439.36        | 260.77        |
| Loss from tangible fixed assets sale                   | 0.00            | 0.56            | 0.00          | 0.00          |
| Loss from inventory sale                               | 18.57           | 50.22           | 0.00          | 0             |
| <b>Total</b>   | <b>1,291.04</b> | <b>1,037.64</b> | <b>671.08</b> | <b>479.53</b> |

### 5.28 Breakdown of administration expenses

| <i>Amounts in € thousand</i>  | The Group        |                  | The Company     |                 |
|-------------------------------|------------------|------------------|-----------------|-----------------|
|                               | 1.1 -            | 1.1 -            | 1.1 -           | 1.1 -           |
|                               | 30.09.2008       | 30.09.2007       | 30.09.2008      | 30.09.2007      |
| Employees salaries and wages  | 8.307,98         | 5.244,53         | 5.086,07        | 5.040,15        |
| Third parties fees            | 864,93           | 791,98           | 682,79          | 621,14          |
| Third parties wages           | 1.282,31         | 1.380,60         | 1.276,15        | 1.372,54        |
| Taxes - Duties                | 24,01            | 105,65           | 23,84           | 15,75           |
| Other expenses                | 751,08           | 808,19           | 720,89          | 783,21          |
| Other expenses of ELMEC SPORT | 5.498,05         | 0,00             |                 | 0,00            |
| Other expenses of LINKS       | 9.709,49         | 8.455,00         | 0,00            | 0,00            |
| Depreciation of fixed assets  | 1.786,67         | 1.624,20         | 1.497,73        | 1.577,91        |
|                               | <b>28.224,51</b> | <b>18.410,15</b> | <b>9.287,47</b> | <b>9.410,69</b> |

### 5.29 Breakdown of distribution expenses

| <i>Amounts in € thousand</i>  | The Group         |                  | The Company      |                  |
|-------------------------------|-------------------|------------------|------------------|------------------|
|                               | 1.1 -             | 1.1 -            | 1.1 -            | 1.1 -            |
|                               | 30.09.2008        | 30.09.2007       | 30.09.2008       | 30.09.2007       |
| Employees salaries and wages  | 61,312.34         | 25,664.81        | 25,808.74        | 22,008.36        |
| Third parties fees            | 1,010.71          | 880.87           | 948.71           | 851.56           |
| Third parties wages           | 23,455.98         | 23,707.81        | 22,690.46        | 22,666.68        |
| Taxes - Duties                | 63.43             | 53.74            | 54.91            | 36.37            |
| Other expenses                | 4,556.98          | 4,123.30         | 4,460.42         | 4,028.15         |
| Other expenses of ELMEC SPORT | 33,087.21         | 0.00             | 0.00             | 0.00             |
| Other expenses of LINKS       | 12,044.82         | 19,804.48        | 0.00             | 0.00             |
| Depreciation of fixed assets  | 5,669.35          | 3,612.27         | 2,138.11         | 2,006.54         |
|                               | <b>141,200.81</b> | <b>77,847.27</b> | <b>56,101.34</b> | <b>51,597.66</b> |

**5.30 Results (income) from investing activities**

| <b>Amounts in € thousand</b>             | <b>The Group</b>        |                         | <b>The Company</b>      |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <b>1.1 - 30.09.2008</b> | <b>1.1 - 30.09.2007</b> | <b>1.1 - 30.09.2008</b> | <b>1.1 - 30.09.2007</b> |
| Income from securities                   | 8.20                    | 145.07                  | 8.20                    | 145.07                  |
| Tax credit                               | 0.00                    | 0.00                    | 0.00                    | 0.00                    |
| Credit bank interest                     | 1,039.79                | 1,755.55                | 272.18                  | 1,352.50                |
| Other credit interes                     | 15.38                   | 76.85                   | 10.11                   | 76.85                   |
| Currency trade earnings                  | 43.67                   | 0.00                    | 0.00                    | 0.00                    |
| Fairly valued investment earnings        | 4.35                    | 0.00                    | 0.00                    | 0.00                    |
| Trade interests                          | 0.00                    | 0.00                    | 0.00                    | 0.00                    |
| Income from participation                | 0.00                    | 0.00                    | 31,030.06               | 0.00                    |
| Dividends from fairly valued investments | 0.00                    | 0.00                    | 0.00                    | 0.00                    |
| Dividends from other investments         | 87.54                   | 0.00                    | 0.00                    | 0.00                    |
| Discounts in cash payments               | 155.26                  | 0.00                    | 0.00                    | 0.00                    |
|  | <b>1,354.18</b>         | <b>1,977.48</b>         | <b>31,320.55</b>        | <b>1,574.43</b>         |
| <b>Amounts in € thousand</b>             | <b>The Group</b>        |                         | <b>The Company</b>      |                         |
|  | <b>1.1 - 30.09.2008</b> | <b>1.1 - 30.09.2007</b> | <b>1.1 - 30.09.2008</b> | <b>1.1 - 30.09.2007</b> |
| EU Commission                            | 31.36                   | 32.64                   | 20.32                   | 25.12                   |
| Long-term liabilities interest           | 7,935.65                | 1,966.48                | 4,361.41                | 0.00                    |
| Short-term liabilities interest          | 5,410.41                | 1,031.24                | 3,121.88                | 0.00                    |
| Other financing expenses                 | 63.25                   | 74.22                   | 63.25                   | 74.22                   |
| Currency trade loss                      | 219.02                  | 0.00                    | 0.00                    | 0.00                    |
| Fairly valued investment loss            | 899.53                  | 23.89                   | 890.68                  | 23.89                   |
| Leasing interest                         | 975.43                  | 0.00                    | 0.00                    | 0.00                    |
| Credit card commission                   | 860.32                  | 0.00                    | 0.00                    | 0.00                    |
| Income from investment activities        | 0.00                    | 8.49                    | 0.00                    | 8.49                    |
| Bank commission and taxes                | 687.62                  | 10.24                   | 5.84                    | 4.51                    |
|  | <b>17,082.58</b>        | <b>3,147.20</b>         | <b>8,463.38</b>         | <b>136.23</b>           |
| <b>Total</b>                             | <b>-15,728.40</b>       | <b>-1,169.72</b>        | <b>22,857.18</b>        | <b>1,438.20</b>         |

