



**INTERIM FINANCIAL STATEMENTS  
FIRST HALF OF 2007**

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**HELLENIC DUTY FREE SHOPS S.A.**

**INTERIM FINANCIAL STATEMENTS**

**COMPILED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

**FIRST HALF OF 2007  
(Period from January 1<sup>st</sup> to June 30<sup>th</sup> 2007)**

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 June 30<sup>th</sup> 2007, 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 Interim 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, August 07, 2007

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

**Georgios Velentzas**

**General Director**

**Member of the Board of Directors**

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

**To the shareholders of HELLENIC DUTY FREE SHOPS S.A.**

***Introduction***

We have reviewed the accompanying (separate and consolidated) balance sheet of **HELLENIC DUTY FREE SHOPS S.A.** as of June 30, 2007 and the related (separate and consolidated) statements of income, changes in equity and cash flows for the six month period then ended as well as the selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards, as these are adopted by the European Union and applied to interim financial information ("IAS 34,,). Our responsibility is to express a conclusion on this interim financial information based on our review.

***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" to which the Greek Standards on Auditing refer". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying (separate and consolidated) condensed interim financial information is not prepared, in all material respects, in accordance with ("IAS 34,,). Without qualifying our conclusion, we draw attention to note 7 in the Notes, where reference is made to the fact that some of the tax returns of the companies of the Group, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in this respect.

## 1. BALANCE SHEET

Amounts reported in thousand €

	Notes	<u>THE GROUP</u>		<u>THE COMPANY</u>	
		<u>30.6.2007</u>	<u>31.12.2006</u>	<u>30.6.2007</u>	<u>31.12.2006</u>
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Tangible Fixed Assets	5.6	34,155.39	33,521.11	24,910.22	24,804.59
Intangible Fixed Assets	5.6	106,808.90	107,674.04	50,529.11	51,405.73
Investments in associates		0.00	0.00	14,059.92	14,059.92
Deferred taxation	5.19	80.36	0.00	0.00	0.00
Other long-term debtors	5.8	4,194.96	3,490.30	3,583.02	2,960.04
		<b>145,239.61</b>	<b>144,685.45</b>	<b>93,082.28</b>	<b>93,230.28</b>
<b>Current Assets</b>					
Inventory	5.9	70,935.24	52,204.15	57,698.62	39,750.03
Trade and other receivables	5.10	22,653.99	19,810.21	18,567.96	11,694.33
Financial assets fairly valued	5.11	2,136.04	1,955.53	2,136.04	1,955.53
Cash and other cash equivalents	5.12	38,604.24	60,787.36	24,685.44	45,314.37
		<b>134,329.51</b>	<b>134,757.25</b>	<b>103,088.07</b>	<b>98,714.26</b>
<b>Total Assets</b>		<b>279,569.12</b>	<b>279,442.70</b>	<b>196,170.35</b>	<b>191,944.54</b>
<b>LIABILITIES</b>					
Long-term bank debt		60,000.00	60,060.93	0.00	0.00
Provision for employees benefit	5.20	5,551.12	5,160.90	5,379.89	5,019.77
Deferred taxation	5.19	293.19	333.42	293.19	415.14
Other long-term liabilities	5.17	7,543.55	8,492.01	0.00	0.00
		<b>73,387.86</b>	<b>74,047.26</b>	<b>5,673.09</b>	<b>5,434.91</b>
Trade creditors and other liabilities	5.18	49,544.11	59,288.75	40,936.51	46,117.37
Short-term borrowings	5.16	1,833.30	1,433.77	0.00	0.00
Current income taxes	5.18	10,533.48	16,045.97	8,576.06	15,370.27
		<b>61,910.89</b>	<b>76,768.49</b>	<b>49,512.57</b>	<b>61,487.64</b>
<b>Total Liabilities</b>		<b>135,298.75</b>	<b>150,815.75</b>	<b>55,185.66</b>	<b>66,922.55</b>
<b>EQUITY</b>					
<b>Capital and reserves of the Shareholders of the Company</b>					
Share capital	5.13	15,802.50	15,802.50	15,802.50	15,802.50
Share premium	5.13	65,259.02	65,259.02	65,259.02	65,259.02
Fair value reserves	5.14	49.81	49.81	49.81	49.81
Other reserves	5.15	45,073.59	45,073.59	44,735.17	44,735.17
Own shares		-2,868.73	-1,230.87	-2,868.73	-1,230.87
Profits carried forward		20,991.28	3,602.67	18,006.92	406.36
Foreign Exchange differences		-37.19	70.14	0.00	0.00
<b>Total capital and reserves of the Shareholders of the Company</b>		<b>144,270.28</b>	<b>128,626.86</b>	<b>140,984.69</b>	<b>125,021.99</b>
<b>Minority interests</b>		<b>0.09</b>	<b>0.09</b>		
<b>Total Equity</b>		<b>144,270.37</b>	<b>128,626.95</b>	<b>140,984.69</b>	<b>125,021.99</b>
<b>Total Equity &amp; Liabilities</b>		<b>279,569.12</b>	<b>279,442.70</b>	<b>196,170.35</b>	<b>191,944.54</b>

