



**“DUTY-FREE SHOPS, SOCIETE ANONYME EXPLOITING DUTY FREE STORES AND INDUSTRIAL,  
MANUFACTURING, TECHNICAL AND COMMERCIAL SOCIETE ANONYME S.A. ”**

**REG. NO.: 14216/06/B/86/06**

**23<sup>RD</sup> KM ATHENS – LAMIA HIGHWAY 145 65, AG. STEFANOS, ATTICA**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE PERIOD 01.01.2012 TO 31.12.2012**

**PURSUANT TO LAW 3556/2007**

THE ATTACHED FINANCIAL STATEMENTS FOR THE PERIOD 01.01.2012-31.12.2012 WERE APPROVED BY THE COMPANY'S BOARD OF DIRECTORS ON MARCH 26<sup>TH</sup> OF 2013 AND WERE PUBLISHED BY BEING POSTED IN THE INTERNET, AT [WWW.DUTYFREESHOPS.GR](http://WWW.DUTYFREESHOPS.GR) AND [WWW.FOLLIFOLLIEGROUP.COM](http://WWW.FOLLIFOLLIEGROUP.COM). THEY HAVE BEEN TRANSLATED FROM THE ORIGINAL STATUTORY FINANCIAL STATEMENTS THAT HAVE BEEN PREPARED IN THE GREEK LANGUAGE. IN THE EVENT THAT DIFFERENCES EXIST BETWEEN THIS TRANSLATION AND THE ORIGINAL GREEK LANGUAGE FINANCIAL STATEMENTS, THE GREEK LANGUAGE FINANCIAL STATEMENTS WILL PREVAIL OVER THIS DOCUMENT.

# ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 01.01.-31.12.2012

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## **A. Statement of the Board of Directors, according to Article 5 of Law 3556/2007**

Under the aforementioned status, especially being assigned for this purpose by the Board of Directors of the Societe Anonyme under the name "**DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A.**", from now on called "Duty Free Shops S.A.", we declare and confirm that, to the best of our knowledge:

(i): the Group's 12M 2012 Financial report, which has been conducted in accordance with the International Accounting Standards in effect, gives a true and fair view of the assets, liabilities, equity and financial results of the Company and the Group as well as of the companies that are included in the consolidation taken as a whole, in accordance with § 3-5 of article 5 of Law 3556/2007.

(ii): the Group's 12M 2012 report of the Board of Directors reflects in a true development, performance and position of Folli Follie Group and the companies included in consolidation as a whole, including the description of principal risks and uncertainties faced.

Agios Stefanos, March 26, 2013

The members of the Board of Directors:

1. Dimitrios Koutsolioutsos, Chairman – Executive Member of the Board of Directors
2. George Koutsolioutsos, C.E.O. – Executive Member of the Board of Directors
3. George Velentzas, - Deputy C.E.O.-General Manager, Executive Member of the Board of Directors

## B. MANAGEMENT REPORT OF THE B.O.D, FOR THE PERIOD 01.01-31.12.2012

The current Board of Directors' Financial Report for the period 01.01.2012-31.12.2012 was compiled according to the provisions of §6 article 5 of L. 3556/2007 and the issued executive decision 7/448/11.10.2007 and 1/434/3-7-2007 of the Securities and Exchange Committee Board of Directors.

The Report includes the information determined in the above provisions which according to the management provides a correct display of the Company's development, performance and position in the period considered. Also included are additional information, where deemed necessary and suitable, regarding the risks that may emerge in relation to the company's size and complexity, in order to provide essential and documented information on the activity of incorporation "DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A." and its Group.

The current report is included along with the Company's financial statements; other data and statements required by law, in the Full Year of 2012 Report and is divided into the following sections:

### **I. Review for the full year of 2012**

#### **Consolidated results**

*In € mn*

	<b>2012</b>	<b>2011</b>	<b>%</b>
Revenues	1.110,0	1.021,0	8,7%
EBITDA	212,8	198,8	7,0%
EBT	130,9	121,9	7,4%
Net Earnings after taxes and minorities	93,6	89,5	4,6%

#### **Sales per segment**

More detailed, **Revenues** reached €1.110,0 million in 2012, from €1,021.4 million in 2011, increased by 8.7%. **EBITDA** reached €212.8 million from €198.8 million, increased by 7%. **EBT** reached €130.9 million from €121.9 million, increased by 7.4% while **Net Income after tax and minorities** of the Group reached €93.6 million vs €89.5 million in 2011, improved by almost 4.6%.

FF GROUP operates in four core business segments:

- a) the design, processing and marketing of jewellery, watches and other similar accessories (bags, belts, pashminas, sunglasses, small leather goods, etc.)
- b) travel retail, including duty free and duty paid sales, conducted at airports, stations, ports, and border stations
- c) the operation of department stores and outlets

- d) wholesale and retail of branded clothing and footwear and
- e) other activities.

More specifically, operating segments are as follows:

#### **a) Jewellery - Watches - Accessories**

This segment deals with the design, manufacture, processing and marketing of jewellery, watches and other similar fashion accessories like handbags, small leather goods, belts, pashminas and sunglasses.

The Commercial Group's activities include wholesale and retail products primarily under the brand Folli Follie in 24 countries. In addition, through its subsidiary company Links (London) Limited, products are available through an extensive network of outlets across Europe, Middle East, Africa and North America and wholesale at selected outlets internationally.

#### **b) Travel Retail**

The Group's travel retail operation includes duty free and duty paid sales at airport terminals, border stations and ports in Greece, sales of duty paid products at retail points that allow to purchase products even for those customers not travelling, through the subsidiary company "HELLENIC DISTRIBUTIONS S.A." and wholesale of goods of traditional products of travel goods to embassies and armed forces.

The duty-free sales are made solely by the parent company of the Group, to departing passengers from third countries, within customs controlled areas, airports, ports and border stations, according to the current legislation and customs regulations.

The Company has 97 shops in 47 locations (25 airports, 11 border stations and 11 ports). Especially at the Athens International Airport, the Company operates a total of twenty two (22) shops on the premises to departing travellers. The subsidiary "Hellenic Distributions S.A.", operates a total of 16 stores, 10 of them at the Athens International Airport.

#### **c) Department Stores**

The operation of three department stores of the Group, under the brand name "attica" at the city centre of Athens, at the mall "Golden Hall" and at the Mediterranean Cosmos mall, respectively, through its subsidiaries, "Attica Department Stores S.A.", "North Landmark S.A." and North Greece Department Stores S.A.. Further to this, the operation of two discount department stores under the brand name "Factory Outlet" at Piraeus Street and at the commercial park of Athens International Airport.

#### d) Retail-Wholesale

The Retail-Wholesale sector is operated by the Group's subsidiaries Elmec Romania SRL, Elmec Sport Bulgaria EOOD, Logistics Express S.A., Ice Cube S.A., Collective Patras S.A., Moustakis S.A. and LAPFOL

The Group's retail distribution network covers more than 30.000 m<sup>2</sup> in the three countries, Greece, Romania and Bulgaria.

This activity includes the following details:

- i. Wholesale of clothing, shoes and accessories. The collaborations includes: sports apparel and footwear collections, general active wear and street wear, clothing, footwear and fashion accessories (fashion), children's clothing, footwear, travel goods and perfumes
- ii. Retail sale of footwear and clothing accessories for mono-brand/ and multi-brand) retail apparel, footwear-accessories and perfumes.

#### e) Other activities

The sector includes diverse activities of the Group.

The Group represents the brand TechnoGym in Greece which is a leading manufacturer of sports equipment and sports institutions.

In addition, the Group deals with surveillance and security systems. Yacht Yards Planaco, located on island thereof Aegina complements the other activities of the Group.

#### SALES PER SEGMENT(after eliminations)

in € mil.	2012	2011	% chng	% of total
Jewellery-Watches-Accessories	583,8	493,4	18,3%	52,6%
Travel Retail	300,3	290,9	3,2%	27,1%
Department Stores	123,8	125,8	-1,6%	11,2%
Retail/Wholesale	98,4	106,2	-7,3%	8,9%
Other Activities	3,7	5,1	-27,5%	0,3%
<b>Total</b>	<b>1.110,0</b>	<b>1.021,4</b>	<b>8,68%</b>	<b>100,0%</b>

Revenues of the segment "**Jewellery-Watches-Accessories**" rose during the year 2012 by 18.3% to € 583.8 million compared to € 493.4 million in the corresponding year of 2011.

Sales in the segment "**Travel Retail**" increased in 2012 by 3.2% to €300.3 million compared to €290.9 million in the corresponding previous year of 2011.

In detail, revenues of the Travel Retail segment generated in four main channels: Athens International Airport (AIA), Other Airports, Ports and Border Stations are linked to three key indicators: (i) traffic, (ii) average receipt per customer and (iii) penetration. Specifically, each of the above indicators is displayed below:

- Passenger traffic in 2012: 29.5 million departing passengers, against 31.3 million passengers in 2011, decreasing by 5.8%.
- Average ticket per customer in 2012: €40.94 vs 2011 €39.31 showing an increase of 4.15%
- Penetration in 2012: 25.02% compared to 24.45% in 2011, showing an increase of 2.32%.

Sales in “**Department Stores**” declined during 2012 by (1.6%) with revenues reaching € 123.8 million from €125.8 million in the corresponding year of 2011.

Subsequently, the sector “**Retail and wholesale**” reported for the year 2012 revenues of €98.4 million from €106.2 million in 2011 decreasing by (7.3%).

Revenues of “**Other Activities**” reached in 2012 €3.7 million from €5.1 million in the corresponding year 2011.

## Financial Position of the Group and ratios

FF GROUP				
Liquidity			31.12.2012	31.12.2011
General	Current Assets		2,26	1,72
	Current liabilities			
Direct	(Current Assets-Inventories)		1,48	1,14
	Current liabilities			
Cash	(Cash + Securities)		26,11%	23,04%
	Current liabilities			
Working Capital	(Receivables + Inventories)		650.867.129,65	567.229.217,23
	(Suppliers + Other Current Liabilities)			
Activity				
Velocity of money	Net sales		1,01	1,01
	Current Assets			
Recovery	Average Receivables /	365	138,93	131,24
	Net sales			
Inventory turnover	Cost of goods		1,54	1,59
	Average stock			
days Inventory	Average stock	365	236,48	229,93
	Cost of goods			
Financial				
Indebtedness	International Equity		54,56%	57,09%
	Total Equity			
Loans to Equity	International Equity		1,20	1,33
	Total equity			
Profitability				
Gross profit	Gross profit		50,17%	50,57%
	Sales			
Return on Assets	Net Profit		5,27%	5,30%
	TOTAL ASSETS			
Return on Equity	Net Profit		11,59%	12,34%
	Total equity			

## II. Significant events during 2012

-The normalization of political instability in mid-June 2012 after the formation of the new government Contributed in avoiding the uncertainty in the country, but with no direct positive impact on economic activity. For the year 2012, the decline in GDP reached 6.4% and fell to the level of year 2005.

It is expected, according to estimates, the Greek economy will continue to shrink in 2013, although at lower rate than the previous year.

According to the latest available estimates and projections, the GDP of the Greek economy fell by 22% overall for the period 2008 to 2012, while in the same period, the unemployment rate increased by 16 percentage points, reaching 23.5% of the workforce on average in 2012 from 7.5% in 2008.

This cumulative GDP contraction, and loss of jobs has never happened in any EU country (even in Latvia), let alone in the U.S. during the last crisis. In the fourth quarter of 2012 the unemployment rate reached 26% and unemployment rose to 1,295,535 people, compared with 20.71% in the corresponding quarter of 2011.

There is cautious optimism about short-term prospects of the Greek economy expectation that the quarterly GDP growth rates will return to positive territory in late 2013 or early 2014.

- -Business Development of the Group: At the beginning of this year, and within the context of its continuous strategic development, Folli Follie Group announced the expansion of its fashion brands activities by creating a new distribution channel, Beauty & Cosmetics, which will undertake the exclusive representation and distribution of PROCTER & GAMBLE PRESTIGE fragrance products in Greece, for famous brands (such as Dolce & Gabbana, Gucci, Hugo Boss fragrances, Escada, Lacoste, etc), including the exclusive representation of Dolce & Gabbana Make Up.
- At the beginning of February, Folli Follie opened a point of sale inside the department store Harrods in London.
- During the end of the first quarter, a new department store under the name "attica" was launched in Thessaloniki inside the Mall Mediterranean Cosmos. The Company paid EUR 1.7 million with the total share capital reaching EUR 3.9 million. The capital structure of the said company has as follows: 51% North Landmark s.a., 44% Folli Follie Group s.a., 5% Attica department stores S.A.. This said, the Folli Follie Group participates directly with 44% and indirectly with 64.35%, since it participates at the remaining companies that compose the capital structure of the new one.
- During May 2012, the Deputy Minister of Culture and Tourism, Mr Petros Alivizatos signed the lease contract of the marina of Mytilene with the contractor consortium consisting of "DUTY FREE SHOPS SA" with the distinctive title "FOLLI FOLLIE GROUP" and "SETUR SERVIS TURISTIK AS" represented by the President of Mytilene Marina S.A., Mr. George Koutsolioutsos and Mr İbrahim Tamer Haşimoğlu, Vice President of Mytilene Marina S.A..The consortium will undertake the long and smooth operation of the marina Mytilene, which will contribute both to the economic development of the local society, as well as to the tourist promotion of Greece in general.
- During June, Victoria's Secret opened its first store "Victoria's Secret Beauty & Accessories" in the commonly accessible area of Athens International Airport, in partnership with the local distributor Agora Trading and Hellenic Duty Free Shops.

- On 10/10/2012 Folli Follie Group announced the execution of an agreement to sell 51% of the Group's travel retail business (duty free shops) to the Swiss Group Dufry AG. Specifically, according to the executed agreement, Folli Follie Group will carve-out its travel retail business sector, which will be contributed to a subsidiary of the Group. The absorbing company, to which the debt of the sector of € 335 mil. will be transferred, shall proceed to a refinancing of equal amount by virtue of a syndicated bond loan facility. Following the completion of the carve out, Dufry AG will acquire 51% shareholding in the absorbing company against a consideration of € 200.5 mil. with an option to acquire the remaining 49% in four years' time at a fair market value. As a result of the above transaction and the cash inflow, the banking net debt of the Folli Follie Group's (excluding leases) shall become almost even.
- On October 17th, 2012, Piraeus Bank informed the Company's Board of Directors about a significant change of shares and voting rights, due to the transfer of Assets of Agricultural Bank S.A. to Piraeus Bank S.A. In detailed, there was a change in number of shares and voting rights: from lower than the minimum amount of shares and voting rights of the Company, to 4.580.247 shares directly, or 6.8415% of the share capital and 122.952 voting rights indirectly, or 0.1836%, of which 22.000 voting rights are held through the controlling company Agrotiki Asfalistiki S.A., or 0.0328% of the share capital, and 100.952 voting rights or 0.1508% from pledges. After the critical transaction, Piraeus Bank controlled 4.703.199 voting rights or 7.0251% of the Company's total outstanding shares.
- On December 7<sup>th</sup>, 2012 Piraeus Bank S.A informed the Company's Board of Directors about a change in number of shares and voting rights: from 4.580.247 shares and 4.703.199 voting rights or 7.0251%, Piraeus Bank decreased its stake below the threshold of 5%, thus after the transaction Piraeus Bank holds number of shares and voting rights below the minimum threshold.
- On December 7th 2012, TPG Axon Management LP informed the Company's Board of Directors about a change in number of shares and voting rights: From 0(zero) shares and 0(zero) voting rights, after the triggering transaction exceeded the 5% threshold, thus TPG Axon Partners LP holds directly 1.907.720 voting rights and shares or 2.85% and directly TPG Axon International LP holds 2.660.575 voting rights and shares or 3.97%. In total, TPG Axon Management LP's participation stands at 4.568.295 voting rights and shares or 6.82%

### III. General meeting of shareholders resolutions

The most important decisions of the Group's General Meetings which took place on **June 6th, 2012** are as follows: On **June 6th, 2012**, the Annual General Meeting of the shareholders of the Company was convened and approved, as originally announced, based on the respective invitation.

1. Submitted and approved the annual consolidated and companies financial statements for the fiscal year 2011 following the hearing of the reports of the Board of Directors and the Chartered Auditors-Accountants for the fiscal year 2011
2. Approved the appropriation of the net profits after taxes for the fiscal year 2011 and approval for not distribution of dividend to the shareholders.
3. Waiver of liability of the Members of the Board of Directors and the Chartered Auditors-Accountants for the fiscal year 2011.

4. Elected Mrs Cryssoula Tsakalogianni I.D. SOEL 23811 as ordinary auditor and Mr. Ioannis Toliopoulos I.D. SOEL 12381 as a Substitute Certified Auditor, both members of the auditing company "Baker Tilly Hellas SA"
5. The General Assembly approved the allowances and remunerations paid to the members of the Board during the fiscal year 2011 and approved remuneration and allowances for the fiscal 2012.
6. Approved according to article 23a of Law 2190/1920, the granting of guarantees and cash facility and the realization of share capital increase of the affiliated companies, according to par. 5 of article 42e of Law 2190/1920.
7. Approved the authorization to the members of the Board of Directors and to executive personnel of the Company in order to participate at Board of Director's meetings of companies in which Duty Free Shops participates, or seek same or similar purposes.
8. Approved the renewal of the Board of Directors and its executive's insurance liability.
9. Various announcements, approvals and decisions.