**5.31 Income tax**

| <b>Amounts in € thousand</b>    | <b>The Group</b>       |                        | <b>The Company</b>    |                        |
|---------------------------------|------------------------|------------------------|-----------------------|------------------------|
|                                 | <b>1.1- 30.09.2008</b> | <b>1.1- 30.09.2007</b> | <b>1.1-30.09.2008</b> | <b>1.1- 30.09.2007</b> |
| Current tax for the period      | 13,168.98              | 12,541.87              | 10,044.98             | 11,926.27              |
| Tax on reserves Law 3320/2004   | -1,256.60              | 0.00                   | -1,256.60             | 0.00                   |
| Deferred tax                    | 50.98                  | -177.37                | -216.71               | -179.41                |
| Provisions for additional taxes | 296.98                 | 0.00                   |                       | 0.00                   |
|                                 | <b>12,260.33</b>       | <b>12,364.49</b>       | <b>8,571.67</b>       | <b>11,746.87</b>       |

**5.32 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 in issue during the period, excluding common shares purchased by the Company and held as treasury shares.

## HELLENIC DUTY FREE SHOPS S.A.

|   | The Group             |                       | The Company           |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <u>1.1-30.09.2008</u> | <u>1.1-30.09.2007</u> | <u>1.1-30.09.2008</u> | <u>1.1-30.09.2007</u> |
| Net profit for the period                           | 36,001.01             | 34,027.73             | 60,888.99             | 35,938.05             |
| Weighted average number of ordinary shares in issue | 52,230,527.07         | 52,230,527.07         | 52,230,527.07         | 52,230,527.07         |
| Basic earnings per share (€/shares)                 | 0.6893                | 0.6515                | 1.1658                | 0.6881                |

For the current period earnings per share were calculated by the weighted average number of ordinary shares in issue during the referred period (01.01-30.09.2008).

### 5.33 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 un-audited tax fiscal are mentioned at the following table:

| COMPANY                                       | UN-AUDITED TAX YEARS |
|---|----------------------|
| a. HELLENIC DUTY FREE SHOPS S.A.              | 2005 - 2007          |
| b. HELLENIC DISTRIBUTIONS S.A.                | 2006- 2007           |
| ba. LINKS (LONDON) LIMITED                    | 2006- 2007           |
| ba1. LINKS OF LONDON (INTERNATIONAL) LTD (UK) | 2006- 2007           |
| ba2. LINKS OF LONDON COM LTD (UK)             | 2006- 2007           |
| ba3. LINKS OF LONDON ASIA LTD (HK)            | 2006- 2007           |
| ba4. LINKS OF LONDON INC (USA)                | 2006- 2007           |
| ba5. LINKS OF LONDON (FRANCE)                 | 2006- 2007           |
| c. HDFs SKOPJE DOO (FYROM)                    | 2006- 2007           |
| d. HELLENIC TOURIST BUREAU S.A.               | 2006 -2007           |
| e. ELMEC SPORT S.A.                           | 2007                 |
| ea. FACTORY OUTLET S.A.                       | 2007                 |
| eb.FACTORY OUTLET AIRPORT S.A.                | 2007                 |
| ec. ELMEC ROMANIA SRL                         | 2007                 |
| ed. ELMEC SPORT BULGARIA EOOD                 | 2003- 2007           |
| ee. CHRONOSPORT S.A.                          | 2003- 2007           |
| ef. MOUSTAKIS S.A.                            | 2002- 2007           |
| eg. LOGISTICS EXPRESS S.A.                    | 2007                 |
| eh. ATTICA DPT. S.A.                          | 2007                 |
| ei. IPIROTIKI S.A.                            | 2007                 |
| ej. NORTH LANDMARK S.A.                       | INCORPORATION 2008   |
| ek. ICS ELMEC SPORT SRL                       | INCORPORATION 2008   |

### 5.34 Dividends payable

The Annual Ordinary General Assembly of the Shareholders that took place on May 30, 2008, decided the distribution of dividend of € 0.66 per share (total amount of €34,765,500 for the fiscal year 01.01.2007 - 31.12.2007. The payment of the dividend took place on 26.06.2008.