## 2. FINANCIAL STATEMENT FOR THE PERIOD

Amounts reported in thousand €

	Notes	<i>The Group</i>			
		1.1-30.6.07	1.1-30.6.06	1.4-30.6.07	1.4-30.6.06
Sales	5.21	137,071.12	109,872.06	83,946.87	67,887.32
Cost of sales	5.22	-63,406.97	-58,024.95	-38,270.20	-34,933.35
Gross profit		<b>73,664.15</b>	<b>51,847.11</b>	<b>45,676.67</b>	<b>32,953.97</b>
Other income	5.23	7,510.86	9,964.16	3,913.34	7,108.53
Administration expenses	5.26	-11,609.21	-6,355.59	-6,671.43	-3,485.99
Distribution & operating expenses	5.27	-45,178.42	-30,176.21	-26,565.30	-18,702.11
Other expenses	5.25	-689.91	-283.44	-235.96	-137.01
<b>Earnings before interest and taxes (EBIT)</b>		<b>23,697.47</b>	<b>24,996.03</b>	<b>16,117.32</b>	<b>17,737.39</b>
Financial income	5.28	-458.34	1,120.18	390.80	533.76
<b>Earnings before taxes</b>		<b>23,239.13</b>	<b>26,116.21</b>	<b>16,508.12</b>	<b>18,271.15</b>
Less taxes	5.29	-5,850.52	-7,708.60	-4,190.77	-5,372.14
<b>Earnings after taxes</b>		<b>17,388.61</b>	<b>18,407.61</b>	<b>12,317.35</b>	<b>12,899.01</b>
<u>Distributed to:</u>					
Company's shareholders		17,388.61	18,407.59	12,317.36	12,899.00
Minority interests		0.00	0.02	-0.01	0.01
Earnings per share after taxes - basic (in €)	5.30	0.33	0.35	0.23	0.25
Depreciation		3,530.11	2,433.71	1,799.27	1,198.71
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>27,227.58</b>	<b>27,429.74</b>	<b>17,916.59</b>	<b>18,936.10</b>

## HELLENIC DUTY FREE SHOPS S.A.

		<i>The Company</i>			
	<b>Notes</b>	<b>1.1-30.6.07</b>	<b>1.1-30.6.06</b>	<b>1.4-30.6.07</b>	<b>1.4-30.6.06</b>
Sales	<b>5.21</b>	101,965.87	100,631.93	65,564.18	62,536.54
Cost of sales	<b>5.22</b>	-49,356.05	-50,796.78	-30,783.60	-30,746.98
Gross profit		<b>52,609.82</b>	<b>49,835.15</b>	<b>34,780.58</b>	<b>31,789.56</b>
Other income	<b>5.23</b>	4,410.76	7,487.74	2,164.74	5,694.19
Administration expenses	<b>5.26</b>	-6,052.95	-6,119.59	-3,295.72	-3,370.75
Distribution & operating expenses	<b>5.27</b>	-28,779.31	-26,391.25	-17,365.34	-16,269.73
Other expenses	<b>5.25</b>	-333.91	-269.94	-168.19	-124.76
<b>Earnings before interest and taxes (EBIT)</b>		<b>21,854.41</b>	<b>24,542.11</b>	<b>16,116.07</b>	<b>17,718.51</b>
Financial income	<b>5.28</b>	1,282.61	1,073.12	1,128.00	501.90
<b>Earnings before taxes</b>		<b>23,137.02</b>	<b>25,615.23</b>	<b>17,244.07</b>	<b>18,220.41</b>
Less taxes	<b>5.29</b>	-5,536.46	-7,481.07	-4,022.91	-5,278.93
<b>Earnings after taxes</b>		<b>17,600.56</b>	<b>18,134.16</b>	<b>13,221.16</b>	<b>12,941.48</b>
<u>Distributed to:</u>					
Company's shareholders		17,600.56	18,134.16	13,221.16	12,941.48
Minority interests					
Earnings per share after taxes - basic (in €)	<b>5.30</b>	0.34	0.35	0.25	0.25
Depreciation		2,406.28	2,348.63	1,202.21	1,157.91
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>24,260.69</b>	<b>26,890.74</b>	<b>17,318.27</b>	<b>18,876.42</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	Other reserves	Retained earnings	Total net equity
<b>Balance at 01.01.2006</b>	<b>15,802.50</b>	<b>65,259.02</b>	<b>0.00</b>	<b>49.81</b>	<b>38,516.32</b>	<b>1,286.50</b>	<b>120,914.15</b>
Period Results	0	0	0	0	0	18,134.16	18,134.16
<b>Balance at 30th of June 2006</b>	<b>15,802.50</b>	<b>65,259.02</b>	<b>0.00</b>	<b>49.81</b>	<b>38,516.32</b>	<b>19,420.66</b>	<b>139,048.31</b>
<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>44,735.17</b>	<b>406.36</b>	125,021.99
Period Results	0.00	0.00	0.00	0.00	0.00	17,600.56	17,600.56
Share buyback	0.00	0.00	-1,637.86	0.00	0.00	0.00	-1,637.86
<b>Balance at 30th of June 2007</b>	<b>15,802.50</b>	<b>65,259.02</b>	<b>-2,868.73</b>	<b>49.81</b>	<b>44,735.17</b>	<b>18,006.92</b>	<b>140,984.69</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	Minority interest	Total net equity
<b>Balance at 01.01.2006</b>	<b>15,802.50</b>	<b>65,259.02</b>	<b>49.81</b>	<b>38,869.75</b>	<b>0.00</b>	<b>1,558.35</b>	<b>0.00</b>	<b>121,539.43</b>	<b>0.12</b>	<b>121,539.55</b>
Period Results	0	0	0	0	0	18,407.59	0.00	18,407.59	0.02	18,407.61
<b>Balance at 30th of June 2006</b>	<b>15,802.50</b>	<b>65,259.02</b>	<b>49.81</b>	<b>38,869.75</b>	<b>0.00</b>	<b>19,965.94</b>	<b>0.00</b>	<b>139,947.02</b>	<b>0.14</b>	<b>139,947.16</b>
<b>Balance at 01.01.2007</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>70.15</b>	<b>128,626.87</b>	<b>0.09</b>	<b>128,626.95</b>
Period Results	0	0	0	0	0.00	17,388.61	0.00	17,388.61	0.00	17,388.61
Share buyback	0	0	0	0	-1,637.86	0.00	0.00	-1,637.86	0.00	-1,637.86
Other changes	0	0	0	0.00	0.00	0.00	-107.33	-107.33	0.00	-107.33
<b>Balance at 30th of June 2007</b>	<b>15,802.50</b>	<b>65,259.02</b>	<b>49.81</b>	<b>45,073.59</b>	<b>-2,868.73</b>	<b>20,991.28</b>	<b>-37.18</b>	<b>144,270.29</b>	<b>0.09</b>	<b>144,270.37</b>