In the above Annual General Meeting, 111 shareholders were present, representing 71,3868% of the company's share capital, namely 47.792.176 voting rights out of a total of 66.948.210 voting rights.

Also, the Extraordinary General Meeting on **December 6<sup>th</sup> 2012**, was convened as originally announced, based on invitation dated 14-11-2012, having as major issue of the Agenda, the carve out of the travel retail sector, due to the sale of 51% of the said sector to Dufry A.G.

More specifically, today the Extraordinary General Meeting approved on the following:

1. It approved the carve-out of the travel retail business, namely the duty free and duty paid business as currently operated by the Company in accordance with the concession agreement with the Greek State dated 30.12.1997, Article 120 of Law 2533/1997 and the rest of the existing legislation in force, and the contribution of such business to the subsidiary Société Anonyme "Duty Paid Shops S.A", in accordance with the provisions of Legislative Decree 1297/72 and the business' balance sheet dated 30-9-2012.
2. It approved the execution of the carve-out notarial deed of the aforesaid business, between the Company and its subsidiary "Duty Paid Shops S.A".
3. It authorized the Board of Directors to proceed with any necessary deed, action or declaration for the completion of the carve-out and appointed the Company's authorized representative for the execution before a Notary Public of the notarial deed of the business' carve-out and contribution to the subsidiary "Duty Paid Shops S.A".
4. It approved the business Evaluation Report of the auditors Mr. Panagiotis Vroustouris (Registry Number 12921) and Mr Dimitrios Drosos (Registry Number 31371), members of the Audit Company "ENEL SA", dated 12-11-2012, in accordance with Article 9 of the Codified Law 2190/1920.
5. It approved all the deeds, actions and declarations made until this day by the Company's Board of Directors, its agents and proxies in relation to the carve-out of the business sector and the transfer of 51% of shares of the subsidiary "Duty Paid Shops S.A." to the Swiss Group Dufry AG.
6. It approved a pledge over shares of "Duty Paid Shops S.A." belonging to the Company in favor of credit institutions.
7. It approved the amendment of articles 1 and 2 of the Company's Articles of Incorporation.

8. It made various other announcements.

In the above Extraordinary General Meeting, 122 shareholders were present, representing 77,033% of the Company's share capital, namely 51.572.048 voting rights out of a total of 66.948.210 voting rights.

#### **- Treasury shares**

As of 31.12.2012 the number of treasury shares reached 933.081. On 29<sup>th</sup> January 2013, the Company sold 933.080 shares with voting rights, that correspond to 1,394% of the total outstanding shares of the Company, at a price of 12.97 euro per share.

#### **IV. RISKS ASSOCIATED WITH THE MACROECONOMIC ENVIRONMENT**

The uncertainty that stems from the Greek financial crisis is likely to continue to adversely affect the business, the operating results and financial position of the Group

- Changes in consumer behaviour
- The Group is subject to economic and political risks and uncertainties that exist in some countries where it operates.
- Enlargement of the European Union and any strengthening of the euro against other currencies like the Japanese yen and dollar would adversely affect the business travel retail sector
- Market Risk
  - Interest Rate Risk
  - Foreign Exchange Risk
  - Prices - Inflation
- Credit Risk
- Liquidity Risk
- Inventory Risk

#### **Description of main risks and uncertainties.**

The main risks of the current financial year according to the management's judgment are the following:

#### **Market Risk**

**i) Interest Rate Risk:** The loan liabilities of the company and Group are linked to the Euribor index. Thus, the Group is exposed to significant interest rate change risk. In the attempts to deal with this risk, the Group uses interest rate swap (IRS) tools. It has also proceeded to the compilation of a common debenture loan with favorable terms.

**ii) Foreign Exchange Risk:** a) Risk of reduced gross profitability due to appreciation of foreign currencies: The risk is derived from the fact that the company (and the group) purchases the greatest part of its products in prices expressed in USD and sells these products to the markets in which it is active in prices expressed in local currencies. The Group's products' sales prices are finalized several months before their receipt and repayment and any possible dollar revaluation, in relation to local currencies, would increase the cost of sales, without allowing the increase of sale prices, thus depriving the Group from a part of its gross profit. Also, part of the Group's disposal expenses, and mostly royalties, is expressed in US dollars. Thus, any possible US dollar

revaluation in relation to the Euro would increase the Group's operating expenses. The management of this risk is performed by the Group's cash management department, in collaboration with the pertinent commercial management, and the strategy and general planning are provided by the company's Board of Directors. Commercial managements take into consideration the foreign exchange rate change risk during the determination of their products' retail sale prices. The Group also uses foreign exchange risk setoff products, mostly forward type agreements. B) Risk from the conversion of financial statements expressed in foreign currency: The Group has investments in foreign companies, which operate in currencies other than Euro and thus their financial statements are not prepared in Euro. The Group is exposed to a risk from the conversion of the said financial statements to Euro, in order to be consolidated in the Group's financial statements.

**iii) Price risk - Inflation:** According to the administration, the Group runs no risk from price fluctuation, since it does not own a significant securities portfolio and the prices of the products it sells do not present particular fluctuations. Thus, the international increase of inflation pressure in combination with the disturbance of the international financial system may modify consuming habits, affecting the group's sales and profitability.

### **Credit Risk**

This is the risk of breaching contractual obligations on part of the other party. With regard to dealing with credit risk from wholesale, the Group performs most of these sales with known department stores in the countries in which it is active and in a network of selected franchisee. Also, as a general measure, it compiles credit insurance contracts.

### **Liquidity risk**

Despite the unprecedented financial crisis and the limitation of liquidity internationally, the Group retains high liquidity thanks to the retail nature of the largest part of its sales and provides for further reinforcement of this liquidity, with the successful creation of discount outlets to dispose older stock and the limitation of expenses.

### **Inventory risk**

This risk is created by the retaining of old stock from certain companies of the Group and regards the inability to dispose of this stock or its disposal in prices lower than its evaluation. The management of this risk is provided via specialized disposal area-markets such as: Outlet type discount department stores, discount outlets and large hotel units, in countries in which the Group is active. The Group has evaluated its older stock at its net realizable value, evaluated based on the administration experience and the actual market data. The Management believes that this evaluation method (essentially forecasting for stock evaluation) covers fully the inventory risk.

## **V. External factors that may affect the results and share price**

The supply and demand for products and thus the cost, sales and results of the Issuer and the Group in general, are affected by various factors external to their activity, such as political instability, financial uncertainty and the recession, which affect each company in various degrees, regardless of the sectors in which they are active.

The international crisis or the unstable course of the international money markets and capital markets, the adverse financial conditions in Greece, the investors' behaviours, the threat of a significant terrorist attack, the

passenger traffic, the pan-Hellenic strikes and demonstrations, the prohibition of smoking in airports, are indicative factors which our Group cannot forecast or control and which may possibly affect the results both on a corporate and group level and consequently, the share price.

## VI. Labor and environmental issues

On December 31, 2012 the Group employed 6.063 employees, over 5.816 employees on December 31, 2011. The corresponding figures for the Company are 2.169 versus 2.138. The Group employs (a) employees with a contract of indefinite duration, (b) wage workers, and (c) hourly employees. The parent company established and operating legally union, numbering about 1.670 members including seasonal employees. The Company's management works closely with impeccable manner with the union on all matters affecting workers, especially on security issues in the workplace. Similarly, labour union formed in consolidated companies Attica Department Stores S.A. (About 170 members).

The Group is fully in line with the environmental laws of countries where it operates. Participates in particular in recycling programs and applies the relevant laws in terms of (a) packaging, (b) electric accumulators etc. vehicle equipment and parts, and (c) electrical and electronic equipment. It has signed contracts with recognized and licensed management companies recycled materials and makes periodic contributions. Also the cooperation with suppliers is based on standards that deny any form of child labour, discrimination and forced labour, to ensure for every worker involved in the production process health and safety, equal pay and respect for their rhythms of life. We visit our suppliers regularly so that everyone complies with the principles of social responsibility that inspires us.

## VII. Transactions with Affiliates

The Group companies' receivables and liabilities, from and to the parent company, as well as the income and expenses of each company caused by their transactions with the parent company within 2012, according to IAS 24, are the following:

		1.1- 31.12.2012		1.1- 31.12.2011	
		<i>Executives</i>	<i>Other related parties</i>	<i>Executives</i>	<i>Other related parties</i>
<b>For the Group</b>					
<i>Purchases of goods</i>					
	Northlandmark AE	0,00	445.017,00	0,00	0,00
	Attica Department Stores S.A.	0,00	467.393,00	0,00	0,00
	<b>Total</b>	<b>0,00</b>	<b>912.410,00</b>	<b>0,00</b>	<b>0,00</b>
<i>Sales Services</i>					
	Northlandmark AE	0,00	1.292,00	0,00	0,00
	Attica Department Stores S.A.	0,00	8.740,00	0,00	0,00
	<b>Total</b>	<b>0,00</b>	<b>10.032,00</b>	<b>0,00</b>	<b>0,00</b>
<i>Get Services</i>					
	Northlandmark AE	0,00	18.894,00	0,00	0,00
	Attica Department Stores S.A.	0,00	11.669,00	0,00	0,00
	<b>Total</b>	<b>0,00</b>	<b>30.563,00</b>	<b>0,00</b>	<b>0,00</b>
<i>Transactions and remuneration of Board members and Managers</i>					
	H.D.F.S. S.A.	7.054.079,86	0,00	4.906.774,62	0,00
	Hellenic Disrtributions	314.448,38	0,00	282.752,59	0,00
	Northlandmark AE	289.350,25	0,00	367.338,81	0,00
	Attica Department Stores S.A.	325.560,00	0,00	298.161,00	0,00
	<b>Total</b>	<b>7.983.438,49</b>	<b>0,00</b>	<b>5.855.027,02</b>	<b>0,00</b>
<i>Receivables</i>					
	H.D.F.S. S.A.	0,00	38.907,97	0,00	0,00
	Northlandmark AE	0,00	266,00	0,00	0,00
	Attica Department Stores S.A.	0,00	6.390,00	0,00	0,00
	<b>Total</b>	<b>0,00</b>	<b>45.563,97</b>	<b>0,00</b>	<b>0,00</b>
<i>Payables</i>					
	H.D.F.S. S.A.	0,00	0,00	0,00	355.000,24
	Northlandmark AE	0,00	338.227,00	72.698,00	0,00
	Attica Department Stores S.A.	0,00	500.471,00	0,00	0,00
	<b>Total</b>	<b>0,00</b>	<b>838.698,00</b>	<b>72.698,00</b>	<b>355.000,24</b>

<b>For the Company</b>					
	<b>1.1- 31.12.2012</b>	<b>1.1- 31.12.2011</b>		<b>1.1- 31.12.2012</b>	<b>1.1- 31.12.2011</b>
<b>Sales of Goods</b>			<b>Sales Services / Other Income</b>		
FOLLI-FOLLIE H.K. - Group	54.645,46	89.793,85	FOLLI-FOLLIE H.K. - Group	5.302,72	566.835,13
FOLLI-FOLLIE JAPAN LTD	91.027,21	6.980,10	FOLLI-FOLLIE JAPAN LTD	362,43	179,97
FOLLI FOLLIE FRANCE SA	-2.929,22	9.893,69	FOLLI FOLLIE FRANCE SA	6.064,84	1.203,00
FOLLI FOLLIE SPAIN SA	72.953,17	229.162,41	FOLLI FOLLIE SPAIN SA	16.625,32	16.500,52
MFk FASHION LTD	964.247,96	199.556,32	MFk FASHION LTD	19.491,50	17.682,36
PLANACO ABEE	0,00	0,00	PLANACO ABEE	2.400,00	3.297,89
LINKS OF LONDON LTD	5.947.458,05	7.648.063,93	LINKS OF LONDON LTD	30.963,94	30.754,28
HELLENIC DISTRIBUTION	5.274.062,62	6.728.642,04	HELLENIC DISTRIBUTION	38.085,06	145.593,63
ELMEC ROMANIA SRL	8.603.597,11	11.137.994,04	ELMEC ROMANIA SRL	10.712,77	0,00
ELMEC SPORT BULGARIA EOOD	3.545.137,58	4.486.080,80	ELMEC SPORT BULGARIA EOOD	1.768,10	0,00
MOUSTAKIS S.A.	716.286,56	532.721,00	MOUSTAKIS S.A.	5.046,50	0,00
LOGISTICS EXPRESS SA	569.440,95	1.723.605,56	LOGISTICS EXPRESS SA	30.481,07	42.413,62
ATTICA DEPARTMENT STORES S.A.	4.469.786,00	4.990.014,83	ATTICA DEPARTMENT STORES S.A.	203.594,00	0,00
NORTHLANDMARK SA	3.348.736,52	3.488.431,23	NORTHLANDMARK SA	0,00	0,00
ICE CUBE SA	570.295,09	742.836,18	ICE CUBE SA	3.555,35	1.621,92
COLLECTIVE PATRAS SA	309.532,50	1.661.023,35	COLLECTIVE PATRAS SA	3.013,35	1.259,10
NORTH GREECE DEPARTMENT STORES	1.293.410,90	0,00	NORTH GREECE DEPARTMENT STORES	0,00	0,00
<b>Total</b>	<b>35.827.688,46</b>	<b>43.674.799,33</b>	<b>Total</b>	<b>377.466,95</b>	<b>827.341,42</b>

	<b>1.1- 31.12.2012</b>	<b>1.1- 31.12.2011</b>		<b>1.1- 31.12.2012</b>	<b>1.1- 31.12.2011</b>
<b>Purchases of goods</b>			<b>Get Services / Other Expenses</b>		
FOLLI-FOLLIE H.K. - Group	7.264.647,66	7.313.891,28	FOLLI-FOLLIE H.K. - Group	10.128,97	851.695,91
PLANACO ABEE	11.881,00	238.780,95	PLANACO ABEE	0,00	11.765,00
LINKS OF LONDON LTD	602.383,26	250.108,84	LINKS OF LONDON LTD	3.634.910,35	6.043.130,48
HELLENIC DISTRIBUTION	699.717,17	820.194,57	HELLENIC DISTRIBUTION	37.246,65	26.976,78
ELMEC ROMANIA SRL	397.079,42	378.610,67	ELMEC ROMANIA SRL	0,00	0,00
ELMEC SPORT BULGARIA EOOD	96.063,96	50.819,15	ELMEC SPORT BULGARIA EOOD	0,00	0,00
MOUSTAKIS S.A.	0,00	674.960,00	MOUSTAKIS S.A.	64,53	0,00
LOGISTICS EXPRESS SA	1.320,33	8.754,00	LOGISTICS EXPRESS SA	214,00	0,00
ATTICA DEPARTMENT STORES S.A.	256.636,04	171.710,00	ATTICA DEPARTMENT STORES S.A.	111.061,89	122.386,00
NORTHLANDMARK SA	56.724,55	0,00	NORTHLANDMARK SA	0,00	48.437,18
ICE CUBE SA	1.900,81	1.139,02	ICE CUBE SA	0,00	0,00
COLLECTIVE PATRAS SA	288.081,25	167.470,90	COLLECTIVE PATRAS SA	0,00	0,00
FOLLI FOLLIE SHENZHEN	16.245,46	0,00	FOLLI FOLLIE SHENZHEN	0,00	0,00
NORTH GREECE DEPARTMENT STORES	0,00	0,00	NORTH GREECE DEPARTMENT STORES	46.054,86	0,00
<b>Total</b>	<b>9.692.680,91</b>	<b>10.076.439,38</b>	<b>Total</b>	<b>3.839.681,25</b>	<b>7.104.391,35</b>

	<b>1.1- 31.12.2012</b>	<b>1.1- 31.12.2011</b>		<b>1.1- 31.12.2012</b>	<b>1.1- 31.12.2011</b>
<b>Receivables</b>			<b>Payables</b>		
FOLLI-FOLLIE H.K. - Group	4.206.956,97	1.459.940,38	FOLLI-FOLLIE H.K. - Group	0,00	231.912,08
FOLLI-FOLLIE JAPAN LTD	7.166.412,20	7.100.908,64	FOLLI-FOLLIE JAPAN LTD	0,00	0,00
FOLLI FOLLIE UK LTD	4.684,63	4.577,10	FOLLI FOLLIE UK LTD	0,00	0,00
FOLLI FOLLIE FRANCE SA	694.660,27	111.524,65	FOLLI FOLLIE FRANCE SA	0,00	0,00
FOLLI FOLLIE SPAIN SA	3.368.541,52	3.278.963,03	FOLLI FOLLIE SPAIN SA	0,00	0,00
MFk FASHION LTD	855.649,37	447.161,00	MFk FASHION LTD	0,00	0,00
PLANACO ABEE	2.334.331,09	1.186.331,09	PLANACO ABEE	9.660,18	53.546,55
LINKS OF LONDON LTD	7.633.802,42	2.661.630,53	LINKS OF LONDON LTD	10.409.153,24	6.013.122,87
HELLENIC DISTRIBUTION	2.053.660,91	4.965.841,92	ΕΛΛΗΝΙΚΕΣ ΔΙΑΝΟΜΕΣ ΑΕ	0,00	2.506.959,19
ELMEC ROMANIA SRL	10.519.425,83	8.007.209,12	ELMEC ROMANIA	202.580,55	309.249,34
ELMEC SPORT BULGARIA EOOD	61.745,02	123.652,28	ELMEC SPORT BULGARIA EOOD	0,00	0,00
MOUSTAKIS S.A.	11.154,99	247.773,84	ΜΟΥΣΤΑΚΗΣ ΑΕΕ	0,00	303,69
LOGISTICS EXPRESS SA	2.349.856,47	2.183.647,29	LOGISTICS EXPRESS	0,00	11.284,80
ATTICA DEPARTMENT STORES S.A.	5.668.447,95	5.562.106,57	ΑΤΤΙΚΑ ΠΟΛΥΚΑΤΑΣΤΗΜΑΤΑ ΑΕ	174.986,27	125.309,85
NORTHLANDMARK SA	4.004.540,54	3.801.507,08	NORTHLANDMARK ΑΕ	19.639,82	11.839,32
ICE CUBE SA	760.410,03	900.225,49	ICE CUBE ΑΕ	0,00	1.401,00
COLLECTIVE PATRAS SA	1.090.659,90	1.691.685,86	COLLECTIVE ΠΑΤΡΩΝ ΑΕ	0,00	205.989,24
NORTH GREECE DEPARTMENT STORES	1.212.536,95	0,00	ΚΑΤΑΣΤΗΜΑΤΑ ΒΟΡΕΙΟΥ ΕΛΛΑΔΟΣ	2.535,10	0,00
<b>Total</b>	<b>53.997.477,06</b>	<b>43.734.685,87</b>	<b>Total</b>	<b>10.818.555,16</b>	<b>9.470.917,93</b>

## Trends, Prospects and expected development of the Group

In this severe and unpredicted environment, we still expect the region of Asia to maintain its positive trend for 2013 as well.