### **5.35 Transactions with other related parties**

The following transactions were carried out with related parties:

| Amounts in € thousand                            | THE GROUP            |                      | THE COMPANY          |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 01.01-<br>30.09.2008 | 01.01-<br>30.09.2007 | 01.01-<br>30.09.2008 | 01.01-<br>30.09.2007 |
| <b>A. Company</b>                                |                      |                      |                      |                      |
| Sales of goods                                   | 271.37               | 0.00                 | 0.00                 | 0.00                 |
| Sales of services - concession fees              | 0.00                 | 0.00                 | 0.00                 | 0.00                 |
| Purchases  | 2,773.69             | 2,283.17             | 2,273.82             | 2,282.57             |
| Purchases of services - concession fees          | 828.34               | 752.00               | 828.34               | 752.00               |
| <b>B. Subsidiaries</b>                           |                      |                      |                      |                      |
| Sales of goods                                   | 0.00                 | 0.00                 | 2,432.43             | 2,585.50             |
| Sales of services - concession fees              |                      |                      | 8.89                 | 8.89                 |
| Purchases  | 0.00                 | 0.00                 | 114.77               | 237.51               |
| Purchases of services - concession fees          | 0.00                 | 0.00                 | 0.96                 | 0.00                 |
| <b>C. Other related parties</b>                  |                      |                      |                      |                      |
| Sales of goods                                   |                      |                      | 0.00                 | 0.00                 |
| Sales of services - concession fees              |                      |                      | 0.00                 | 0.00                 |
| Purchases  | 0.00                 | 0.00                 | 0.00                 | 0.00                 |
| Purchases of services - concession fees          | 0.00                 | 0.00                 | 0.00                 | 0.00                 |
| <b>D. Management and Directors' remuneration</b> |                      |                      |                      |                      |
| Salaries and remuneration                        | 3,160.78             | 1,944.01             | 2,792.06             | 1,827.61             |

During the first nine months of 2008 21 new officers were added to the Parent Company, whose salaries and social security contribution amount up to €782,432.84.

### **Year end balances arising from sales of goods and services**

| Amounts in € thousand              | THE GROUP  |            | THE COMPANY |            |
|------------------------------------|------------|------------|-------------|------------|
|                                    | 30.09.2008 | 31.12.2007 | 30.09.2008  | 31.12.2007 |
| <b>A. Company</b>                  |            |            |             |            |
| Receivables                        |            | 24.41      | 0.00        |            |
| Liabilities                        | 3,736.06   | 3,459.73   | 3,162.23    | 2,927.83   |
| <b>B. Subsidiaries</b>             |            |            |             |            |
| Receivables                        | 0.00       | 0.00       | 463.05      | 541.54     |
| Liabilities                        | 0.00       | 0.00       | 55.70       | 246.67     |
| <b>C. Other related parties</b>    |            |            |             |            |
| Receivables                        | 0.00       | 0.00       |             | 0.00       |
| Liabilities                        | 0.00       | 0.00       |             | 0.00       |
| <b>D. Management and Directors</b> |            |            |             |            |
| Receivables                        | 456.50     | 34.59      | 0.00        | 0.00       |
| Liabilities                        | 204.07     | 131.29     | 0.00        | 0.00       |

### **5.36 Number of employed personnel**

The total number of employed personnel at the year end for the Group was 4,328 and for the Company 1,630. The respective period of 2007 the personnel employed amounted to 1,837 persons in the Group and 1,265 in the Company.

### **5.37 Real Liens**

There is a note worth of €4 million over a fixed asset of the Group as a collateral of debt, while there are no pledges or mortgages on the fixed assets of the Company and the Group.

### **5.38 Contested or under arbitration disputes**

On a company of the Group there are pending judicial cases against the Greek State, for which there is a provision of €2,150,000.

### **5.39 Contingencies and undertakings**

The companies of the Group have signed over letters of guarantee of €18,733,334 to others, from €17,865,692 on 31.12.2007, for reassurance of contingent liabilities of the Group towards those parties, which are not appeared in the consolidated balance sheet.

The subsidiary of the group, ELMEC SPORT, has undertaken the commitment to pay €1,05 million during 2010, due to its participation in the share capital of NORTH LANDMARK S.A.

### **5.40 Post Balance Sheet Events**

On 30.10.2008 a six-month extension of the timeframes of the deal, regarding the preliminary agreement which had been signed from a subsidiary for the acquisition of the shares of Papaioannou family in companies of LAPIN HOUSE group.

Apart from the tax-audit of a subsidiary of the Group for the fiscal year of 2007, which resulted in €47,317 additional taxes, while there was a provision of €65,627 registered in its financial statements of 31<sup>st</sup> of December, there are no post balance sheet events affecting the financial statements of the Company and the Group on September 30<sup>th</sup> 2008.