## 4. CASH FLOW STATEMENT

Amounts reported in thousand €

	THE GROUP		THE COMPANY	
	01.01-30.06.07	01.01-30.06.06	01.01-30.06.07	01.01-30.06.06
<b>Cash flow from operating activities</b>				
Earnings before taxes	23,239.13	26,116.21	23,137.02	25,615.23
Adjustments at profits:				
Depreciation	3,530.11	2,433.71	2,406.28	2,348.63
Provisions	390.23	217.12	360.13	217.12
Results (income) from investment activity	-1,596.11	-1,338.68	-1,337.84	-1,280.31
Debit interest and similar expenses	2,054.45	218.50	49.55	207.19
<b>Cash flow before working capital changes</b>	<b>27,617.81</b>	<b>27,646.86</b>	<b>24,615.14</b>	<b>27,107.86</b>
Decrease / (increase) of inventory	-18,731.09	-15,024.72	-17,948.59	-13,929.70
Decrease / (increase) of trade & other receivables	-1,213.64	-13,724.22	-5,054.48	-15,088.74
Decrease / (increase) of liabilities (excl. banks)	14,509.89	15,417.55	18,104.64	14,321.98
<b>Cash generated from main operations</b>	<b>22,182.97</b>	<b>14,315.47</b>	<b>19,716.71</b>	<b>12,411.40</b>
Debit interest and similar expenses paid	-2,848.44	-218.50	-49.55	-207.19
Taxation paid	-3,414.76	-16,465.95	-3,414.76	-16,192.38
<b>Cash flow from operating activities</b>	<b>15,919.77</b>	<b>-2,368.98</b>	<b>16,252.40</b>	<b>-3,988.17</b>
<b>Cash flow from investing activities</b>				
Purchase of tangible and intangible fixed assets	-3,308.89	-1,947.22	-1,638.51	-1,875.13
Proceeds from sale of financial assets	9.64	19.68	3.21	19.69
Interest received	1,415.59	1,319.00	1,157.33	1,260.62
Cash flow from investing activities	<b>-1,883.66</b>	<b>-608.54</b>	<b>-477.97</b>	<b>-594.82</b>
<b>Cash flow from financing activities</b>				
Proceeds (payment) of loans	184.13			
Share buyback	-1,637.86		-1,637.86	
Dividends paid	-34,765.50	-42,140.00	-34,765.50	-42,140.00
Cash flow from financing activities	<b>-36,219.23</b>	<b>-42,140.00</b>	<b>-36,403.36</b>	<b>-42,140.00</b>
Net increase (decrease) in cash and cash equivalent	-22,183.12	-45,117.52	-20,628.93	-46,722.99
Cash at the beginning of the period	60,787.36	64,201.52	45,314.37	60,996.72
Cash at the end of the period	<b>38,604.24</b>	<b>19,084.00</b>	<b>24,685.44</b>	<b>14,273.73</b>

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

### **5.1. General Information**

The company HELLENIC DUTY FREE SHOPS S.A. is active in the retail travel sector. In particular, the Company holds the exclusive right to operate duty free shops in existence or that may later be established in the future in Greece. This right was conceded to the Company under art. 120 of L. 2533/1997. The Company operates 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 consolidated financial statements of the Company cover the Company and its subsidiaries (The Group).

#### **- Structure of the Group**

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

As of 5.5.2006, the Group is included under the full consolidation method, in the consolidated financial statements of the company FOLLI-FOLLIE S.A, a company with registered address in Ag. Stefanos Attica, with a 52.28% participation, whereas, until 4.5.2006 was included under the equity consolidation method in the consolidated financial statements of the companies FOLLI-FOLLIE S.A. and GERMANOS S.A, both with registered address in Ag. Stefanos, Attica, with a 24.68% participation each.

### **5.2. Summary of significant accounting policies applied by the Group**

#### **5.2.1 Accounting principles for the preparation of financial statements**

These Company and Consolidated financial statements for the period 1<sup>st</sup> January to 30<sup>th</sup> June 2007, have been prepared based on:

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

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

The policies set out below have been consistently applied to all the periods presented.

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

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

#### **5.2.2 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.

## HELLENIC DUTY FREE SHOPS S.A.

Specifically, for those business mergers that have been realized before the date of transition of the Group to the IFRS (1st January 2004), the exception of IFRS 1 was used and the purchase method was not applied retrospectively. In the context of the aforementioned exception, the Company did not recalculate the acquisition cost of the subsidiaries acquired before the transition date to the IFRS, nor the fair value of the acquired assets and liabilities at the acquisition date, and therefore no goodwill has been recognized in its consolidated financial statements in accordance with IFRS. Inter - company transactions, balances and unrealized gains from transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the subsidiaries are consistent with the policies adopted by the Group.

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

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

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

### **5.2.3 Property, Plant and Equipment**

Property, plant and equipment are estimated at cost less subsequent depreciation. The cost includes expenditure that is directly attributable for the acquisition of the items. Subsequent costs

## HELLENIC DUTY FREE SHOPS S.A.

are included in the asset's carrying amount or only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Installations on third parties' property (establishment of stores) are depreciated over the estimated time of the lease.

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

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

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

Residual values are not recognized.