Comparative advantage and an important asset for the Group, is the diversified portfolio of activities and the presence in major markets worldwide.

Seasonality has a significant effect on the Group, particularly in the travel retail, mainly in the period May - October due to increased passenger traffic in comparison to the rest of the year. The seasonality for the Group's activity in retail and wholesale of Clothing & Footwear takes place during the first and third quarter each year. In these periods the wholesale revenues are affected positively by the planning of purchases of big wholesale customers for seasons Spring/Summer, Fall/Winter. For the Group's activity in jewellery, watches and accessories seasonality can be observed in the holiday seasons (Christmas, Eastern and Valentine's) as well as during the summer season during the sales period.

The prospects of the Greek economy begin to look encouraging. The depression is predicted to ease in 2013 to slightly negative levels, but the increasing unemployment and the decreasing buying power of the households leave no room for optimism since the activities of the Company are related with those of the Greek economy as well.

## **Corporate Governance Statement**

### **A) Corporate Governance Principles**

The company has adopted corporate administration principles as determined by the Greek legislation in force and the international practices.

### **B) Corporate Governance Code**

Our company hereby states the adoption of the widely accepted Corporate Governance Code of the Hellenic Federation of Enterprises (SEV) for Listed Companies. This code can be found at the SEV's website, under the following address: [http://www.sev.org.gr/Uploads/pdf/KED\\_TELIK0\\_JAN2011.pdf](http://www.sev.org.gr/Uploads/pdf/KED_TELIK0_JAN2011.pdf)

The company may proceed to amendments on the Code and Corporate Governance Principles it applies.

## **Deviations from the Corporate Governance Code and justification**

### **Board of Directors' role and competencies**

- The Board of Directors has not proceeded to the establishment of a separate committee supervising the procedure of candidacy submission for election in the Board of Directors and preparing suggestions to the Board of Directors with regard to the rewards of the executive members and main top executives, given that the Company's policy in relation to these rewards is not fixed and settled.

### **Board of Directors' size and composition**

- The Board of Directors consists of 6 executive members, 5 non-executive members and 2 independent, non-executive members. This balance has provided the Board with effective and productive operation during the last years.

- The Board of Directors does not appoint an independent Vice Chairman among its independent members, but an executive one, since the assistance of the Board of Directors' Vice Chairman and Chairman is considered extremely important for the exercise of the Board's executive duties.

### **Duties and behaviour of Board of Directors' Members**

- The detailed notification of any occupational commitments of the Board of Directors' members is not required (including significant non-executive commitments in companies and non profit foundations) before their appointment in the Board of Directors.
- The Board of Directors' approval is not required for the appointment of one of its executive members in a company which is not a subsidiary or affiliate.

### **Board of Directors' candidate members**

- There is no committee promoting the candidacies for the Board of Directors, since due to the company's structure and operation, this type of committee is not considered necessary at the moment.

### **Board of Directors' operation**

- At the beginning of each calendar year, the Board of Directors does not endorse a calendar of meetings or a 12-month action plan, since its convention and meeting are easy to arrange whenever the company needs or the law provides it, without requiring a predetermined action plan.
- The Chairman does not have regular meetings with non-executive members, without the presence of executive members, to discuss their performance and rewards and other relative issues, since any issue is discussed with the presence of all members.
- There are no introductory information programs ensured by the Board of Directors for new members, nor a constant occupational training for other members, since the persons suggested to be elected as Board of Directors' members have proven and ample experience and organizational – administrative skills.
- There is no specific term for the provision of sufficient resources to the Board of Directors' committees for the fulfilment of their duties and the recruitment of external consultants, since all relative resources are approved on occasion by the company administration, based on the various corporate needs.

### **Board of Directors' Evaluation**

- There is no established procedure for the evaluation of the Board of Directors' and its committee's evaluation, nor is the performance of the Board of Directors' Chairman evaluated during the procedure presided by the independent Vice Chairman or another non-executive Board of Directors' member in lack of an independent Vice Chairman. This procedure is not considered necessary in light of the company's organizational structure.
- Regular and non-executive members do not convene without the presence of executive members, in order to evaluate the performance of executive members and determine their rewards.
- The Board of Directors does not briefly describe in the corporate governance annual statement its evaluation procedure, as well as the evaluation procedure for its committees, since no such evaluation procedures are applied.

## **Internal Audit System**

The internal audit system consists of all auditing arrangements and procedures constantly covering all company activities and contributing to its effective and safe operation, the efficiency and efficacy of corporate tasks, the credibility of financial information and compliance with the applicable laws and regulations.

The company has a sufficient and effective internal audit system with clearly described procedures, aiming to the effective management of its available resources, according to the Board of Directors' decisions and the management of the most significant risks.

In particular, the company's I.A.S. aims are the following:

- Constant implementation of the corporate strategy with effective use of the available resources.
- Acknowledgment and management of all sorts of risks assumed by the company.
- Reassurance of the completeness and credibility of the data and information required for the accurate and timely determination of its financial condition and the compilation of trustworthy financial statements.
- Compliance with the institutional framework governing the company's operation, including internal regulations and codes of ethics.
- Prevention and avoidance of erroneous actions and irregularities that could endanger the company's reputation and interests as well as the reputation and interests of its shareholders and other interested parties.

## **Audit Committee**

The Audit Committee is a Board of Directors' Committee and is convened in order to assist the Board in fulfilling its obligations for the monitoring and evaluation of the Internal Audit System adequacy and effectiveness, based on the findings and comments of internal and external auditors as well as the ones provided by supervisory authorities' audits.

The Audit Committee members are appointed by the Company's shareholders' General Meeting. The Audit Committee consists of at least two (2) non-executive members and one independent non-executive member of the Board of Directors, who presides over its meetings and has sufficient knowledge and experience in accounting and auditing issues. The Audit Committee is convened regularly. The exact time schedule is determined by the Committee itself.

Information on the composition and operation of the Audit Committee:

According to article 37 of L. 3693/2008, all listed companies ("public interest" according to the law) must have an Audit Committee consisting of three members of the Board of Directors, at least two non-executive ones and one independent non-executive member.

The Company's Audit Committee consists of the following members of the Board of Directors:

Mantzavinos Zaharias, Non-executive member and Audit Committee Chairman

Epameinondas Dafermos, Non-executive member  
Aronis Georgios, Independent non-executive member

The Audit Committee monitors and supervises the performance of the internal audit by the internal audit direction. It is convened regularly and during its meetings, it evaluates and utilizes the auditing work findings provided by the supervisory authorities and internal audit division.

The Audit Committee Chairman convenes the Committee, presides in its meetings, introduces the issues to be discussed and in general coordinates and supervises the Committee work. The Committee Chairman informs the BoD on the Committee's work in the framework of the BoD meetings.

### **Remunerations**

- The Board of Directors' executive members' contracts do not include any term according to which the Board of Directors may claim the refund of the entire or part of the bonus that has been allocated, due to revised financial statements of previous financial years or in general, based on erroneous financial data used for the estimation of this bonus.
- There is no rewards committee, consisting exclusively of non-executive members, independent by their majority, dealing with the determination of the Board of Directors' executive and non-executive members' rewards. Thus, there are no provisions for the duties of the said committee, the frequency of its meetings and other issues regarding its operation. The composition of such a committee, in light of the company's structure and operation, has not been considered necessary so far.
- Each Board of Directors' executive member's reward is not approved by the Board of Directors further to a suggestion by the rewards committee without the presence of its executive members, given that no such rewards committee exists.

### **General Meeting**

- No deviation was found.

### **Information on the operation of the shareholders' General Meeting and its basic authorities and description of the shareholders' rights and their exercise**

#### **General Meeting of shareholders**

The Board of Directors ensures that the preparation and performance of the shareholders' General Meeting facilitates the effective exercise of the shareholders' rights, who can be completely updated on all issues related with their participation in the General Meeting, including the agenda issues and their rights during the General Meeting. The Board of Directors utilizes the shareholders' General Meeting to facilitate an effective and open discourse with the company.

In combination with the provisions of Law 3884/2010, the company posts at its website, at least twenty (20) days before the General Meeting, in Greek and English, information regarding the following:

- The date, time and place of the shareholders' General Meeting;

- The basic participation rules and practices, including the right to introduce issues in the agenda and submit questions, as well as the deadlines within which the above rights may be exercised;
- The voting procedures, representation terms and documents used for voting via a representative;
- The suggested Meeting agenda, including drafts of the decisions to be discussed and voted and any other supporting documents;
- The suggested list of candidate members for the Board of Directors and their CVs (if members are to be elected); and
- The total number of shares and voting rights on the day the meeting is convened.

At least the company's Board of Directors' Chairman, the Vice Chairman and the Managing Director attend the shareholders' General Meeting, in order to provide information on issues of their competence, placed for discussion, and on questions or clarifications requested by the shareholders. The General Meeting Chairman has ample time for the submission of questions by shareholders.

### **General Meeting basic authorities**

The shareholders' General Meeting is the Company's superior body and has a right to decide generally on any corporate case. Its lawful decisions also commit absent and disagreeing shareholders.

The General Meeting is the only pertinent body to decide on the following:

- Any issue submitted to it by the Board of Directors or eligible parties, according to the provisions of the Law or the Articles of Association, to call for its convention;
- Amendments on the Articles of Association. Such amendments are those regarding the increase or reduction of share capital, the Company's dissolution, the extension of its duration and its merger with another company;
- The election of the Board of Directors' members and the auditors, and determination of their rewards;
- The approval or amendment of annual financial statements prepared by the Board of Directors and the disposal of net profit;
- The approval, by special voting performed with nominal call, of the Board of Directors' management and the release of the board of Directors and auditors of any liability further to the voting of the Annual Financial Statements and the hearing of the report on the Board of Directors' activities and the general status of the corporate cases. The company's Board of Directors' and its employees may participate in the above voting, but only with shares they hold by ownership;
- The hearing of auditors with regard to the company's books' and accounts' audits they have performed;
- The issuing of bond loans with rights over profits, according to article 3b of Law 2190/1920 and convertible bond loans;
- The appointment of liquidators in case of the company's dissolution;
- The filing of lawsuits against Board of Directors' members or the auditors, for breach of their duties as deriving from the Law and Articles of Association.

## **Shareholders' rights and their exercise**

All shareholders presented with this property in the archives of the body retaining the company's mobile assets may participate in the company's General Meeting and vote. The exercise of the said rights does not require the undertaking of the beneficiary's shares or the application of any similar procedure. Shareholders with participation rights in the General Meeting may be represented in it by a person they have lawfully authorized.

The company's shareholders' rights deriving from the share are proportionate to the capital percentage to which the share's paid value corresponds. Each share provides all rights determined in C.L. 2190/1920 as amended and in effect, and as determined in the company's articles of association.

The Board of Directors' Chairman and Vice Chairman are available for discussions with the company's shareholders with significant participations and discuss with them issues regarding the company's governance. Also, the Chairman ensures that the shareholders' views are notified to the Board of Directors.

## **Information on the Board of Directors' composition and operation**

### **Board of Directors' composition**

The Board of Directors, acting collectively, assumes the administration and management of corporate cases to the company's and its shareholders' benefit, ensuring the application of the corporate strategy and the fair and equivalent treatment of all shareholders. It generally decides on all issues regarding the company, except for those that according to the Law or the Articles of Association, are vested in the competence of the shareholders' General Meeting.

The Board of Directors' members are elected by the General Meeting. The General Meeting also determines which members shall be independent, non-executive ones. The Board of Directors determines which of its members shall be executive and which non-executive.

The company's Board of Directors is the trustee of the Corporate Governance Principles of the company. The Board of Directors consists of seven (7) to fifteen (15) members. It is elected with secret voting by the General Meeting, with a three-year service extended until the regular General Meeting of its retirement year. In any case, this service cannot exceed the number of four years. Board of Directors' members may be shareholders or not, and are always re-electable.

Today the Board of Directors consists of six executive members, five non-executive members and two independent non-executive members. From the non-executive members, two fulfil its prerequisites, according to the provisions of L. 3016/2002 on Corporate Governance and are considered independent. Executive members are employed by the company or provide services to it by exercising administrative duties. The Board of Directors' non-executive members do not exercise administrative duties t the company.

A table with the Board of Directors' members follows:

	NAME	SEAT	SERVICE INITIATION	SERVICE EXPIRATION
1.	Koutsolioutsos Dimitrios	Chairman, Executive member	19/1/2011	19/6/2014
2.	Koutsolioutsos Ekaterini	Vice Chairman, Executive member	19/1/2011	19/6/2014
3.	Koutsolioutsos Georgios	Managing Director, Executive member	19/1/2011	19/6/2014
4.	Velentzas Georgios	First Deputy Managing Director & General Manager, executive member	19/1/2011	19/6/2014
5.	Zachariou Emmanuel	Second Deputy Managing Director & General Manager, executive member	19/1/2011	19/6/2014
6.	Aronis Georgios	Independent non-executive member	19/1/2011	19/6/2014
7.	Dafermos Epaminondas	Independent non-executive member	19/1/2011	19/6/2014
8.	Jiannong Qian	Non-executive member	26/5/2011	19/6/2014
9.	Koukoutsas Ilias	Non-executive member	19/1/2011	19/6/2014
10.	Kouloukountis Ilias	Non-executive member	19/1/2011	19/6/2014
11.	Mantzavinos Zacharias	Non-executive member	19/1/2011	19/6/2014
12.	Betsis Ilias	Non-executive member	19/1/2011	19/6/2014
13.	Nioti Eirini	Executive member	19/1/2011	19/6/2014

*Brief CVs of the BoD members:*

**Dimitrios Koutsolioutsos**, Athens College Graduate, he studied Finance at the University of Milan, L. BOCCONI. He is now the Chairman of the Board of Directors.

**Ekaterini Koutsolioutsos**, She was born in Athens. British University Sociology graduate. She continued her university studies in Italy, where she acquired university degrees in Tourist Sciences and Linguistics. In Italy, she worked in making and selling jewellery for 25 years and in 1982 she returned to Greece to create along with her husband Dimitrios Koutsolioutsos the company FOLLI FOLLIE. Today she is Vice Chairman of the Company's Board of Directors.

**Georgios Koutsolioutsos**, Athens Italian School Graduate. He studied Finance at the University of Harford in Paris and then acquired postgraduate degrees in business management and Marketing from the Hartford University of Connecticut in America. He started his professional experience in New York, where he worked for approximately two years as a silver/goldsmith.

**Georgios Velentzas**, Athens Financial University Graduate (former ASOEE) and graduate of Athens University Law School with postgraduate studies in Business Management and working experience in major companies. He is also Managing Director in subsidiary Hellenic Distributions S.A. and Executive Consultant for "HELLENIC TOURIST BUREAU S.A." He has been working in the company since 1980. Since 2004, Mr. Velentzas has occupied the position of General Manager in the company.

**Emmanuel Zachariou**, He has many years of experience in wholesale & retail of designer clothes. He has served for 18 years as Commercial Manager, BoD Vice Chairman & minority shareholder of the former listed company SPORTSMAN SA (later member of the NOTOS COM Group of Companies) and during the last 10 years he had been the General Manager, BoD Vice Chairman & minority shareholder of company ALOUETTE SA.

**Jiannong Quian**. He graduated from Shandong University of Finance and holds a master's degree in Economics from the German University. He has been a strain on the company Metro AG in Germany and China, Assistant General Director to the company China Resources Vanguard, Vice President China of OBI AG, Deputy General Director of the company Wumart Stores Inc, and president and Managing Director of China Nepstar. He entered the group FOSUN in late 2009 and holds the position of General Director of Business Investment Division and the Deputy Chairman of the Group

**Georgios Aronis**, He was born in Athens in 1957. He studied Finance and has an MBA, major in Finance, by ALBA. He has been working for Alpha Bank since 2004 as head of Retail Banking and on 17.05.2006 he became Executive General Manager. He has worked for 15 years in multinational banks, most of the time for ABN AMRO in Greece and abroad. For 6 years he worked in National Bank in managerial positions and from 2002 until 2004 he was General Manager of Retail Banking. He is the Chairman of the Alpha insurance Agencies Board of Directors, Vice President of Alpha Asset Management A.E.D.A.K. and Alpha Life.