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

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

### **5.2.4 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.

### **5.2.5 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.

### **5.2.6 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.

### **5.2.7 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.

### **5.2.8 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.

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

### **5.2.10 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.

### **5.2.11 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.

### **5.2.12 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).

### **5.2.13 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 than not that an outflow of resources will be required to settle the obligation and,
- c) The required amount has been reliably estimated

### **5.2.14 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 collectibility of the related receivables is reasonably assured. The sales of goods are mainly carried out in cash or by credit cards.

#### *(b) Interest Income*

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

#### *(c) Marketing – Royalties etc.*

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

#### *(d) Dividends*

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

### **5.2.15 Dividend Distribution**

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

### **5.2.16 New Accounting Standards and interpretations of the IFRIC**

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

- **IAS 1 (amendment) Capital disclosures**

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The group will apply the amendments of IAS 1 for the annual financial statements 01.01 – 31.12.2007.

- **IFRS 7, Disclosures of Financial Instruments**

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards – i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company's performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. The Group will apply IFRS 7 for the annual financial statements 01.01 – 31.12.2007.

- **IFRS 8. Operating Sectors**

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 01.01.2009 and is expected to be adopted by the Group then.

- **IFRS 23. (amendment) Borrowing Cost**

In the revised standard, 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 on or after 1st January 2009.

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

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. IFRIC 11 is effective from 01.01.2007 and is not expected to affect the Group's financial statements.

- **IFRIC 12 Service Concession Agreements**

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 01.01.2008 and is not expected to affect the Group's financial statements.

- **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 January 2008.

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

#### *(a) Credit risk*

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

#### *(b) Liquidity risk*

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

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

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

### **5.4. Critical accounting estimates and judgments of the Management**

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

### **5.5. Transition to IFRS**

#### **5.5.1 Basis of transition to IFRS**

### **5.5.1.1 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 as described in Note 6.2.1. 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. The Group has applied certain of the optional exemptions from full retrospective application of IFRS, in preparing these annual financial statements in accordance with IFRS 1.

### **5.5.1.2 Exemptions from full retrospective application decided by the Group**

#### *Employee benefits exemption*

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

### **5.5.1.3 Consistency of estimates between Greek GAAP and IFRS**

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

## **5.6. Property, Plant and Equipment**

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

## HELLENIC DUTY FREE SHOPS S.A.

<b>THE GROUP</b>							
	Land	Buildings	Machinery & Mechanical equipment	Transportation means	Furniture, Fittings & equipment	Fixed assets under construction	Total
<b>01.01 – 31.12.2006</b>							
<b>Balance 01.01.2006</b>	104.30	22,027.71	3,110.61	1,479.45	17,585.88	3,467.28	47,775.23
Additions		6,520.15	397.62	103.67	10,084.44	111.46	17,217.34
Currency exchange differences		76.51	3.09	0.90	91.17		171.67
Disposals	-2.37	-942.22	0.00	-210.16	0.00		-1,154.75
<b>Balance 31.12.2006</b>	101.93	27,682.15	3,511.32	1,373.86	27,761.49	3,578.74	64,009.49
<b>Accumulated Depreciation</b>							
Balance 01.01.2006		6,733.33	1,866.19	920.02	12,214.16		
Accumulated Depreciation from acquisition of subsidiary which was consolidated		1,173.96	130.34	5.86	3,832.09		
Depreciation for the period		1,159.02	278.07	144.78	2,975.20		
Currency exchange differences		37.83	2.14	0.89	59.95		
Impairment of depreciation		-928.29	0.00	-117.16	0.00		
<b>Balance 31.12.2006</b>	0.00	8,175.85	2,276.74	954.39	19,081.40	0.00	30,488.38
<b>Residual Value 31.12.2006</b>	101.93	19,506.30	1,234.58	419.47	8,680.09	3,578.74	33,521.11
<b>01.01 – 30.06.2007</b>							
Opening Balance	101.93	27,682.15	3,511.32	1,373.88	27,761.49	3,578.73	64,009.51
Additions	0.00	141.98	202.62	0.00	2,258.97	669.42	3,272.99
Disposals	0.00	0.00	-2.87	-4.03	-8.14	-9.88	-24.92
<b>Balance 30.06.2007</b>	101.93	27,824.13	3,711.07	1,369.85	30,012.32	4,238.27	67,257.58
<b>Accumulated Depreciation</b>							
Balance 01.01.2007	0.00	8,175.85	2,276.74	954.41	19,081.40	0.00	30,488.40
Depreciation for the period	0.00	689.36	139.55	68.67	1,721.60	0.00	2,619.17
Impairment of depreciation	0.00	0.00	-0.99	-0.81	-3.58	0.00	-5.39
<b>Balance 30.06.2007</b>	0.00	8,865.21	2,415.29	1,022.27	20,799.41	0.00	33,102.19
<b>Residual Value 30.06.2007</b>	101.93	18,958.92	1,295.78	347.58	9,212.91	4,238.27	34,155.39