**Epaminondas Dafermos**, He was born in Crete in 1939. He has a Mechanical Engineer degree from the University of Munich, Germany. Since 1965 he has been working as a top business executive for companies such as IZOLA (Direction of Production and Supplies) and AGET IRAKLIS (Managing Director). For the past 18 years he cooperated with Mr. Kiriakos Filippou in his group of companies, as Managing Director and member of his companies' BoDs. He speaks English and German, is married and has a daughter.

**Ilias Koukoutsas**. He studied at Athens KATEE (Accountants' Department) and ASOEE (Business Management Department). He worked for twenty years at department stores Afoi Labropouloi (1981-2001) and at his resignation he held the position of Commercial Management. He has been a Board of Directors' member in SELPE (Hellenic Retail Sales Association). His cooperation with the Elmec Sport Group of Companies began in 2002. Today Mr. Koukoutsas also serves as Managing Director in subsidiary company North Landmark SA, General Manager in Attika Polykatakstimata SA.

**Ilias Kouloukountis**. He was born in Athens in 1943. He studied at the Athens College, Psihiko, the Millfield School, Somerset and the King's College of the Durham University, England. He began working in 1966 in company A.G.PAPPADAKIS & CO LTD. In 1971 and in combination with his family businesses, he established OFF SHORE CONSULTANCE INC in Piraeus and OFF SHORE UK LTD in London. From 1997 until 2000 he served as manager and general administrator of the company KASSIAN MARITIME NAVIGATION AGENCY LTD. From 2000 until today he has been the President and General Manager of company EQUITY SHIPPING CO LTD.

**Zacharias Mantzavinos**. He was born in 1936 in Athens and he is a Professor Emeritus at the Dentistry School of the University of Athens, with postgraduate duties in the Dentistry School of the University of Pennsylvania, USA. He has published over 100 scientific theses in Greek and foreign journals and has served as a Dean of the dentistry school and President in two services. He has also served as member of the first Administrative Committee of the University of Aegean, the Superior Scientific State Council and the American Academy of Periodontology, the Pierre Fouchard Academy, the International College of Dentists and other Greek and foreign companies.

**Ilias Betsis**. He was born in Fiteies, Etoloakarnania in 1952. He studied Law and Financial & Political Science in the Aristotelian University of Thessaloniki. He is a High Court Lawyer and Legal Services Manager in Agrotiki Bank of Greece. He has served as Board of Directors member for company "Agrotiki Asfalistikiki SA", the Business Recovery Organization (OAE), the Public Oil Corporation SA (ELPE) and the First Business Bank SA (FBB). Today he is a Board of Directors' member in companies ATE CARD SA and ATExeliki S.A.

**Eirini Nioti**. She was born in Athens. She has studied finance at the SAINT GEORGE COMMERCIAL COLLEGE. She has been working for FOLLI FOLLIE since 1986 and is supervisor of the Group's available cash management. She speaks English, French and Italian.

## **Relations with shareholders**

Communication with shareholders

-no deviation was found

### **VIII. The explanatory report of the Board of Directors to the Shareholders' Regular General Meeting. (According to §7 of article 4, L.3556/2007)**

#### **A.Share Capital Structure**

The Company's share capital amounts to € 20,084,463 divided into 66,948,210 common nominal shares with nominal value € 0.30 each and paid in full. Each share provides the right of one vote. All shares are listed for trade at the Athens Stock Exchange in the category of Big Capitalization.

Each share embodies all rights and obligations determined by the Law and the FF Group S.A. Articles of Association, which do not contain any provisions more limiting than those provided by the Law. The shareholders' liability is limited to the nominal value of the shares they own. The ownership of the share entails the acceptance of the Folli Follie Group's Articles of Association and the lawful decisions of the shareholders' General Meetings by its owner. The Folli Follie Group Articles of Association do not provide special rights in favour of specific shareholders or change terms for the capital and amendment of the shareholders' rights which are more limiting than the provisions of the Law. Shareholders exercise their rights in relation to the company administration via the General Meetings. Each shareholder has a right to participate in the company's shareholders' General Meeting either in person or via a representative. Each share provides the right of one vote. Each shareholder may request 10 days before the Regular General Meeting the annual financial statements and relative reports of the company's Board of Directors and Auditors.

Shareholders representing 5% of the paid-up share capital of the Company have the right to request from the company's pertinent Court of First Instance the appointment of one or several auditors particularly for the company audit, according to articles 40 and 40e of L. 2190/1920. They may also request for a shareholders' Extraordinary General Meeting to be convened. In such a case, the Board of Directors must convene this Meeting within 30 days after the submission of the request to the Board of Directors' Chairman. In this request, the shareholders must state the issues on which the General Meeting must decide. Shareholders have a preference privilege in each future increase of the company's share capital, according to their participation in the existing share capital as determined in article 13, paragraph 5 of C.L. 2190/1920.

Each share's dividend will be paid within two months further to the date of the Regular General Meeting which approved the annual financial statements. The place and way of payment shall be notified to the shareholders via the press. Dividends are distributed from profit already taxed to the legal entity and thus the shareholder has no tax obligations on the amount of dividends they collect. Dividends that have not been claimed for five years shall be deleted in favour of the State.

Any difference between the company on the one hand and the shareholders or any third party on the other hand, are subject to the exclusive competence of the regular courts and the company is defended only before the courts pertinent at its head offices area.

## **B. Limitations in the transfer of company shares**

The transfer of company shares takes place according to the procedures determined by the law and the Regulation of the Athens Stock Exchange and based on the company's articles of association; no limitations apply to their transfer.

## **C. Significant direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007**

On 31.12.2011, the following shareholders held more than 5% of total voting rights

Dimitrios G. Koutsolioutsos: 36.01%

Fosun International: 13.85%

TPG Axon Management: 6.8%

Fidelity Investments: 6.6%

## **D. Holders of any shares with special control rights.**

There are no shares of the Company to provide their holders with special voting rights.

## **E. Restrictions on voting rights.**

There are no restrictions of voting rights to shares arising from the Company.

## **F. Agreements between the shareholders of the Company.**

It is not known to the Company that there are agreements between the shareholders or the voting rights arising from shares.

The share is indivisible as to the exercise of rights and obligations arise. If for any reason there are more joint owners or beneficiaries of a share, these are represented against the company by a person that was appointed after a mutual agreement.

## **G. Rules for appointing and replacing members of the Board and to amend the Articles of Incorporation.**

The Society for the appointment and replacement of Board members, as well as amending the Constitution as needed following the provisions of Law 2190/1920, as amended.

## **H. Jurisdiction of the Board or some of its members to issue new shares or share buybacks:**

1. The company can not undertake to cover its own shares.
2. Without prejudice to the principle of equal treatment of shareholders in the same position and the provisions of Law 3340/2005, as applicable, the Company may, itself or through a person acting in his name but on behalf of, to acquire its own shares, but only after approval by the General Meeting, which establishes the terms and conditions of such acquisitions, in particular the maximum number of shares to be acquired, the duration for which the authorization, which cannot exceed twenty-four (24) months and in case of acquisition for value, the minimum and maximum value of the acquisition.

## **I. Significant agreements between the company that enters into force, alter or terminate upon a change of the control of the Company following a public offer and the effects thereof.**

Does not exist.

**J. Agreements that the Company has entered with members of the Board of Directors or its staff, which provides for compensation in case of resignation or dismissal without cause or termination of office or employment as a result of the bid.**

There are no agreements between the Company and its Board members or staff, providing for compensation, especially in case of resignation or dismissal without cause, or termination of office or employment due to a takeover bid.

**K. Dividend policy**

The Board, despite the positive results of the Group, taking into account the market crisis, and to further strengthen the financial position of the company in conjunction with planned investments will propose at the Annual General Meeting, not to distribute to the shareholders dividend for the fiscal year 2012.

**L. Significant events after year end**

The Group stated the following on recent developments in Cyprus:

- Our Group has deposits in Cyprus, specifically at the "Bank of Cyprus" which at the last day of operation of Banks (15/03/2013), amounting to approximately € 375.000.
- There is no exposure of our Group in marketable securities (equities - bonds) issued by the banks CPB and BOC.
- The rate of turnover of our Group in Cyprus for the year 2012 amounts to 0.12%.
- The Group will have no significant impact on the turnover, the results and financial position, due to the very small size of the Group's operations in Cyprus and thus little effect on consolidated figures.

Other than that, on the balance sheet date and until the approval of the Financial Statements by the Board, there were no events significantly affecting the financial figures.

**Chief Executive Officer**  
**George Koutsolioutsos**

**Deputy Executive Officer and General Manager**  
**George Velentzas**

**Ag. Stefanos, March 26<sup>th</sup>, 2013**

## C. INDEPENDENT CERTIFIED AUDITORS' ACCOUNTANTS REPORT

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **"DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A."**

#### Report on Stand-alone and Consolidated Financial Statements

We have audited the accompanying stand alone and consolidated financial statements of "DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A." and its subsidiaries, which comprise the stand alone and consolidated statement of financial position as at 31 December 2012, and the stand alone and consolidated statement of comprehensive income, of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the company Stand-alone and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company **"DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A."** and of its subsidiaries as at December 31,2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## Report on Other Legal and Regulatory Requirements

- (a) The Director's Report includes a statement of corporate governance which contains the information required by paragraph 3d article 43a of Codified law 2190/1920.
- (b) We confirm that the information given in the Director's Report is consistent with the accompanying stand alone and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.



**BAKER TILLY HELLAS**  
Certified Public Accountants A.E.  
396, Mesogion Avenue  
15341 Ag.Paraskevi-Athens, Greece  
SOEL Reg.No: 148

Athens, 27 March 2013  
The Certified Public Accountant

Chrisa G. Tsakalogianni  
SOEL Reg.: 23811

## 1 Statements of Financial Position for the Group and the Company

### 1.1 STATEMENT OF FINANCIAL POSITION OF THE GROUP

		The Group	
		31.12.2012	31.12.2011
<b>Assets</b>			
	<u>Notes</u>		
<b>Non-current assets</b>			
Tangible fixed assets	4	240.100.507,06	233.187.374,37
Investment Property	4	72.865.151,63	73.804.104,99
Intangible assets	5	99.605.695,21	103.733.233,64
Goodwill	5	252.770.555,37	252.828.647,37
Investments in subsidiaries	6	0,00	0,00
Investments in Associates		505.733,64	0,00
Investments available for sale	7	616.878,56	401.992,57
Deferred tax claims	20	22.631.222,89	22.271.275,91
Other long term assets	8	30.794.038,80	27.323.006,54
<b>Total non-current</b>		<b>719.889.783,16</b>	<b>713.549.635,39</b>
<b>Current assets</b>			
Inventories	9	377.616.142,19	339.169.114,36
Trade receivables	10	445.537.105,50	399.457.535,52
Other current assets	10	146.280.364,56	136.105.898,48
Derivatives		0,00	63.974,28
Other financial assets at fair value through profit	12	35.470,71	66.428,13
Cash & cash equivalent	11	126.483.148,41	135.501.551,10
<b>Total current assets</b>		<b>1.095.952.231,37</b>	<b>1.010.364.501,87</b>
<b>Total assets</b>		<b>1.815.842.014,53</b>	<b>1.723.914.137,26</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity of shareholders of the parent company</b>			
Share capital	13	20.084.463,00	20.084.463,00
Share Premium	13	145.211.731,47	145.211.731,47
Other reserves	13	-14.280.894,17	-22.927.276,59
Other equity	13	-114.561.004,47	-95.722.507,50
Retained earnings	13	768.222.990,18	674.731.561,73
		<b>804.677.286,01</b>	<b>721.377.972,11</b>
Minority interests		20.412.136,83	18.372.835,42
<b>Total equity</b>		<b>825.089.422,84</b>	<b>739.750.807,53</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term borrowings	14	428.829.361,00	314.665.406,03
Deferred tax liabilities	20	36.112.907,36	30.918.280,87
Employee benefit liabilities	15	8.274.109,55	9.354.397,23
Total long-term provisions	16	3.704.119,71	3.363.670,42
Other long-term liabilities	17	29.298.802,95	37.219.235,36
<b>Total long-term liabilities</b>		<b>506.219.300,57</b>	<b>395.520.989,91</b>
<b>Short-term liabilities</b>			
Short-term borrowings	14	312.247.173,08	417.244.907,17
Trade and other payables	18	152.291.571,36	154.021.572,34
Current Income tax	19	15.039.688,88	8.551.418,23
Current tax liabilities	19	4.895.329,86	8.744.546,60
Dividends payable		59.527,94	79.895,48
<b>Total short term liabilities</b>		<b>484.533.291,12</b>	<b>588.642.339,82</b>
<b>Total liabilities</b>		<b>990.752.591,69</b>	<b>984.163.329,73</b>
<b>Total equity &amp; liabilities</b>		<b>1.815.842.014,53</b>	<b>1.723.914.137,26</b>

## 1.2 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		The Company	
		31.12.2012	31.12.2011
<b>Assets</b>			
	<b>Notes</b>		
<b>Non-current assets</b>			
Tangible fixed assets	4	110.300.448,57	110.037.890,54
Investment Property	4	72.865.151,63	73.804.104,99
Intangible assets	5	89.322.851,05	92.847.591,30
Goodwill	5	200.171.794,84	200.171.794,84
Investments in subsidiaries	6	193.522.864,24	132.264.028,84
Investments in Associates		450.000,00	0,00
Investments available for sale	7	614.677,56	399.498,57
Deferred tax claims	20	18.513.623,29	18.340.668,71
Other long term assets	8	20.516.989,50	16.238.139,97
<b>Total non-current</b>		<b>706.278.400,68</b>	<b>644.103.717,76</b>
<b>Current assets</b>			
Inventories	9	91.545.137,04	99.959.887,22
Trade receivables	10	78.310.935,95	74.538.337,92
Other current assets	10	37.806.143,01	33.450.035,70
Derivatives		0,00	0,00
Other financial assets at fair value through profit	12	35.470,71	66.428,13
Cash & cash equivalent	11	11.729.895,39	20.841.347,43
<b>Total current assets</b>		<b>219.427.582,10</b>	<b>228.856.036,40</b>
<b>Total assets</b>		<b>925.705.982,78</b>	<b>872.959.754,16</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity of shareholders of the parent company</b>			
Share capital	13	20.084.463,00	20.084.463,00
Share Premium	13	145.211.731,47	145.211.731,47
Other reserves	13	-18.075.184,68	-26.662.043,40
Other equity	13	-85.554.366,48	-85.554.366,48
Retained earnings	13	40.074.713,56	51.996.203,74
		<b>101.741.356,87</b>	<b>105.075.988,33</b>
Minority interests		0,00	0,00
<b>Total equity</b>		<b>101.741.356,87</b>	<b>105.075.988,33</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term borrowings	14	400.008.208,00	242.204.098,29
Deferred tax liabilities	20	34.825.381,41	29.682.129,67
Employee benefit liabilities	15	6.866.678,00	7.865.683,00
Total long-term provisions	16	2.721.000,00	2.721.000,00
Other long-term liabilities	17	29.210.736,37	37.109.184,40
<b>Total long-term liabilities</b>		<b>473.632.003,78</b>	<b>319.582.095,36</b>
<b>Short-term liabilities</b>			
Short-term borrowings	14	284.874.963,01	382.937.594,77
Trade and other payables	18	64.421.401,03	65.263.455,24
Current Income tax	19	4.158,80	-2.986.856,61
Current tax liabilities	19	972.571,35	3.007.581,59
Dividends payable		59.527,94	79.895,48
<b>Total short term liabilities</b>		<b>350.332.622,13</b>	<b>448.301.670,47</b>
<b>Total liabilities</b>		<b>823.964.625,91</b>	<b>767.883.765,83</b>
<b>Total equity &amp; liabilities</b>		<b>925.705.982,78</b>	<b>872.959.754,16</b>

## 2 Statement of Comprehensive Income for the Group

	Notes	The Group	
		01.01. - 31.12.2012	01.01. - 31.12.2011
		Continuing operations	Continuing operations
Turnover	21	1.110.032.536,04	1.021.417.216,65
Cost of goods		-553.171.501,79	-504.899.268,45
<b>Gross Profit</b>		<b>556.861.034,25</b>	<b>516.517.948,20</b>
Other operating income	2	32.538.852,70	26.420.450,89
Administration expenses	23	-73.601.970,40	-56.618.137,96
Selling expenses	23	-313.805.643,90	-305.675.611,22
Other operating expenses	24	-16.210.815,79	-6.667.875,43
<b>Operating income</b>		<b>185.781.456,86</b>	<b>173.976.774,48</b>
Financial income	25	3.910.717,17	15.574.035,57
Financial expenses	25	-58.703.756,11	-67.613.053,41
Share of profit of associates		-93.966,36	0,00
<b>Profit/Loss (before the tax)</b>		<b>130.894.451,56</b>	<b>121.937.756,64</b>
Income tax		-35.274.296,46	-30.648.874,45
<b>Profit/Loss (after the tax)</b>		<b>95.620.155,10</b>	<b>91.288.882,19</b>
Depreciation & amortization		27.037.040,20	24.771.469,26
<b>Profit before taxes depreciation &amp; amortisation</b>		<b>212.818.497,06</b>	<b>198.748.243,74</b>
<b>Other comprehensive income / (expenses): Recognised in Equity</b>			
Financial assets available for sale		215.178,99	-250.887,88
Valuation of financial instruments		7.898.448,03	-3.527.026,56
Deferred taxes non-participants in Profit		175.958,76	555.889,45
Other income / expenses not participating in profit for the period		397.302,04	0,00
Foreign translation exchange differences		-18.838.496,97	28.419.314,18
<b>Other comprehensive income, net of taxes</b>		<b>-10.151.609,15</b>	<b>25.197.289,19</b>
<b>Total comprehensive income after taxes</b>		<b>85.468.545,95</b>	<b>116.486.171,38</b>
<b>Profit is attributable to:</b>			
<b>Shareholders of the parent company</b>		93.625.719,74	89.518.910,34
<b>Non controlling interests</b>		1.994.435,36	1.769.971,85
<b>Total</b>		<b>95.620.155,10</b>	<b>91.288.882,19</b>
<b>Total comprehensive income</b>			
<b>Attributable to :</b>			
<b>Shareholders of the parent company</b>		83.474.110,59	114.716.081,50
<b>Non controlling interests</b>		1.994.435,36	1.770.089,88
<b>Total</b>		<b>85.468.545,95</b>	<b>116.486.171,38</b>
<b>Earnings / Losses per share</b>			
<b>Basic and diluted (in euros):</b>	27	<b>1,4182</b>	<b>1,3560</b>