<b>THE COMPANY</b>							
	Land	Buildings	Machinery & Mechanical equipment	Transportation means	Furniture, Fittings & equipment	Fixed assets under construction	Total
<b>Historical cost</b>							
Balance 01.01.2006	104.30	21,382.38	3,066.61	1,420.22	17,002.11	2,565.11	45,540.73
Additions	0.00	2,145.86	184.47	48.01	1,010.07	113.17	3,501.58
Disposals	-2.37	-942.22	0.00	-160.35	0.00	0.00	-1,104.94
<b>Balance 31.12.2006</b>	101.93	22,586.02	3,251.08	1,307.88	18,012.18	2,678.28	47,937.37
<b>Accumulated Depreciation</b>							
Balance 01.01.2006	0.00	6,493.18	1,852.79	916.91	11,861.38	0.00	21,124.26
Depreciation for the period	0.00	964.88	257.85	136.37	1,732.23	0.00	3,091.33
Impairment of depreciation	0.00	-928.29	0.00	-117.16	-37.36	0.00	-1,082.81
<b>Balance 31.12.2006</b>	0.00	6,529.77	2,110.63	936.12	13,556.25	0.00	23,132.78
<b>Residual value 31.12.2006</b>	101.93	16,056.25	1,140.44	371.76	4,455.93	2,678.28	24,804.59
<b>Historical cost</b>							
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	0.00	141.98	194.92	0.00	624.03	669.42	1,630.36
Disposals	0.00	0.00	0.00	-4.03	0.00	0.00	-4.03
<b>Balance 30.06.2007</b>	101.93	22,728.00	3,446.00	1,303.85	18,636.21	3,347.71	49,563.70
<b>Accumulated Depreciation</b>							
Balance 01.01.2006	0.00	6,529.77	2,110.63	936.12	13,556.25	0.00	23,132.78
Depreciation for the period	0.00	530.43	130.25	63.92	796.92	0.00	1,521.51
Impairment of depreciation	0.00	0.00	0.00	-0.81	0.00	0.00	-0.81
<b>Balance 30.06.2007</b>	0.00	7,060.20	2,240.88	999.23	14,353.17	0.00	24,653.47
<b>Residual value 31.12.2006</b>	101.93	15,667.80	1,205.12	304.63	4,283.04	3,347.71	24,910.22

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### 5.7. Intangible Assets

	The Group			
	Other set up expenses	Goodwill	Grant & right for industrial ownership	Total Group
Opening balance	5,285.19		58,694.05	63,979.24
Assets from subsidiary	3,798.13		0.00	3,798.13
Additions	134.55		0.00	134.55
Acquisition of subsidiary		52,366.39	0.00	52,366.39
Currency exchange differences	61.63			61.63
Sales	-9.08		0.00	-9.08
<b>Balance 31.12.2006</b>	<b>9,270.42</b>	<b>52,366.39</b>	<b>58,694.05</b>	<b>120,330.86</b>
<b>Accumulated depreciation</b>				
Balance 01.01.2006	1,465.12	0.00	9,391.04	10,856.16
Depreciation from the acquisition of subsidiary				0.00
Depreciation for the period	626.78		1,173.88	1,800.66
Impairment of depreciation	0.00		0.00	0.00
Currency exchange differences		0.00		0.00
<b>Balance 31.12.2006</b>	<b>2,091.90</b>	<b>0.00</b>	<b>10,564.92</b>	<b>12,656.82</b>
<b>Residual value 31.12.2006</b>	<b>7,178.52</b>	<b>52,366.39</b>	<b>48,129.13</b>	<b>107,674.04</b>
<b>01.01 – 30.06.2007</b>				
Balance 01.01.2007	9,270.42	52,366.39	58,694.05	120,330.86
Additions	15.75	0.00	0.00	15.75
Currency exchange differences	18.24	0.00	0.00	18.24
Disposals	0.00	0.00	0.00	0.00
<b>Balance 30.06.2007</b>	<b>9,304.40</b>	<b>52,366.39</b>	<b>58,694.05</b>	<b>120,364.85</b>
<b>Accumulated depreciation</b>				0.00
Balance 01.01.2007	2,091.90	0.00	10,564.92	12,656.82
Depreciation for the period	312.25	0.00	586.94	899.20
Impairment of depreciation	0.00	0.00	0.00	0.00
Currency exchange differences	-0.07	0.00	0.00	-0.07
<b>Balance 30.06.2007</b>	<b>2,404.08</b>	<b>0.00</b>	<b>11,151.86</b>	<b>13,555.94</b>
<b>Residual value 30.06.2007</b>	<b>6,900.32</b>	<b>52,366.39</b>	<b>47,542.19</b>	<b>106,808.90</b>

## HELLENIC DUTY FREE SHOPS S.A.

### The Company

	Other set up expenses	Grant & right for industrial ownership	Total Company
Opening balance	5,128.09	58,694.06	63,822.15
Assets from subsidiary	0.00		
Additions	111.63	0.00	111.63
Acquisition of subsidiary			0.00
Currency exchange differences			
Sales	0.00	0.00	0.00
<b>Balance 31.12.2006</b>	<b>5,239.72</b>	<b>58,694.06</b>	<b>63,933.78</b>
<b>Accumulated depreciation</b>			
Balance 01.01.2006	1,364.61	9,391.05	10,755.66
Depreciation from the acquisition of subsidiary			
Depreciation for the period	598.51	1,173.88	1,772.39
Impairment of depreciation	0.00	0.00	0.00
Currency exchange differences			
<b>Balance 31.12.2006</b>	<b>1,963.12</b>	<b>10,564.93</b>	<b>12,528.05</b>
<b>Residual value 31.12.2006</b>	<b>3,276.60</b>	<b>48,129.13</b>	<b>51,405.73</b>
<b>01.01 – 30.06.2007</b>			
Balance 01.01.2007	5,239.74	58,694.06	63,933.79
Additions	8.16	0.00	8.16
Currency exchange differences	0.00	0.00	0.00
Disposals	0.00	0.00	0.00
<b>Balance 30.06.2007</b>	<b>5,247.89</b>	<b>58,694.06</b>	<b>63,941.95</b>
<b>Accumulated depreciation</b>			
Balance 01.01.2007	1,963.13	10,564.93	12,528.06
Depreciation for the period	297.84	586.94	884.78
Impairment of depreciation			0.00
Currency exchange differences			0.00
<b>Balance 30.06.2007</b>	<b>2,260.97</b>	<b>11,151.87</b>	<b>13,412.84</b>
<b>Residual value 30.06.2007</b>	<b>2,986.93</b>	<b>47,542.19</b>	<b>50,529.11</b>