FOR THE COMPANY

		The Company	
		01.01. - 31.12.2012	01.01. - 31.12.2011
		Continuing operations	Continuing operations
	<b>Notes</b>		
Turnover	21	407.937.451,01	406.493.041,05
Cost of goods		-219.148.914,99	-213.849.878,73
<b>Gross Profit</b>		<b>188.788.536,02</b>	<b>192.643.162,32</b>
Other operating income	2	11.886.685,83	13.707.351,74
Administration expenses	23	-25.540.007,78	-22.493.805,42
Selling expenses	23	-122.143.231,15	-127.781.199,76
Other operating expenses	24	-6.442.004,06	-8.404.592,92
<b>Operating income</b>		<b>46.549.978,86</b>	<b>47.670.915,96</b>
Financial income	25	1.795.983,57	13.165.691,39
Financial expenses	25	-51.637.140,30	-62.451.015,23
Share of profit of associates		0,00	0,00
<b>Profit/Loss (before the tax)</b>		<b>-3.291.177,87</b>	<b>-1.614.407,88</b>
Income tax		-8.330.035,19	-8.347.975,67
<b>Profit/Loss (after the tax)</b>		<b>-11.621.213,06</b>	<b>-9.962.383,55</b>
Depreciation & amortization		12.299.263,86	12.124.136,31
<b>Profit before taxes depreciation &amp; amortisation</b>		<b>58.849.242,72</b>	<b>59.795.052,27</b>
<b>Other comprehensive income / (expenses): Recognised in Equity</b>			
Financial assets available for sale		215.178,99	-250.887,88
Valuation of financial instruments		7.898.448,03	-2.779.447,21
Deferred taxes non-participants in Profit		172.954,58	555.889,45
Other income / expenses not participating in profit for the period		0,00	0,00
Foreign translation exchange differences		0,00	0,00
<b>Other comprehensive income, net of taxes</b>		<b>8.286.581,60</b>	<b>-2.474.445,64</b>
<b>Total comprehensive income after taxes</b>		<b>-3.334.631,46</b>	<b>-12.436.829,19</b>
<b>Profit is attributable to:</b>			
<b>Shareholders of the parent company</b>		-11.621.213,06	-9.962.383,55
<b>Non controlling interests</b>		0,00	0,00
<b>Total</b>		<b>-11.621.213,06</b>	<b>-9.962.383,55</b>
<b>Total comprehensive income</b>			
<b>Attributable to :</b>			
<b>Shareholders of the parent company</b>		-3.334.631,46	-12.436.829,19
<b>Non controlling interests</b>		0,00	0,00
<b>Total</b>		<b>-3.334.631,46</b>	<b>-12.436.829,19</b>
<b>Earnings / Losses per share</b>			
<b>Basic and diluted (in euros):</b>	27	<b>-0,1760</b>	<b>-0,1509</b>

### 3 STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

The Group											
	Notes	Share Capital	Share Premium	Consolidation Differences	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total shareholders' equity	Minority Interests	Total Equity
<b>Balance at 1.1.2011</b>		<b>18.176.463,00</b>	<b>62.531.731,47</b>	<b>-87.027.854,86</b>	<b>-8.992.342,92</b>	<b>-3.930.283,49</b>	<b>585.529.812,67</b>	<b>-37.113.966,81</b>	<b>529.173.559,06</b>	<b>15.287.457,27</b>	<b>544.461.016,33</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	89.518.910,30	0,00	<b>89.518.910,30</b>	1.769.971,85	<b>91.288.882,15</b>
Valuation of financial assets		0,00	0,00	0,00	0,00	-3.527.144,59	0,00	0,00	<b>-3.527.144,59</b>	0,00	<b>-3.527.144,59</b>
Valuation of investments available for sale		0,00	0,00	0,00	0,00	-250.887,88	0,00	0,00	<b>-250.887,88</b>	0,00	<b>-250.887,88</b>
Exchange Differences		0,00	0,00	0,00	0,00	0,00	0,00	28.419.314,18	<b>28.419.314,18</b>	0,00	<b>28.419.314,18</b>
Other income not calculated in profit for the period		0,00	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	118,03	<b>118,03</b>
Income tax relating to items of the total income		0,00	0,00	0,00	0,00	555.889,45	0,00	0,00	<b>555.889,45</b>	0,00	<b>555.889,45</b>
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-3.222.143,02</b>	<b>89.518.910,30</b>	<b>28.419.314,18</b>	<b>114.716.081,46</b>	<b>1.770.089,88</b>	<b>116.486.171,34</b>
Capital increase		1.908.000,00	82.680.000,00	0,00	0,00	0,00	0,00	0,00	<b>84.588.000,00</b>	1.292.850,00	<b>85.880.850,00</b>
Various Expenses/income in Equity		0,00	0,00	0,00	0,00	-42.223,95	0,00	0,00	<b>-42.223,95</b>	0,00	<b>-42.223,95</b>
Capital increase expenses		0,00	0,00	0,00	0,00	-2.619.110,11	0,00	0,00	<b>-2.619.110,11</b>	-23.605,30	<b>-2.642.715,41</b>
Transfers		0,00	0,00	0,00	0,00	271.117,71	-317.161,28	0,00	<b>-46.043,57</b>	46.043,57	<b>0,00</b>
Purchase of own shares		0,00	0,00	0,00	-4.392.290,81	0,00	0,00	0,00	<b>-4.392.290,81</b>	0,00	<b>-4.392.290,81</b>
<b>Balance at 31st December 2011</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>-13.384.633,73</b>	<b>-9.542.642,86</b>	<b>674.731.561,69</b>	<b>-8.694.652,63</b>	<b>721.377.972,08</b>	<b>18.372.835,42</b>	<b>739.750.807,50</b>
<b>Balance at 1.1.2012</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>-13.384.633,73</b>	<b>-9.542.642,86</b>	<b>674.731.561,69</b>	<b>-8.694.652,64</b>	<b>721.377.972,07</b>	<b>18.372.835,42</b>	<b>739.750.807,49</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	93.625.719,74	0,00	<b>93.625.719,74</b>	1.994.435,36	<b>95.620.155,10</b>
Valuation of financial assets		0,00	0,00	0,00	0,00	7.898.448,03	0,00	0,00	<b>7.898.448,03</b>	0,00	<b>7.898.448,03</b>
Valuation of investments available for sale		0,00	0,00	0,00	0,00	215.178,99	0,00	0,00	<b>215.178,99</b>	0,00	<b>215.178,99</b>
Exchange Differences		0,00	0,00	0,00	0,00	0,00	0,00	-18.838.496,97	<b>-18.838.496,97</b>	0,00	<b>-18.838.496,97</b>
Other income not calculated in profit for the period		0,00	0,00	0,00	0,00	397.302,04	0,00	0,00	<b>397.302,04</b>	0,00	<b>397.302,04</b>
Income tax relating to items of the total income		0,00	0,00	0,00	0,00	175.958,76	0,00	0,00	<b>175.958,76</b>	0,00	<b>175.958,76</b>
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>8.686.887,82</b>	<b>93.625.719,74</b>	<b>-18.838.496,97</b>	<b>83.474.110,59</b>	<b>1.994.435,36</b>	<b>85.468.545,95</b>
Capital increase expenses		0,00	0,00	0,00	0,00	-129.930,60	0,00	0,00	<b>-129.930,60</b>	0,00	<b>-129.930,60</b>
Transfers		0,00	0,00	0,00	0,00	89.425,20	-134.291,25	0,00	<b>-44.866,05</b>	44.866,05	<b>0,00</b>
<b>Balance at 31st December 2012</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-87.027.854,86</b>	<b>-13.384.633,73</b>	<b>-896.260,44</b>	<b>768.222.990,18</b>	<b>-27.533.149,61</b>	<b>804.677.286,01</b>	<b>20.412.136,83</b>	<b>825.089.422,84</b>

## For the Company

The Company											
	Notes	Share Capital	Share Premium	Consolidation Differences	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total shareholders' equity	Minority Interests	Total Equity
<b>Balance at 1.1.2011</b>		<b>18.176.463,00</b>	<b>62.531.731,47</b>	<b>-85.554.366,48</b>	<b>-8.992.342,92</b>	<b>-8.212.617,67</b>	<b>61.958.587,29</b>	<b>0,00</b>	<b>39.907.454,69</b>	<b>0,00</b>	<b>39.907.454,69</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	-9.962.383,55	0,00	-9.962.383,55	0,00	-9.962.383,55
Valuation of financial assets		0,00	0,00	0,00	0,00	-2.779.447,21	0,00	0,00	-2.779.447,21	0,00	-2.779.447,21
Valuation of investments available for sale		0,00	0,00	0,00	0,00	-250.887,88	0,00	0,00	-250.887,88	0,00	-250.887,88
Affiliate's deferred tax in equity		0,00	0,00	0,00	0,00	555.889,45	0,00	0,00	555.889,45	0,00	555.889,45
Income tax relating to items of the total income		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-2.474.445,64</b>	<b>-9.962.383,55</b>	<b>0,00</b>	<b>-12.436.829,19</b>	<b>0,00</b>	<b>-12.436.829,19</b>
Capital increase		1.908.000,00	82.680.000,00	0,00	0,00	0,00	0,00	0,00	84.588.000,00	0,00	84.588.000,00
Capital increase expenses		0,00	0,00	0,00	0,00	-2.590.346,36	0,00	0,00	-2.590.346,36	0,00	-2.590.346,36
Purchase of own shares		0,00	0,00	0,00	-4.392.290,81	0,00	0,00	0,00	-4.392.290,81	0,00	-4.392.290,81
<b>Balance at 31st December 2011</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>-13.384.633,73</b>	<b>-13.277.409,67</b>	<b>51.996.203,74</b>	<b>0,00</b>	<b>105.075.988,33</b>	<b>0,00</b>	<b>105.075.988,33</b>
<b>Balance at 1.1.2012</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>-13.384.633,73</b>	<b>-13.277.409,67</b>	<b>51.996.203,74</b>	<b>0,00</b>	<b>105.075.988,33</b>	<b>0,00</b>	<b>105.075.988,33</b>
Earnings After taxes		0,00	0,00	0,00	0,00	0,00	-11.621.213,06	0,00	-11.621.213,06	0,00	-11.621.213,06
Valuation of financial assets		0,00	0,00	0,00	0,00	7.898.448,03	0,00	0,00	7.898.448,03	0,00	7.898.448,03
Valuation of investments available for sale		0,00	0,00	0,00	0,00	215.178,99	0,00	0,00	215.178,99	0,00	215.178,99
Affiliate's deferred tax in equity		0,00	0,00	0,00	0,00	172.954,58	0,00	0,00	172.954,58	0,00	172.954,58
<b>Total comprehensive income for the period,net of tax</b>		<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>8.286.581,60</b>	<b>-11.621.213,06</b>	<b>0,00</b>	<b>-3.334.631,46</b>	<b>0,00</b>	<b>-3.334.631,46</b>
Transfers		0,00	0,00	0,00	0,00	300.277,12	-300.277,12	0,00	0,00	0,00	0,00
<b>Balance at 31st December 2012</b>		<b>20.084.463,00</b>	<b>145.211.731,47</b>	<b>-85.554.366,48</b>	<b>-13.384.633,73</b>	<b>-4.690.550,95</b>	<b>40.074.713,56</b>	<b>0,00</b>	<b>101.741.356,87</b>	<b>0,00</b>	<b>101.741.356,87</b>

## 4 CASH FLOW STATEMENT

2nd Alternate: Indirect method	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
	Continuing operations	Continuing operations	Continuing operations	Continuing operations
<b>Cash Flows related to Operating Activities</b>				
Net Profit before taxes (Continuing operations)	130.894.451,56	121.937.756,64	-3.291.177,87	-1.614.407,88
Adjustments				
Depreciation and Amortisation	27.037.040,20	24.771.469,26	12.299.263,86	12.124.136,31
Provisions	8.602.157,59	2.456.443,36	163.235,03	1.490.744,27
Exchange differences	108.935,76	-10.032.741,42	0,00	0,00
Results (income, expenses, gains and losses) from investing activities	5.756.323,52	10.914.488,28	12.457.969,98	12.574.645,13
Interest and related expenses	40.594.222,66	42.064.170,30	38.622.252,90	39.020.738,92
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-51.403.757,65	-31.202.308,68	8.289.721,43	-1.565.338,37
Decrease/(increase) of Receivables	-70.978.114,66	-59.199.200,95	-8.176.479,62	-13.333.361,38
Increase/(decrease) of payable accounts (except Banks)	-4.794.818,95	-27.736.375,05	-3.476.168,67	-7.928.220,33
Minus				
Interest paid and similar expenses	-38.186.341,47	-40.014.509,82	-36.214.371,71	-36.971.078,44
Income Tax paid	-23.981.320,97	-33.822.436,50	-498.540,41	-15.044.589,71
Net cash inflows/(outflows) from Operating Activities (a)	<b><u>23.648.777,59</u></b>	<b><u>136.755,42</u></b>	<b><u>20.175.704,92</u></b>	<b><u>-11.246.731,48</u></b>
<b>Investing Activities</b>				
Purchases of subsidiaries, associates and other investments	-599.700,00	-4.824.357,46	-61.708.835,40	-2.640.357,46
Purchases of tangible and intangible assets	-23.919.002,42	-23.037.405,68	-8.272.323,68	-9.796.574,51
Proceeds from sale of tangible and intangible assets	839.474,69	1.155.733,39	109.162,66	107.686,55
Interest received	2.081.799,53	2.863.478,54	446.027,55	1.587.980,13
Dividends received	0,00	0,00	0,00	0,00
Proceeds from sale of financial assets	-13.252.003,02	-12.541.504,57	-12.895.567,81	-12.393.190,67
Decrease/(increase) of other long-term receivables	-4.639.766,09	786.078,85	-4.278.849,53	-90.058,43
Net cash inflows/(outflows) from Investing Activities (b)	<b><u>-39.489.197,31</u></b>	<b><u>-35.597.976,93</u></b>	<b><u>-86.600.386,21</u></b>	<b><u>-23.224.514,39</u></b>
<b>Financing Activities</b>				
Capital increase	0,00	90.477.000,00	0,00	84.588.000,00
Proceeds from Loans	432.418.373,13	77.042.477,01	399.480.360,58	67.500.000,00
Proceeds from leases	940.000,00	3.365.298,17	0,00	2.787.823,81
Payment of Loans	-420.810.836,22	-122.534.110,64	-339.169.629,30	-103.910.219,99
Payments for leases	-5.575.221,74	-6.395.881,52	-2.977.134,49	-3.533.102,78
Own Stock	0,00	-4.392.290,81	0,00	-4.392.290,81
Expenses related to capital increase	-129.930,60	-365.384,78	0,00	-313.015,73
Dividends paid	-20.367,54	0,00	-20.367,54	0,00
Net cash inflows/(outflows) from Financing Activities (c)	<b><u>6.822.017,03</u></b>	<b><u>37.197.107,43</u></b>	<b><u>57.313.229,25</u></b>	<b><u>42.727.194,50</u></b>
<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b><u>-9.018.402,69</u></b>	<b><u>1.735.885,92</u></b>	<b><u>-9.111.452,04</u></b>	<b><u>8.255.948,63</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b>135.501.551,10</b>	<b>133.765.665,18</b>	<b>20.841.347,43</b>	<b>12.585.398,80</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>126.483.148,41</u></b>	<b><u>135.501.551,10</u></b>	<b><u>11.729.895,39</u></b>	<b><u>20.841.347,43</u></b>

## E. INFORMATION ABOUT THE GROUP

### 1. General Information

The company titled "DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A." under the distinctive title "FOLLI FOLLIE GROUP" is a Societe Anonyme registered in Greece, in the Registry of Societes Anonymes with number: 14216/06/B/86/06 and its registered seat is in Agios Stefanos, Attica. The Company is active in the fields of travel retail, manufacturing of jewellery and in the field of apparel and footwear.

These financial statements include the financial statements of «FOLLI FOLLIE GROUP» and its subsidiaries, together referred to as Group covering the period from January 1, 2012 up to December 31, 2012, approved by the Board the Company on March 26, 2013.