### 5.8. Other long term receivables

	THE GROUP		THE COMPANY	
	30.06.2007	31.12.2006	30.06.2007	31.12.2006
<i>Amounts in thousand €</i>				
Other long term receivables	70.89	0.00	0.00	0.00
Warranty deposits	4,124.08	3,490.30	3,583.03	2,960.04
Assets suppliers	0.00	0.00	0.00	0.00
Long term receivables from related companies	0.00	0.00	0.00	0.00
<b>Total</b>	<b>4,194.96</b>	<b>3,490.30</b>	<b>3,583.03</b>	<b>2,960.04</b>

### 5.9. Inventory

## HELLENIC DUTY FREE SHOPS S.A.

	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
Merchandise	70,935.24	52,204.15	57,698.62	39,750.03
	<b>70,935.24</b>	<b>52,204.15</b>	<b>57,698.62</b>	<b>39,750.03</b>

### 5.10. Trade and other receivables

	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
Trade receivables	4,923.22	8,123.98	7,022.83	4,991.20
Checks	1,015.35	1,019.32	0.87	11.43
Sundry debtors	13,616.62	9,817.31	11,106.27	5,919.17
Other receivables	3,098.81	849.60	438.00	772.53
	<b>22,653.99</b>	<b>19,810.21</b>	<b>18,567.97</b>	<b>11,694.33</b>

### 5.11. Financial assets

<i>Amounts in thousand €</i>	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
Securities	2,136.04	1,955.53	2,136.04	1,955.53
	<b>2,136.04</b>	<b>1,955.53</b>	<b>2,136.04</b>	<b>1,955.53</b>

### 5.12 Cash and cash equivalent

<i>Amounts in thousand €</i>	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
Cash in hand	2,519.12	1,666.62	2,245.52	1,582.78
Current and time deposits	36,071.20	59,115.30	22,426.85	43,729.89
Credit cards (Banks)	13.92	5.44	13.07	1.70
	<b>38,604.24</b>	<b>60,787.36</b>	<b>24,685.44</b>	<b>45,314.37</b>

### 5.13. Share Capital and share premium

The total authorized number of common shares is 52,765,000 shares with a nominal value of €0.30 per share. All issued shares are fully paid. 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 2006	52,675,000	52,675,000	15,802.50	65,259.02	94,172
30th June 2007	52,675,000	52,675,000	15,802.50	65,259.02	201,384

### 5.14. Fair value reserves

*Amounts in thousand €*

	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
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>

### 5.15. Other reserves

*Amounts in thousand €*

	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
Legal reserve	12,474.27	12,474.27	12,273.20	12,273.20
Tax free reserves from exempted from taxation income	28,061.74	28,061.74	27,924.39	27,924.39
Extraordinary reserve	4,537.58	4,537.58	4,537.58	4,537.58
	<b>45,073.59</b>	<b>45,073.59</b>	<b>44,735.17</b>	<b>44,735.17</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 decides the appropriation of reserves.

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### 5.16. Loans

The loans are presented below:

<i>Amounts in thousand €</i>	THE GROUP		THE COMPANY	
	30.06.2007	31.12.2006	30.06.2007	31.12.2006
Long term borrowing				
Bank loan	60,000.00	60,060.93	0	0
Total long term borrowing	<b>60,000.00</b>	<b>60,060.93</b>	<b>0</b>	<b>0</b>
Short term borrowing				
Current accounts	1,333.10	0.00	0	0
Other debts	500.20	1,433.77		
Total short term borrowing	<b>1,833.30</b>	<b>1,433.77</b>	<b>0</b>	<b>0</b>
<b>Total borrowing</b>	<b>61,833.30</b>	<b>61,494.70</b>	<b>0</b>	<b>0</b>

The repayment time of the loan is presented below:

30.06.2007	Two years to five years	More than five years
<b>Bank loan</b>	60,000.00	
	<b>60,000.00</b>	<b>0</b>
31.12.2006	Two years to five years	More than five years
<b>Bank loan</b>	60,060.93	
	<b>60,060.93</b>	<b>0</b>

### 5.17. Other long term liabilities

<i>Amounts in thousand €</i>	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
Long term financing	7,543.55	8,492.01	0.00	0.00
	<b>7,543.55</b>	<b>8,492.01</b>	<b>0.00</b>	<b>0.00</b>

### 5.18. Trade and other short term liabilities

<i>Amounts in thousand €</i>	The Group		The Company	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
Trade payables	38,006.28	24,653.80	34,972.20	18,279.03
Prepayments from trade receivables	112.75	199.88	110.45	107.99
Current income taxes	10,533.48	16,045.97	8,576.06	15,370.27
Social security payables	1,373.20	2,963.45	931.10	1,671.95
Other payables	7,834.46	6,583.48	2,763.74	2,343.58
Income tax prepayment and other taxes	2,217.42	-9,877.41	2,159.02	-11,050.68
Dividends payable	0.00	34,765.56	0.00	34,765.50
	<b>60,077.59</b>	<b>75,334.72</b>	<b>49,512.57</b>	<b>61,487.64</b>

**5.19. 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:

	THE GROUP				THE COMPANY			
	30.06.2007		31.12.2006		30.06.2007		31.12.2006	
<i>Amounts in thousand €</i>	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	433.37	0.00	399.33	0.00	393.69	0.00	361.95	0.00
Intangible Fixed Assets	0.00	1,020.15	0.00	1,028.76	0.00	1,050.24	0.00	1,062.51
Long term Receivables	64.66	0.00	77.89	0.00	60.46	0.00	72.56	0.00
<b>Current Assets</b>								
Receivables	0.00	1,034.39	0.00	1,034.39	0.00	1,034.40	0.00	1,034.40
<b>Long term Liabilities</b>								
Post employment Benefits	1,343.67	0.00	1,252.52	0.00	1,337.29	0.00	1,247.26	0.00
<b>Total</b>	<b>1,841.71</b>	<b>2,054.53</b>	<b>1,729.74</b>	<b>2,063.15</b>	<b>1,791.45</b>	<b>2,084.64</b>	<b>1,681.77</b>	<b>2,096.91</b>
Offsetting	-1,841.71	-1,841.71	-1,729.74	-1,729.74	-1,791.45	-1,791.45	-1,681.77	-1,681.77
<b>Total</b>	<b>0.00</b>	<b>212.83</b>	<b>0.00</b>	<b>333.42</b>	<b>0.00</b>	<b>293.19</b>	<b>0.00</b>	<b>415.14</b>