#### 1.1. Group structure

The consolidated financial statements include the financial statements of the parent company and of its subsidiaries. The structure of the Group, as this has been formed after the merger of the three companies, is presented in the following table:

Company Name	Head Office	Direct % Participation	Indirect % Participation	Total	Consolidation Method
FOLLI FOLLIE UK LTD	UK	99,99%		99,99%	FULL
FOLLI FOLLIE FRANCE SA	FRANCE	100,00%		100,00%	FULL
FOLLI FOLLIE SPAIN SA	SPAIN	100,00%		100,00%	FULL
FOLLI FOLLIE JAPAN LTD	JAPAN	100,00%		100,00%	FULL
FOLLI FOLLIE HONG KONG LTD	HONG KONG	99,99%		99,99%	FULL
FOLLI FOLLIE ASIA LTD	HONG KONG		99,99%	99,99%	FULL
FOLLI FOLLIE TAIWAN LTD	TAIWAN		99,99%	99,99%	FULL
FOLLI FOLLIE KOREA LTD	S.Korea		99,99%	99,99%	FULL
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE		99,99%	99,99%	FULL
FOLLI FOLLIE MACAU LTD	MACAU		99,99%	99,99%	FULL
FOLLI FOLLIE MALAYSIA LTD	MALAYSIA		99,99%	99,99%	FULL
FOLLI FOLLIE THAILAND LTD	TAFLANDI		99,99%	99,99%	FULL
FOLLI FOLLIE CHINA (PILION LTD)	CHINA		100,00%	100,00%	FULL
FOLLI FOLLIE SHENZHEN LTD	CHINA		100,00%	100,00%	FULL
BLUEFOL GUAM LTD	Guam		99,99%	99,99%	FULL
BLUEFOL HAWAII LTD	HAWAII		99,99%	99,99%	FULL
BLUEFOL HONG KONG LTD	HONG KONG		99,99%	99,99%	FULL
HELLENIC DISTRIBUTION S.A.	GREECE	100,00%		100,00%	FULL
LINKS (LONDON) LIMITED	UK		100,00%	100,00%	FULL
LINKS OF LONDON (INTERNATIONAL) LTD	UK		100,00%	100,00%	FULL
LINKS OF LONDON COM LTD (UK)	UK		100,00%	100,00%	FULL
LINKS OF LONDON INC (USA)	USA		100,00%	100,00%	FULL
LINKS OF LONDON (FRANCE)	FRANCE		100,00%	100,00%	FULL
DUTY PAID SHOPS S.A.	GREECE	100,00%		100,00%	FULL
ELMEC ROMANIA SRL	POYMANIA	100,00%		100,00%	FULL
ELMEC SPORT BULGARIA EOOD	BULGARIA	100,00%		100,00%	FULL
MOUSTAKIS S.A.	GREECE	100,00%		100,00%	FULL
ATTICA DEPARTMENT STORES S.A.	GREECE	25,00%	25,00%	50,00%	FULL
LOGISTICS EXPRESS S.A.	GREECE	100,00%		100,00%	FULL
NORTH LANDMARK S.A.	GREECE	35,00%		35,00%	FULL
MFK FASHION LTD	CYPRUS	100,00%		100,00%	FULL
HDFS SKOPJE DOO (FYROM)	SKOPJE	100,00%		100,00%	FULL
PLANACO S.A.	GREECE	100,00%		100,00%	FULL
ICE CUBE S.A.	GREECE	25,00%		25,00%	FULL
COLLECTIVE S.A.	GREECE	80,00%		80,00%	FULL
NORTH GREECE DEPARTMENT STORES S.A.	GREECE	44,00%	20,35%	64,35%	FULL
HELLENIC DISTRIBUTION S.A., DUTY PAID SHOPS S.A.	GREECE		100,00%	100,00%	FULL

The attached financial statements include the financial details of the companies "Mytilene Port S.A." and "D.Boubis S.A." were consolidated under the equity method and the company Hellenic Distribution S.A. Duty Paid Shops S.A. is fully consolidated.

These companies have not been included in the respective period of the previous fiscal year. The consolidation of these companies has not changed the financial volumes of the Group at a percentage greater than 25%.

The subsidiaries in the separate financial statements have been evaluated at their acquisition cost, minus any impairment losses.

## **2. Important accounting policies of the Group**

### **2.1. Framework of preparation of Financial Statements**

The accounting policies and calculation methods followed in preparing these condensed interim financial statements, the significant assumptions adopted by management, as well as the main sources of uncertainty affecting the estimates are identical to those which have been adopted and published annual financial statements for the year ended December 31, 2012.

### **2.2. New standards and interpretations**

At present no indication of implementing new standards, interpretations or amendments thereto. By the IASB and IFRIC, have issued new Standards and Interpretations and modified existing, effective for annual periods beginning after 01/01/2012. These standards and the estimated impact on the financial statements of the Group and the Company are as follows:

Standards and Interpretations effective for the current financial year

#### **IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets**

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment does not affect the Group's financial statements.

Standards and Interpretations effective from periods beginning on or after 1 January 2013

#### **IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)**

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9

as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

### **IFRS 10 “Consolidated Financial Statements”**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

### **IFRS 11 “Joint Arrangements”**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

### **IFRS 12 “Disclosure of Interests in Other Entities”**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

### **IFRS 13 “Fair Value Measurement” (Effective for annual periods beginning on or after 1 January 2013)**

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones.

**IAS 1 "Presentation of financial statements"** effective for annual periods beginning on or after 01.07.2012. The amendment requires grouping of items presented in other comprehensive income, based whether subsequently reclassified to the income statement (profit and loss). Not expected to have a material impact on the group and the company.

**New (Modified); LP 19 "Employee Benefits"**, effective for annual periods beginning on or after 01.01.2013. The new standard approach eliminates the margin on the recognition of actuarial gains and losses (all actuarial gains and losses recognized in other comprehensive income) and states that the financial cost calculated on the basis of equity financing. Not expected to have a material impact on the Group and the Company.

## **2.3. Consolidation**

### **2.3.1. Subsidiaries**

The consolidated financial statements include the financial statements of the company and of its controlled businesses (subsidiaries). Control is considered when the company is able to define the financial and operational activities of a business with the purpose of acquiring a benefit. The results, assets and liabilities of subsidiaries have been integrated in the financial statements using the complete consolidation method. The financial statements of the subsidiaries have been prepared by following the same accounting policies followed by the company. Company to company transactions, inter-company balances and inter-company incomes and expenses are deleted during consolidation. The goodwill resulting during the acquisition of businesses, if it is positive, is registered as a non-depreciable asset, subjected annually to an audit for the impairment of its value. If it is negative, it is registered as income in the results of operations for the Group. The goodwill refers to the balance between the price for acquiring and the reasonable value of the separate assets, the liabilities and probable liabilities of the acquired business.

### **2.3.2. Currency translations**

#### **(a) Operating currency and presentation currency**

The figures of the financial statements for the Group's companies and for the company are noted in Euro; which is the currency of the financial environment within which they operate (functional currency).

#### **(b) Transactions and balances**

Any transactions in foreign currencies are converted to the functional currency, based on the exchange rates valid during the transactions' dates. Any profits and damages from currency differences, resulted from the liquidation of such transactions during the fiscal year and from the conversion of the of the currency elements expressed in a foreign currency with the current exchange rates, applicable on the date of the Balance Sheet are registered in results. Any foreign currency differences from non-currency elements evaluated at their reasonable price are considered as a section of the reasonable value; thus they are registered in the same section with the differences of reasonable value. The figures of the financial statements of the Group's companies are measured

based on the currency of the financial environment for the specific country where each Group company is active. The separate financial statements of the companies participating in the consolidation, which had initially presented in a currency other than the Group's presentation currency, have been converted into €. Assets and liabilities have been translated into € at the closing exchange rate on the date of the balance sheet. Incomes and expenses have been translated to the Group's presentation currency based on the average exchange rate for each stated fiscal year. Any differences resulting from this procedure are transferred to the reserve fund for translating subsidiary balance sheets in a foreign currency, in the net position, through the remaining total earnings.

## 2.4 Tangible Assets

Tangible Assets consistently valued at cost less depreciation. Cost includes all costs directly attributable to the acquisition of data. Subsequent expenditure recorded an increase in the book value of tangible assets, only if it is probable that future economic benefits will flow to the group and their cost can be measured reliably. Repairs and maintenance are in the results when done. Establishments in third party property (opening of shops) depreciated in the estimated time of hire. Land is not depreciated. Depreciation is computed using the straight line method over their useful lives, which detail is as follows:

<b>Assets Categories</b>	<b>Operational Years</b>
Buildings (privately owned)	50
Electro-Mechanical etc. installations on privately owned buildings	20-25
Installations on third parties' property	8-12
Mechanical equipment	7-9
Motor vehicles	7-9
Other equipment	7

The self-constructed tangible assets consist an addition to the acquisition cost of the tangible assets at values which comprise the direct payroll cost of personnel that participates in manufacturing, the consumed materials cost and other general costs.

Tangible assets' residual values and useful lives are subject to review at the date of the balance sheet. If the residual values, the expected useful life or the expected consumption rate of future benefits that are incorporated in an asset change, these changes are treated accounting-wise as changes in accounting valuations. During the sale of tangible assets, the differences between the component received and its accounting value are recognised as profit or losses in the results.

The accounting value of tangible assets is monitored for devaluation when there are relevant indications, i.e. events or changes in circumstances show that the accounting value may not be recoverable. If there is such an indication and the accounting value exceeds the estimated recovered amount, assets or cash flow generating units are devaluated at the recoverable amount. The recoverable amount of property, installations and equipment is greater than the one between their net selling price and their usage value. To calculate the usage value, the expected future cash flow is prepaid at their current value by using a pre-tax interest rate that reflects market's current valuations for the money value and the risks linked to this asset. When the tangible assets accounting values exceed their recoverable value, the difference (devaluation) is initially recognised as the decrease in the fair value created which is reported on the accounts of net equity. Every devaluation loss

incurred that exceeds the created reserve for the specific asset is directly recognised as expense in the income statement.

## **2.5 Investments in real estate**

Investments in real estate are investments related to all those properties (including land, buildings or parts of buildings) which are held through the market by the group, or to derive rents from the lease. Investment property allocated initially at cost including transaction costs. Subsequently valued at fair value.

Management determines fair value by using valuation techniques. The purpose of using a valuation technique is to determine the transaction price would result in measurement date in commercial basis, driven by normal business considerations. The technical evaluation included among others the use of recent arm's length transactions, reference to the current fair value of a substantially similar instrument and analysis of discounted cash flows.

The estimated fair value of property made by a registered real estate expert who has the skills and experience in assessing property and unrelated to the group. The reassessment / assessment relates only to land and buildings are not included in engineering or other mobile equipment of the Company. As there is no establishment of horizontal or vertical properties of the buildings, the distinction between the estimated value of the land value and building value was proportional to land area per building, based on the above said structure. The book value is recognized in the financial statements reflect the market conditions at the balance sheet date. Any gain or loss resulting from change in fair value of investment properties is recognized in the income statement as incurred.

Transfers to the category of real estate investments are made only when there is a change in use, evidenced by the end of private assets by the group or by the end of construction of a property or to use an operating lease from a third party. Properties transportation from the category of investment in owner-occupied properties made only when there is a change of use of these, evidenced by the entry of private assets by the group or classification as held for sale. To transfer property from the category of investment in owner-occupied property deemed cost of property for subsequent accounting is its fair value at the date of the change of use. Gains or losses resulting from the removal or disposal of investment property are recognized in profit or loss during the removal or disposal.

Real estate investments of the Group refer to two properties located at Piraeus Street and at the airport. The reasonable value of the investment properties of the Group, equal to approx. €75 mil., was set by an independent and chartered assessor at the beginning of 2010. The same value was taken into consideration for the financial statements of 31.12.2010, since there has been no change in the relative conditions in regards to the fiscal year ending on 31.12.2009.

## **2.6 Intangible Assets**

### **2.6.1 Trademarks and Licenses**

The acquired trademarks and licenses are initially recognized at historical cost.

The licenses have a finite useful life and are carried at cost less accumulated depreciation. Depreciation is calculated using the method of its useful life to share the costs of trademarks and licenses over the estimated useful life.

Grant of the exclusive license for duty free shops: Permitting (right) proprietary (Article 120 N.2533/1997) duty-free and appears in the consolidated statements at fair value as valued by an independent auditor at the date of acquisition of control of the company HDFS SA. Depreciation is calculated by a standard method over the useful life of the assets which is 50 years.

## **2.6.2 Other Intangible Assets**

This category includes the group rental rights, which is initially recognized at cost. After initial recognition, intangible assets are measured at cost less accumulated depreciation and any impairment loss that may have occurred. It also includes purchased software used in the production or administration. The acquired licenses related to software capitalized on the basis of expenditure incurred for the acquisition and installation of the software. The costs associated with maintenance of computer software are recognized in the period in which they occur. The costs capitalized are amortized using the straight-line method over the estimated useful lives.

## **2.6.3 Assets Impairments**

Intangible assets with indefinite useful lives are not amortized and are reviewed for impairment in value at least annually. The assets subject to amortization are reviewed for impairment when there are indications that the carrying value may not be recoverable. The recoverable amount is the higher of fair value less the necessary costs to sell and value in use of the asset. The use value is determined by discounting the future flows to the appropriate discount rate. If the recoverable amount is less than the depreciated, then the carrying value is reduced to its recoverable amount. Impairment losses are recognized as expenses in the income statement when incurred, unless the asset is adjusted so that the impairment loss decreases the corresponding revaluation reserve. When a later use the impairment loss should be reversed, the carrying value of the asset is increased to the level of the revised estimate of recoverable amount, provided that the new book value does not exceed the residual value would have determined if it had not registered the loss impairment in prior years. The reversal of the loss is recognized in income unless the asset has been updated, so reversal of the impairment loss increases the corresponding revaluation reserve.

For the assessment of impairment losses, assets are included in the smallest possible cash-generating units.

## **2.7 Financial Assets**

### **2.7.1 Initial Recognition**

Financial assets in the balance sheet of the group once the group becomes part of the contractual provisions of the instrument.

The assets of the group classified in the following asset categories:

- Loans and receivables, receivables from trading activities
- Sight and time deposits

- Financial assets at fair value through profit
- Available for sale financial assets, and
- Investments held to maturity.

Financial assets are separated into different categories by management according to their characteristics and the purpose for which acquired.

The category in which each financial instrument is classified, differs from the others as different rules apply with respect to valuation but also on recognition of each designated outcome either in the income statement or directly in equity. Financial assets are recognized through the application of the accounting trade date.

### **2.7.2 Financial Assets at fair value through results**

Financial assets at fair value through profit or loss include financial assets that are held primarily for commercial purposes identified by the group as at fair value through profit or loss upon initial recognition. In addition, derivative financial data which do not qualify for hedge accounting are classified in this category.

Financial assets included in this category are valued at fair value through profit and cannot be reclassified to another category. The financial assets that have been classified in this in this category, include shares listed on the Athens and Cyprus Stock Exchange and mutual fund shares.

### **2.7.3 Investments held until maturity**

The held-to maturity investments are non-derivative financial assets with fixed or determined payments and fixed maturity. The financial assets classified as held-to maturity investments unless management is willing and able to hold to maturity.

After initial recognition, investments that fall into this category are valued at amortized cost using the effective interest rate method. The amortized cost is the amount which initially measured the financial asset or financial liability after the deduction of principal repayments, plus or minus any accumulated depreciation difference between that initial amount and the amount payable at maturity calculated by the method of real rate, after deducting any depreciation. The calculation includes all fees and points paid or received between parties that are an integral part of the real interest rate transaction costs and any discount or promotion.

Moreover, if any objective evidence that a financial element has been declining in value, then the investment is valued at the present value of projected cash flows and any difference with the book value of the investment is recognized in profit or loss as a loss.

#### Fair Value

The fair value of investments are in an active market is demonstrated by reference to quoted market prices on the balance sheet date. If the market for an investment is not active management determines the fair value using valuation techniques. The purpose of using a valuation technique is to determine the transaction price would result in measurement date in an arm's length commercial basis, driven by normal business

considerations. The technical evaluation included among others the use of recent arm's length transactions, reference to the current fair value of a substantially similar instrument and analysis of discounted cash flows.

## **2.8 Inventories**

Inventories are valued at lower of cost and net realizable value. Cost is determined using the weighted average cost. Net realizable value is estimated based on current selling price in the ordinary course of business and minus any selling expenses where applicable.

## **2.9 Loans, receivables from business and other receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that have no quoted stock price in the active market. They come into existence when the Group provides money, products or services directly to a debtor with no intention of commercial claim.

Loans and receivables are measured at amortised cost, using the effective interest method, less any devaluation provision. Every change in the value of loans and receivables is recognised in profit or loss when loans and receivables are eliminated or undergo value discount, as well as during the application of the effective interest method.

The requirements of commercial activities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Appropriate allowance for estimated irrecoverable amounts are recognized in the income statement when there is objective evidence that the asset has been impaired. The provision recognized is measured as the difference between the book value of the asset and the present value of estimated future cash flows discounted at the effective interest rate on initial recognition. For some requirements it is checked for impairment at the individual requirement (e.g. for each customer separately) where the recovery of the claim has been declared late on the date of the financial statements or in cases where objective evidence indicates the need to write them. Other assets are pooled and tested for impairment at all sources. The amount of impairment loss is the difference between the carrying amount and the estimated future cash flows. The amount of impairment loss is recorded as an expense in the results.