**5.20. 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:

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

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<i>Amounts in thousand €</i>	THE GROUP		THE COMPANY	
	01.01- 30.06.2007	01.01- 30.06.2006	01.01- 30.06.2007	01.01- 30.06.2006
<b>Obligations of opening balance</b>	5,160.90	4,326.74	5,019.77	4,260.11
Retirement benefits (provisions and payments)	390.23	229.29	360.12	217.12
<b>Total</b>	<b>5,551.12</b>	<b>4,556.03</b>	<b>5,379.89</b>	<b>4,477.23</b>
<b>Expense charged:</b>	0.00	0.00	0.00	0.00
Retirement benefits (provisions and payments)	364.61	217.12	360.12	217.12
<b>Total</b>	<b>364.61</b>	<b>217.12</b>	<b>360.12</b>	<b>217.12</b>

### 5.21. Sales

<i>Amounts in thousand €</i>	The Group		The Company	
	1.1 - 30.6.2007	1.1 - 30.6.2006	1.1 - 30.6.2007	1.1 - 30.6.2006
Sales to passengers to non EU countries (duty free)	70,814.74	56,812.27	40,265.64	52,334.87
Sales to EU passengers (duty paid)	66,237.45	53,032.28	61,681.30	48,269.54
Other sales	18.93	27.50	18.93	27.51
<b>Total</b>	<b>137,071.12</b>	<b>109,872.06</b>	<b>101,965.87</b>	<b>100,631.93</b>

### 5.22. Cost of Sales

<i>Amounts in thousand €</i>	THE GROUP		THE COMPANY	
	1.1 - 30.6.2007	1.1 - 30.6.2006	1.1 - 30.6.2007	1.1 - 30.6.2006
Cost of Inventory	63,482.22	58,024.95	49,356.05	50,796.78
Inferable Income	-75.24			
	<b>63,406.97</b>	<b>58,024.95</b>	<b>49,356.05</b>	<b>50,796.78</b>

### 5.23. Other operating income

<i>Amounts in thousand €</i>	The Group		The Company	
	1.1 - 30.6.2007	1.1 - 30.6.2006	1.1 - 30.6.2007	1.1 - 30.6.2006
Income from marketing activities, customizations, royalties, HR Services, etc.	7,015.36	9,573.60	4,021.53	7,142.51
Other income	495.50	390.56	389.23	345.23
	<b>7,510.86</b>	<b>9,964.16</b>	<b>4,410.76</b>	<b>7,487.74</b>

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### 5.24. Employees Benefits

<b>Amounts in thousand €</b>	<b>The Group</b>		<b>The Company</b>	
	<b>1.1 -</b>	<b>1.1 -</b>	<b>1.1 -</b>	<b>1.1 -</b>
	<b>30.6.2007</b>	<b>30.6.2006</b>	<b>30.6.2007</b>	<b>30.6.2006</b>
Salaries and wages	13,703.84	12,640.81	11,907.40	11,000.07
Social Security contribution	3,646.57	3,353.38	3,143.93	2,895.61
Dismissal Compensation	106.00	27.57	93.47	8.93
Provision for retirement benefits	0.00	217.12		217.12
Other Benefits	350.14	713.06	339.17	662.57
	<b>17,806.55</b>	<b>16,951.94</b>	<b>15,483.96</b>	<b>14,784.30</b>

### 5.25. Other operating expenses

<b>Amounts in thousand €</b>	<b>The Group</b>		<b>The Company</b>	
	<b>1.1 - 30.6.2007</b>	<b>1.1 - 30.6.2006</b>	<b>1.1 - 30.6.2007</b>	<b>1.1 - 30.6.2006</b>
	Fines - surcharges, taxes - duties	336.26	269.19	330.61
Currency exchange differences	273.14	14.25	3.31	13.33
Important donations of public benefit	29.73	0.00	0.00	0.00
Loss from tangible fixed assets' sale	0.56	0.00	0.00	0.00
Loss from inventory's damage	50.22	0.00	0.00	0.00
	<b>689.91</b>	<b>283.44</b>	<b>333.91</b>	<b>269.94</b>

### 5.26. Breakdown of administration expenses

## HELLENIC DUTY FREE SHOPS S.A.

<i>Amounts in thousand €</i>	The Group		The Company	
	1.1 -	1.1 -	1.1 -	
	30.6.2007	30.6.2006	30.6.2007	1.1 - 30.6.2006
Employees salaries and wages	3,321.63	3,122.48	3,204.94	2,992.86
Third parties fees	496.36	514.47	389.28	426.08
Third parties wages	897.08	930.84	866.49	927.27
Taxes - Duties	97.88	7.82	8.03	6.70
Other expenses	5,759.47	810.00	550.49	803.55
Depreciation of fixed assets	1,036.79	969.98	1,033.71	963.13
	<b>11,609.21</b>	<b>6,355.59</b>	<b>6,052.95</b>	<b>6,119.59</b>

### 5.27. Breakdown of distribution expenses

<i>Amounts in thousand €</i>	The Group		The Company	
	1.1 -	1.1 -	1.1 -	1.1 -
	30.6.2007	30.6.2006	30.6.2007	30.6.2006
Employees salaries and wages	14,849.54	13,829.46	12,639.14	11,791.44
Third parties fees	442.55	413.74	423.21	397.76
Third parties wages	13,042.85	12,034.22	12,317.28	10,499.31
Taxes - Duties	35.42	56.94	20.37	18.06
Other expenses	15,355.85	2,378.12	2,006.73	2,299.18
Depreciation of fixed assets	1,452.22	1,463.73	1,372.58	1,385.50
	<b>45,178.42</b>	<b>30,176.21</b>	<b>28,779.31</b>	<b>26,391.25</b>

### 5.28. Results (income) from investing activities

<i>Amounts in thousand €</i>	The Group		The Company	
	1.1 -	1.1 -	1.1 -	1.1 -
	30.6.2007	30.6.2006	30.6.2007	30.6.2006
Income from securities	481.93	19.69	365.14	19.69
Tax credit		309.40		301.46
Credit bank interest	1,114.18	1,009.59	972.70	959.17
<b>Total</b>	<b>1,596.11</b>	<b>1,338.68</b>	<b>1,337.84</b>	<b>1,280.31</b>

<i>Amounts in thousand €</i>	The Group		The Company	
	30.6.2007	30.6.2006	30.6.2007	30.06.2006
	EU Commission	24,25	37,90	19,23
Bank interest	1.800,70	4,94	3,09	4,94
Other financing expenses	223,82	26,85	27,23	24,47
Expenses from investing services	5,68	148,81	5,68	148,81
<b>Total</b>	<b>2.054,45</b>	<b>218,50</b>	<b>55,23</b>	<b>207,19</b>

### 5.29. Income tax

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<i>Amounts in thousand €</i>	The Group		The Company	
	1.1- 30.6.2007	1.1- 30.6.2006	1.1- 30.6.2007	1.1- 30.6.2006
	Current tax for the period	5,971.10	7,315.45	5,658.41
Provision for non audited financial years	0.00	246.00	0.00	240.00
Dererred Tax	-120.59	<u>147.15</u>	-121.95	<u>-74.37</u>
	<b>5,850.52</b>	<b>7,708.60</b>	<b>5,536.46</b>	<b>7,481.07</b>

### 5.30. 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.

	The Group		The Company	
	01.01- 30.06.2007	01.01- 30.06.2006	01.01- 30.06.2007	01.01- 30.06.2006
	Net profit for the period	17,388.61	18,407.61	17,600.56
Weighted average number of ordinary shares in issue	52,531,710	52,531,710	52,531,710	52,531,710
Basic earnings per share (€/shares)	0.33	0.35	0.34	0.35

For the current period earnings per share were calculated by the weighted average number of ordinary shares in issue during the referred period (1.1-30.06.2007)

### 5.31. Dividends per share

The dividends paid in 2006, were €42,140.00 thousand (€0.80 per share) and concerned the year 2005 earnings. The dividends paid in 2007, were €34.765,5 thousand.

### 5.32. 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

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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
HELLENIC DUTY FREE SHOPS S.A.	2005-2006
HELLENIC DISTRIBUTIONS S.A.	2003-2006
HELLENIC TURIST BUREAU S.A.	2006
HDFS SCOPJE DOO	2004-2006
LINKS OF LONDON S.A.	2006

It is mentioned that the parent company was merged with the company "THE NUANCE GROUP (HELLAS) S.A.", which has been audited by tax authorities until the financial year 2005. The subsidiary "HELLENIC DISTRIBUTIONS S.A." is audited by tax authorities and there are no indications on the results. For this reason there are no provisions on the Financial Statements of the period.

### 5.33. Transactions with other related parties

The following transactions were carried out with related parties:

Amounts in thousand €	THE GROUP		THE COMPANY	
	01.01- 30.06.2007	01.01- 30.06.2006	01.01- 30.06.2007	01.01- 30.06.2006
<b>A. Company</b>				
Sales of goods	0.00	0.00	0.00	0.00
Sales of services - concession fees	0.00	0.00	0.00	0.00
Purchases	1,160.75	854.31	1,160.75	854.31
Purchases of services - concession fees	520.39	462.18	520.39	462.18
<b>B. Subsidiaries</b>				
Sales of goods	0.00	0.00	1,718.84	1,659.18
Sales of services - concession fees	0.00	0.00	5.93	5.93
Purchases	0.00	0.00	189.45	24.61
Purchases of services - concession fees	0.00	0.00	0.00	0.00
<b>C. Other related parties</b>				
Sales of goods	0.00	0.00	0.00	0.00
Sales of services - concession fees	0.00	0.00	0.00	0.00
Purchases	0.00	350.20	0.00	342.25
Purchases of services - concession fees	0.00	472.20	0.00	468.20
<b>D. Management and Directors' remuneration</b>				
Salaries and remuneration	1,216.95	1,203.85	1,140.52	1,132.06

### ii) Year end balances arising from sales of goods and services

## HELLENIC DUTY FREE SHOPS S.A.

Amounts in thousand €	THE GROUP		THE COMPANY	
	30.06.2007	31.12.2006	30.06.2007	31.12.2006
<b>A. Company</b>				
Receivables	0.37	0.00	0.00	0.00
Liabilities	3,451.61	3,029.94	3,451.31	3,012.26
<b>B. Subsidiaries</b>				
Receivables	0.00	0.00	8,627.62	6,455.24
Liabilities	0.00	0.00	369.31	177.35
<b>C. Other related parties</b>				
Receivables	0.00	0.00	0.00	0.00
Liabilities	0.00	0.00	0.00	0.00
<b>D. Management and Directors</b>				
Receivables	0.00	0.00	0.00	0.00
Liabilities	0.00	0.00	0.00	0.00

### 5.34. Number of employed personnel

Average number of employed personnel at the end of the current period for the Group was 1,711 and for the Company was 1,156.

### 5.35. Real Liens

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

### 5.36. Contested or under arbitration disputes

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