Receivables and loans are included in current assets, except those falling due after twelve months from the balance sheet date. These are characterized as non-current assets. The balance sheets are classified as commercial and other requirements and constitute the majority of financial assets of the Group.

## **2.10 Cash equivalents**

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as repos and deposits maturing in less than three months.

For the preparation of cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding the outstanding balances of bank overdrafts (bank overdrafts).

## **2.11 Share Capital**

Common shares are classified as equity. Estimated costs for the issuance of shares shown after deduction of the income tax, a reduction in the proceeds. Estimated costs associated with issuing shares to acquire companies included in the cost of the company acquired. The acquisition cost of treasury shares with a reduced income tax (if applicable) is shown as a deduction from equity in the group, until the same shares are sold or canceled. Any gain or loss from sale of treasury shares net of direct transaction costs and other income tax, if any, shown as a reserve in equity.

## **2.12 Financial Obligations**

### **2.12.1 Initial Recognition**

The financial liabilities in the balance sheet of the group once the group becomes part of the contractual provisions of the instrument. The group's financial liabilities include bank loans and overdraft accounts (overdraft), trade and other liabilities and financial leases.

Financial liabilities are classified in the following categories:

- Financial liabilities available at fair value through profit
- Financial liabilities available at depreciated cost.

### **2.12.2 Financial Obligations (other than loans)**

Financial liabilities are recognized when the group is involved in a contractual agreement of the financial instrument and are derecognised when the group exempted from or is cancelled or expires. Liabilities from financial leases are measured at initial value less the amount of financial capital repayments and interest is recognized as an expense item in the "Financial expenses" in the Income Statement. Trade payables are recognized initially at their nominal value and subsequently measured at amortized cost. Gains and losses are recognized in the Income Statement when the liabilities are eliminated and in applying the effective interest method. Dividends to shareholders are recognized in the account "Dividends Payable, when approved by the General Meeting of Shareholders.

Liabilities from trading activities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **2.12.3 Bank loans**

Every loan is initially recognized at cost, which is the fair value of the consideration received, save from their direct issuing expenses. After the initial recognition, loans are evaluated at their un-depreciated cost, based on the real interest rate method, and any difference is recognized in results during the loan period.

## **2.13 Accounting for Income Tax**

### **2.13.1 Current Income Tax**

Current tax asset / liability includes those obligations or claims by tax authorities relating to current or previous reporting periods and not paid up the balance sheet date. Calculated according to the tax rates and tax laws that

apply on the basis of taxable profits each year. All changes to current tax assets or liabilities are recognized as expense in the income tax.

### **2.13.2 Deferred Income Tax**

Deferred income tax is calculated on the liability method which focuses on temporary differences. This involves comparing the book value of assets and liabilities on the consolidated financial statements with their respective tax bases. Deferred tax assets are recognized to the extent that is likely to be offset against future income taxes. The group recognizes a previously unrecognized deferred tax asset to the extent that it is likely that a future taxable profit.

The deferred tax asset is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow recovery of interest or part of this deferred tax asset.

Deferred tax liabilities are recognized for all taxable temporary differences. Tax losses can be transferred to subsequent periods are recognized as deferred tax assets.

Deferred tax assets and liabilities are measured at tax rates expected to apply to the period during which settled the claim or liability, based on tax rates (and tax laws) that have been enacted or substantially prevailing at the date of Balance Sheet.

Changes in deferred tax assets or liabilities are recognized as part of the income tax on the income statement, except those resulting from specific changes in assets or liabilities that are recognized directly in shareholders equity, and result in relative change in deferred tax assets or liabilities being charged / credited to the relevant equity account.

## **2.14 Retirement Benefits and Short-term Employee Benefits**

### **a) Short-term Benefits**

Short-term benefits for employees (other than benefits for the termination of employment) in cash and in kind are recognized as an expense when accrued. Any unpaid amount is recorded as an obligation, if the amount already paid exceeds the amount of benefits, the company recognizes the excess as an asset (prepaid expense) only to the extent that the prepayment will lead to lower future payments or refund.

### **b) Benefits payable after leaving service**

The Group has both programs of fixed contributions as well as programs of fixed provisions.

#### **DEFINED CONTRIBUTION**

The staff group is mainly covered by the main State Insurance Agency on the private sector (IKA) provided pension and medical benefits. Each employee is required to contribute part of their monthly salary to the fund, while contributing a portion covered by the group. Upon retirement, the pension fund responsible for paying pension benefits to employees. Consequently the group has no legal or constructive obligation to pay future benefits under this program.

Under the defined contribution plan, the group's obligation (legal or constructive) is limited to the amount agreed to contribute to the organization (eg fund) that manages contributions and provides benefits. Thus the amount of benefits the employee will receive is determined by the amount paid by the group (or the employee) and paid by the investment of contributions after contribution payable by the group in a defined contribution plan is recognized as a liability after removal of the levy paid and a corresponding output.

### **DEFINED BENEFIT LIABILITIES – RETIREMENT BENEFIT DUE TO SERVICE EXIT**

The obligation in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit under the Law 2112/20 and changes resulting from any actuarial gains or losses and past service cost. Actuarial gains and losses arising from experience adjustments and changes in the proportional cases at the end of the previous year exceeded 10% of defined benefit obligation, are charged or credited to the results based on the expected average remaining working lives of employees participating in this program.

Past service cost is recognized directly in profit or loss, unless the changes in pension plans are optional for the retention of workers in service for a specified period (vesting date). In this case, the service cost is amortized on a regular basis until the date of vesting of benefits. The termination benefits paid service when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary retirement from service in return for these benefits. The group recognizes these termination benefits when demonstrably committed to either terminate the employment of workers according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of the bid to encourage voluntary redundancy. Where termination benefits attributable to service rendered beyond twelve months after the balance sheet date, discounted to present value.

The actuarial study was conducted by an independent actuary using the method of projected unit credit (projected unit credit method). Specifically, the study involved the investigation and calculation of actuarial sizes required by the standards set by International Accounting Standards (IAS 19) and is required to be registered in the balance sheet and income statement of each company.

### **2.15 Other Provisions**

Provisions are recognized when a present obligation is likely to lead to an outflow of economic resources for the group and can be estimated reliably. The timing or the amount of output can be elusive. A present obligation arising from the presence of a legal or constructive obligation resulting from past events. Each formed prediction is used only for expenses that were originally formed. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions are valued at expected costs required to settle the present obligation, based on the best evidence available at the balance sheet date, including the risks and uncertainties related to this commitment. When the effect of time value of money is material, the amount of the provision is the present value of costs expected to be required to settle the obligation.

When using the method of discounting, the book value of a forecast increase in each period to reflect the passage of time. This increase is recognized as an expense in financial results. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by taking into account the category of commitments, as a whole. A provision is recognized even of the possibility of an outflow

component included in the category of commitments is low. If it is now likely that an outflow of resources embodying economic benefits will be required to settle the obligation, to provide reversed.

## **2.16 Contingent liabilities**

Contingent liabilities are not recognized in financial statements but are disclosed unless the probability of outflow of resources embodying economic benefits are minimal

### **Contingent assets**

Possible inputs of economic benefits for the group not yet meet the criteria of an asset are considered contingent assets and disclosed in the notes to financial statements.

## **2.17 Leasing**

### **a) Company Group as lessee**

#### **FINANCE LEASES**

The ownership of a leased asset is transferred to the lessee if transferred to him virtually all the risks and benefits associated with the leased asset is independent of the legal form of contract. At the beginning of the lease asset is recognized at fair value or if lower the present value of minimum lease payments including extra payments if any, covered by the tenant. A corresponding amount is recognized as an obligation of the lease whether some of the lease payments are payable in advance at the beginning of the lease.

The ownership of a leased asset is transferred to the lessee if transferred to him virtually all the risks and benefits associated with the leased asset is independent of the legal form of contract. At the beginning of the lease asset is recognized at fair value or if lower the present value of minimum lease payments including extra payments if any, covered by the tenant. A corresponding amount is recognized as an obligation of the lease whether some of the lease payments are payable in advance at the beginning of the lease.

#### **OPERATIONAL LEASES**

All other leases are treated as operating leases. Payments on operating lease contracts are recognized as expense in the income of the straight-line (links to use revenue and expenses). The related costs such as maintenance and insurance, are recognized as an expense when incurred.

### **b) Group Company as Lessor**

#### **OPERATIONAL LEASES**

Leases where the Group does not transfer substantially all risks and rewards of the asset are classified as operating leases. Initial direct costs incurred by lessors in negotiating and agreeing an operating lease are added to the book value of the leased asset and recognized over the lease term as rental income.

## **2.18 Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues are net of value added tax, discounts and rebates. Income between group companies which are consolidated by full consolidation method, are eliminated in full.

The recognition of revenue is as follows:

### **a) Sales of Goods**

Revenues are recognized when the significant risks and rewards of ownership of property transferred to the buyer and the collection of receivables is reasonably assured. The wholesale sales of goods are mainly on credit.

### **b) Services**

Revenue from service contracts with a default value is recognized based on the stage of completion of the transaction at the balance sheet date. Under this method, revenue is recognized based on the proportion of services rendered to the date of financial statements in respect of all services to be performed.

When the result is referred to as service can be validly assumed the income is recognized only to the extent that the recognized costs are recoverable.

In cases where no change in the initial estimates of revenue, expenditure and the level of integration, these changes may lead to increases or decreases in estimated revenues or costs and appear to revenue in the period.

### **c) Dividends**

The dividend income is recognized when the right to receive payment.

### **d) Interest Income**

Interest income is recognized on a time proportion basis using the effective interest rate.

### **e) Income from Rents**

Revenues from rent of buildings shall be construed on the basis of accrued in accordance with what under relevant contracts agreements.

## **3. Financial Information per segment**

The functional sectors of Group are strategic units selling different goods. They are monitored and managed separately by the board, because this goods of are of completely different nature in terms of market demand and gross margin.

The sectors of Group are the followings:

### **- Jewellery, Watches, Accessories:**

This sector includes the treatment and marketing of jewels, watches and accessories.

**- Travel Retail:**

The sector Travel Retail includes duty free and duty paid sales at airport terminals, border stations and ports.

**- Department Stores:**

This sector deals with the operation of the department stores.

**- Clothing - Footwear:**

This sector concerns retail and wholesale sale of branded clothing and footwear and perfumes

**- Other Activities:**

This sector includes sales to exterior customers below 5%.

The accounting policies for the operating sectors are the same as those used for the financial statements. The outcome of the sectors is calculated upon the profitability, on a pre tax profit and without taking into account figures such as non recurring and foreign exchange transactions.

Results per segment for the period ended at 31.12.12

<i>amounts in thousands.000</i>	GROUP						Total	Eliminations	Consolidated data
	Travel Retail	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Other segment				
<b>Reference period</b>									
<i>Sales to external customers</i>	306.157	600.875	113.009	126.173	3.691	<b>1.149.904</b>	-39.872	<b>1.110.033</b>	
<i>Sales intersectoral</i>	-37	1.509	8.352	243	44	<b>10.112</b>	-10.112	<b>0</b>	
<i>Cost of sales</i>	-153.889	-278.143	-83.274	-73.408	-3.394	<b>-592.108</b>	38.937	<b>-553.172</b>	
<i>Cost of sales sectors</i>	-156	-47	-439	-9.382	0	<b>-10.025</b>	10.025	<b>0</b>	
<b>Gross Margin</b>	<b>152.076</b>	<b>324.194</b>	<b>37.648</b>	<b>43.625</b>	<b>341</b>	<b>557.883</b>	<b>-1.022</b>	<b>556.861</b>	
<i>Other operating income</i>	15.011	29.618	3.146	5.894	150	<b>53.818</b>	-21.280	<b>32.539</b>	
<i>Selling Cost</i>	-79.493	-148.161	-42.372	-42.101	-2.526	<b>-314.653</b>	847	<b>-313.806</b>	
<i>Selling expenses crosscutting</i>	-26	-5	-57	0	0	<b>-87</b>	87	<b>0</b>	
<i>Administration cost</i>	-9.341	-52.928	-7.734	-4.103	-916	<b>-75.022</b>	1.420	<b>-73.602</b>	
<i>Administrative expenses crosscutting</i>	0	0	0	0	0	<b>0</b>	0	<b>0</b>	
<i>Other operating cost</i>	-390	-31.698	-3.074	-218	-994	<b>-36.375</b>	20.164	<b>-16.211</b>	
<b>Segment operating earnings (EBIT)</b>	<b>77.837</b>	<b>121.021</b>	<b>-12.443</b>	<b>3.096</b>	<b>-3.946</b>	<b>185.565</b>	<b>216</b>	<b>185.781</b>	
<b>Previous Reporting Period</b>									
<i>Sales to external customers</i>	297.614	510.382	129.466	126.841	5.082	<b>1.069.385</b>	-47.968	<b>1.021.417</b>	
<i>Sales intersectoral</i>	847	2.577	5.941	831	399	<b>10.595</b>	-10.595	<b>0</b>	
<i>Cost of sales</i>	-146.440	-236.218	-89.575	-74.150	-4.495	<b>-550.878</b>	45.979	<b>-504.899</b>	
<i>Cost of sales sectors</i>	-239	-240	-1.629	-8.485	0	<b>-10.593</b>	10.593	<b>0</b>	
<b>Gross Margin</b>	<b>151.782</b>	<b>276.501</b>	<b>44.203</b>	<b>45.037</b>	<b>986</b>	<b>518.509</b>	<b>-1.991</b>	<b>516.518</b>	
<i>Other operating income</i>	18.918	9.228	1.693	4.753	320	<b>34.912</b>	-8.492	<b>26.420</b>	
<i>Selling Cost</i>	-83.897	-142.925	-45.820	-37.827	-2.635	<b>-313.104</b>	7.428	<b>-305.676</b>	
<i>Selling expenses crosscutting</i>	-12	0	-230	0	0	<b>-242</b>	242	<b>0</b>	
<i>Administration cost</i>	-5.513	-31.479	-10.477	-3.415	-1.212	<b>-52.096</b>	-4.522	<b>-56.618</b>	
<i>Administrative expenses crosscutting</i>	0	-1	-115	0	0	<b>-116</b>	116	<b>0</b>	
<i>Other operating cost</i>	-990	-8.518	-2.924	-220	-59	<b>-12.711</b>	6.043	<b>-6.668</b>	
<b>Segment operating earnings (EBIT)</b>	<b>80.288</b>	<b>102.806</b>	<b>-13.670</b>	<b>8.328</b>	<b>-2.600</b>	<b>175.152</b>	<b>-1.176</b>	<b>173.976</b>	

Balance Sheet of the Group at 31.12.12

GROUP								
	Travel Retail	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Other segment	Total	Eliminations	Consolidated data
<b>amounts in thousands.000</b>								
<b>31.12.2012</b>								
Tangible and Intangible assets	275.959	117.545	63.370	102.660	53.457	612.992	52.350	<b>665.342</b>
Inventories	52.623	240.055	40.600	44.166	2.914	380.358	-2.741	<b>377.616</b>
Trade and other receivables						696.292	-104.475	<b>591.817</b>
Cash & cash equivalent						126.483	0	<b>126.483</b>
	<b>328.582</b>	<b>357.600</b>	<b>103.970</b>	<b>146.827</b>	<b>56.372</b>	<b>1.816.125</b>	<b>-54.866</b>	<b>1.761.258</b>
Other assets Unallocated						320.157	-265.574	<b>54.583</b>
<b>Total</b>						<b>2.136.282</b>	<b>-320.440</b>	<b>1.815.842</b>
Trade and other payables	39.557	92.609	23.678	85.158	2.842	243.844	-91.552	<b>152.291</b>
Other liabilities Unallocated						862.601	-24.140	<b>838.461</b>
Equity						1.029.837	-204.747	<b>825.089</b>
<b>Total</b>						<b>2.136.282</b>	<b>-320.440</b>	<b>1.815.842</b>

Geographical Segments

	<i>Greece</i>	<i>Other Europe</i>	<i>Total Asian Countries</i>	<i>Total</i>
External net sales	508.090.641,19	127.332.627,60	474.609.267,25	<b>1.110.032.536,04</b>
Non-current Assets	647.776.912,35	33.005.600,27	39.107.270,54	<b>719.889.783,16</b>
Capital Expenditure	12.554.652,07	4.574.854,92	7.249.857,87	<b>24.379.364,86</b>

#### 4. Own-used tangible assets – Investments in real property

The book value of assets, for the Group and Company respectively, as shown in the consolidated balance sheet for the periods presented were as follows:

The Group								
	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	Investment Property
<b>Cost</b>								
<b>Balance at 1.1.2011</b>	<b>40.791.178,55</b>	<b>129.111.981,57</b>	<b>13.164.762,68</b>	<b>3.369.524,30</b>	<b>89.632.320,90</b>	<b>48.465.497,89</b>	<b>324.535.265,89</b>	<b>77.282.257,52</b>
Additions	0,00	9.237.189,06	1.364.103,57	394.430,27	7.404.038,95	1.872.536,18	<b>20.272.298,03</b>	1.005,03
Disposals	0,00	-2.086.868,87	-1.701.378,93	-119.377,43	-12.763.503,91	-147.412,51	<b>-16.818.541,65</b>	0,00
Transfers	0,00	5.170.439,19	762,35	0,00	36.195,53	-4.779.676,38	<b>427.720,69</b>	0,00
Exchange Differences	64.845,72	1.866.293,05	52.476,63	14.747,64	658.017,16	-29.058,07	<b>2.627.322,13</b>	0,00
<b>Balance at 31.12.2011</b>	<b>40.856.024,27</b>	<b>143.299.034,00</b>	<b>12.880.726,30</b>	<b>3.659.324,78</b>	<b>84.967.068,63</b>	<b>45.381.887,11</b>	<b>331.044.065,09</b>	<b>77.283.262,55</b>
<b>Balance at 1.1.2012</b>	<b>40.856.024,27</b>	<b>143.299.034,00</b>	<b>12.880.726,30</b>	<b>3.659.324,78</b>	<b>84.967.068,63</b>	<b>45.381.887,11</b>	<b>331.044.065,09</b>	<b>77.283.262,55</b>
Additions	0,00	11.668.063,94	669.294,90	1.765.524,23	8.285.373,93	776.809,79	<b>23.165.066,79</b>	86.531,09
Disposals	0,00	-2.254.430,11	-462.191,55	-172.413,81	-1.985.476,72	0,00	<b>-4.874.512,19</b>	0,00
Transfers	0,04	7.472.959,45	-339.599,64	-1.323,72	-377.214,39	-2.197.303,88	<b>4.557.517,86</b>	436.080,06
Exchange Differences	-188.832,48	-911.290,05	102.777,32	-27.924,96	-48.833,71	-86.771,35	<b>-1.160.875,23</b>	0,00
<b>Balance at 31.12.12</b>	<b>40.667.191,83</b>	<b>159.274.337,23</b>	<b>12.851.007,33</b>	<b>5.223.186,52</b>	<b>90.840.917,74</b>	<b>43.874.621,67</b>	<b>352.731.262,32</b>	<b>77.805.873,70</b>
<b>Accumulated amortisation</b>								
<b>Balance at 1.1.2011</b>	<b>0,00</b>	<b>21.918.715,49</b>	<b>9.561.844,35</b>	<b>2.610.627,07</b>	<b>58.416.045,31</b>	<b>0,00</b>	<b>92.507.232,22</b>	<b>2.430.470,66</b>
Amortisation charge	0,00	8.777.448,98	1.391.454,94	203.654,10	8.592.162,91	0,00	<b>18.964.720,93</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.048.686,98
Decrease of amortisation	0,00	-1.417.272,84	-1.675.425,86	-52.009,14	-12.368.022,48	0,00	<b>-15.512.730,32</b>	-0,08
Transfers	0,00	48.396,83	0,00	0,00	-48.575,83	376.002,82	<b>375.823,82</b>	0,00
Exchange Differences	0,00	1.146.808,77	14.137,97	11.227,93	349.469,40	0,00	<b>1.521.644,07</b>	0,00
<b>Balance at 31.12.2011</b>	<b>0,00</b>	<b>30.474.097,23</b>	<b>9.292.011,40</b>	<b>2.773.499,96</b>	<b>54.941.079,31</b>	<b>376.002,82</b>	<b>97.856.690,72</b>	<b>3.479.157,56</b>
<b>Balance at 1.1.2012</b>	<b>0,00</b>	<b>30.474.097,23</b>	<b>9.292.011,40</b>	<b>2.773.499,96</b>	<b>54.941.079,31</b>	<b>376.002,82</b>	<b>97.856.690,72</b>	<b>3.479.157,56</b>
Amortisation charge	0,00	10.229.706,91	1.223.376,55	237.808,72	9.202.260,09	0,00	<b>20.893.152,27</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.053.751,61
Decrease of amortisation	0,00	-1.538.439,33	-408.291,43	-65.919,02	-1.529.037,80	0,00	<b>-3.541.687,58</b>	0,00
Transfers	0,00	-1.268.743,48	-339.855,13	-1.321,34	-881.256,04	241.742,58	<b>-2.249.433,41</b>	407.812,90
Exchange Differences	0,00	-411.680,84	73.754,89	-24.399,75	-27.107,35	61.466,31	<b>-327.966,74</b>	0,00
<b>Balance at 31.12.12</b>	<b>0,00</b>	<b>37.484.940,49</b>	<b>9.840.996,28</b>	<b>2.919.668,57</b>	<b>61.705.938,21</b>	<b>679.211,71</b>	<b>112.630.755,26</b>	<b>4.940.722,07</b>
<b>Net Book amount</b>								
<b>31.12.2011</b>	<b>40.856.024,27</b>	<b>112.824.936,77</b>	<b>3.588.714,90</b>	<b>885.824,82</b>	<b>30.025.989,32</b>	<b>45.005.884,29</b>	<b>233.187.374,37</b>	<b>73.804.104,99</b>
<b>Net Book Amount</b>								
<b>31.12.2012</b>	<b>40.667.191,83</b>	<b>121.789.396,74</b>	<b>3.010.011,05</b>	<b>2.303.517,95</b>	<b>29.134.979,53</b>	<b>43.195.409,96</b>	<b>240.100.507,06</b>	<b>72.865.151,63</b>

For the Company

The Company								
	Land	Buildings & Building Installations	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total	Investment Property
<b>Cost</b>								
<b>Balance at 1.1.2011</b>	<b>25.051.808,90</b>	<b>86.475.856,92</b>	<b>5.903.911,26</b>	<b>2.208.364,81</b>	<b>43.163.454,71</b>	<b>5.908.421,33</b>	<b>168.711.817,93</b>	<b>79.590.130,00</b>
Additions	0,00	5.911.823,35	464.629,21	162.385,29	2.566.691,06	109.575,00	<b>9.215.103,91</b>	1.005,03
Disposals	0,00	-217.944,04	-1.587.493,34	-89.053,99	-10.785.673,75	-147.412,51	<b>-12.827.577,63</b>	0,00
Transfers	0,00	4.788.842,91	0,00	0,00	42.660,00	-4.779.463,01	<b>52.039,90</b>	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2011</b>	<b>25.051.808,90</b>	<b>96.958.579,14</b>	<b>4.781.047,13</b>	<b>2.281.696,11</b>	<b>34.987.132,02</b>	<b>1.091.120,81</b>	<b>165.151.384,11</b>	<b>79.591.135,03</b>
<b>Balance at 1.1.2012</b>	<b>25.051.808,90</b>	<b>96.958.579,14</b>	<b>4.781.047,13</b>	<b>2.281.696,11</b>	<b>34.987.132,02</b>	<b>1.091.120,81</b>	<b>165.151.384,11</b>	<b>79.591.135,03</b>
Additions	0,00	3.098.891,12	183.530,58	1.684.609,52	2.735.009,85	160.927,86	<b>7.862.968,93</b>	86.531,09
Disposals	0,00	0,00	-57.223,25	-147.317,84	-39.221,73	0,00	<b>-243.762,82</b>	0,00
Transfers	0,00	-541.764,57	-339.855,14	-1.323,59	-580.714,85	-169.820,81	<b>-1.633.478,96</b>	436.080,06
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.12</b>	<b>25.051.808,90</b>	<b>99.515.705,69</b>	<b>4.567.499,32</b>	<b>3.817.664,20</b>	<b>37.102.205,29</b>	<b>1.082.227,86</b>	<b>171.137.111,26</b>	<b>80.113.746,18</b>
<b>Accumulated amortisation</b>								
<b>Balance at 1.1.2011</b>	<b>0,00</b>	<b>23.334.926,21</b>	<b>4.380.415,43</b>	<b>1.713.475,93</b>	<b>30.965.910,73</b>	<b>0,00</b>	<b>60.394.728,30</b>	<b>4.738.343,14</b>
Amortisation charge	0,00	3.561.012,44	297.540,71	113.124,36	3.206.583,44	0,00	<b>7.178.260,95</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.048.686,98
Decrease of amortisation	0,00	-78.783,65	-1.587.487,43	-21.708,95	-10.771.515,65	0,00	<b>-12.459.495,68</b>	-0,08
Transfers	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2011</b>	<b>0,00</b>	<b>26.817.155,00</b>	<b>3.090.468,71</b>	<b>1.804.891,34</b>	<b>23.400.978,52</b>	<b>0,00</b>	<b>55.113.493,57</b>	<b>5.787.030,04</b>
<b>Balance at 1.1.2012</b>	<b>0,00</b>	<b>26.817.155,00</b>	<b>3.090.468,71</b>	<b>1.804.891,34</b>	<b>23.400.978,52</b>	<b>0,00</b>	<b>55.113.493,57</b>	<b>5.787.030,04</b>
Amortisation charge	0,00	3.765.617,63	296.635,53	149.804,62	3.185.890,57	0,00	<b>7.397.948,35</b>	0,00
Fair value impairment	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	1.053.751,61
Decrease of amortisation	0,00	0,00	-55.141,32	-41.483,51	-32.690,67	0,00	<b>-129.315,50</b>	0,00
Transfers	0,00	-623.572,41	-339.855,13	-1.321,34	-580.714,85	0,00	<b>-1.545.463,73</b>	407.812,90
Exchange Differences	0,00	0,00	0,00	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.12</b>	<b>0,00</b>	<b>29.959.200,22</b>	<b>2.992.107,79</b>	<b>1.911.891,11</b>	<b>25.973.463,57</b>	<b>0,00</b>	<b>60.836.662,69</b>	<b>7.248.594,55</b>
<b>Net Book amount</b>								
<b>31.12.2011</b>	<b>25.051.808,90</b>	<b>70.141.424,14</b>	<b>1.690.578,42</b>	<b>476.804,77</b>	<b>11.586.153,50</b>	<b>1.091.120,81</b>	<b>110.037.890,54</b>	<b>73.804.104,99</b>
<b>Net Book Amount</b>								
<b>31.12.2012</b>	<b>25.051.808,90</b>	<b>69.556.505,47</b>	<b>1.575.391,53</b>	<b>1.905.773,09</b>	<b>11.128.741,72</b>	<b>1.082.227,86</b>	<b>110.300.448,57</b>	<b>72.865.151,63</b>

## 5. Own-used intangible assets – Investments in real property

<b>The Group</b>					
	<b>Software Programs</b>	<b>Rental Rights</b>	<b>Grant of industrial property rights</b>	<b>Total</b>	<b>Goodwill</b>
<b><u>Cost</u></b>					
<b>Balance at 1.1.2011</b>	<b>16.824.041,09</b>	<b>12.786.478,91</b>	<b>114.454.655,16</b>	<b>144.065.175,16</b>	<b>252.828.647,37</b>
Additions	2.251.275,20	512.827,42	0,00	<b>2.764.102,62</b>	0,00
Disposals	-915.378,63	-568.501,97	-351.721,30	<b>-1.835.601,90</b>	0,00
Transfers	-132.807,98	763.638,13	-682.870,05	<b>-52.039,90</b>	0,00
Exchange Differences	217.945,16	367.054,76	97.586,07	<b>682.585,99</b>	0,00
<b>Balance at 31.12.2011</b>	<b>18.245.074,84</b>	<b>13.861.497,25</b>	<b>113.517.649,88</b>	<b>145.624.221,97</b>	<b>252.828.647,37</b>
<b>Balance at 1.1.2012</b>	<b>18.245.074,84</b>	<b>13.861.497,25</b>	<b>113.517.649,88</b>	<b>145.624.221,97</b>	<b>252.828.647,37</b>
Additions	752.496,84	355.470,34	19.799,80	<b>1.127.766,98</b>	0,00
Disposals	-10.700,18	-485.087,36	0,00	<b>-495.787,54</b>	0,00
Transfers	80.069,91	-34.957,97	34.957,90	<b>80.069,84</b>	0,00
Exchange Differences	-152.763,99	-464.241,33	-63.962,88	<b>-680.968,20</b>	0,00
<b>Balance at 31.12.2012</b>	<b>18.914.177,42</b>	<b>13.232.680,93</b>	<b>113.508.444,70</b>	<b>145.655.303,05</b>	<b>252.828.647,37</b>
<b><u>Accumulated amortisation</u></b>					
<b>Balance at 1.1.2011</b>	<b>15.406.798,08</b>	<b>4.293.755,15</b>	<b>18.899.708,32</b>	<b>38.600.261,55</b>	<b>0,00</b>
Amortisation charge	837.863,56	1.396.703,81	2.523.494,01	<b>4.758.061,38</b>	0,00
Decrease of amortisation	-915.374,12	-565.871,17	-351.721,30	<b>-1.832.966,59</b>	0,00
Transfers	-119.133,91	311.407,89	-192.273,98	<b>0,00</b>	0,00
Exchange Differences	137.077,44	228.553,47	1,08	<b>365.631,99</b>	0,00
<b>Balance at 31.12.2011</b>	<b>15.347.231,05</b>	<b>5.664.549,15</b>	<b>20.879.208,13</b>	<b>41.890.988,33</b>	<b>0,00</b>
<b>Balance at 1.1.2012</b>	<b>15.347.231,05</b>	<b>5.664.549,15</b>	<b>20.879.208,13</b>	<b>41.890.988,33</b>	<b>0,00</b>
Amortisation charge	1.144.549,69	1.417.037,03	2.528.549,60	<b>5.090.136,32</b>	0,00
Decrease of amortisation	-4.716,90	-456.312,90	0,00	<b>-461.029,80</b>	0,00
Transfers	0,00	0,00	0,00	<b>0,00</b>	58.092,00
Exchange Differences	-179.880,20	-284.941,73	-5.665,08	<b>-470.487,01</b>	0,00
<b>Balance at 31.12.2012</b>	<b>16.307.183,64</b>	<b>6.340.331,55</b>	<b>23.402.092,65</b>	<b>46.049.607,84</b>	<b>58.092,00</b>
<b><u>Net Book amount</u></b>					
<b>31.12.2011</b>	<b>2.897.843,79</b>	<b>8.196.948,10</b>	<b>92.638.441,75</b>	<b>103.733.233,64</b>	<b>252.828.647,37</b>
<b><u>Net Book Amount</u></b>					
<b>31.12.2012</b>	<b>2.606.993,78</b>	<b>6.892.349,38</b>	<b>90.106.352,05</b>	<b>99.605.695,21</b>	<b>252.770.555,37</b>

The analysis of the goodwill on December 31<sup>st</sup> 2012, is as follows:

An amount equal to €200.171.794,84 appears in the assets of the parent company that resulted after the acquisition and refers to goodwill concerning the purchase of HDFS S.A. by FOLLI FOLLIE SA, and of ELMEC SPORT SA by HDFS S.A..

An amount of €52.366.390,53 refers to the goodwill resulting from the acquisition of LINKS (LONDON) LIMITED company by the Group's subsidiary, and an amount of €232.370 refers to other company acquisitions.

<b>The Company</b>					
	<b>Software Programs</b>	<b>Rental Rights</b>	<b>Grant of industrial property rights</b>	<b>Total</b>	<b>Goodwill</b>
<b><u>Cost</u></b>					
<b>Balance at 1.1.2011</b>	<b>5.335.956,28</b>	<b>9.637.135,14</b>	<b>111.343.716,99</b>	<b>126.316.808,41</b>	<b>200.171.794,84</b>
Additions	580.465,57	0,00	0,00	<b>580.465,57</b>	0,00
Disposals	-850.971,17	0,00	-351.721,30	<b>-1.202.692,47</b>	0,00
Transfers	-138.936,11	763.638,13	-676.741,92	<b>-52.039,90</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2011</b>	<b>4.926.514,57</b>	<b>10.400.773,27</b>	<b>110.315.253,77</b>	<b>125.642.541,61</b>	<b>200.171.794,84</b>
<b>Balance at 1.1.2012</b>	<b>4.926.514,57</b>	<b>10.400.773,27</b>	<b>110.315.253,77</b>	<b>125.642.541,61</b>	<b>200.171.794,84</b>
Additions	287.523,66	20.000,00	15.300,00	<b>322.823,66</b>	0,00
Disposals	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	-0,01	-34.957,90	34.957,90	<b>-0,01</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2012</b>	<b>5.214.038,22</b>	<b>10.385.815,37</b>	<b>110.365.511,67</b>	<b>125.965.365,26</b>	<b>200.171.794,84</b>
<b><u>Accumulated amortisation</u></b>					
<b>Balance at 1.1.2011</b>	<b>4.462.589,35</b>	<b>4.008.947,37</b>	<b>21.628.913,28</b>	<b>30.100.450,00</b>	<b>0,00</b>
Amortisation charge	536.034,98	921.542,11	2.439.611,29	<b>3.897.188,38</b>	0,00
Decrease of amortisation	-850.966,77	0,00	-351.721,30	<b>-1.202.688,07</b>	0,00
Transfers	-120.635,99	311.407,89	-190.771,90	<b>0,00</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2011</b>	<b>4.027.021,57</b>	<b>5.241.897,37</b>	<b>23.526.031,37</b>	<b>32.794.950,31</b>	<b>0,00</b>
<b>Balance at 1.1.2012</b>	<b>4.027.021,57</b>	<b>5.241.897,37</b>	<b>23.526.031,37</b>	<b>32.794.950,31</b>	<b>0,00</b>
Amortisation charge	558.548,64	846.485,56	2.442.529,70	<b>3.847.563,90</b>	0,00
Decrease of amortisation	0,00	0,00	0,00	<b>0,00</b>	0,00
Transfers	0,00	0,00	0,00	<b>0,00</b>	0,00
Exchange Differences	0,00	0,00	0,00	<b>0,00</b>	0,00
<b>Balance at 31.12.2012</b>	<b>4.585.570,21</b>	<b>6.088.382,93</b>	<b>25.968.561,07</b>	<b>36.642.514,21</b>	<b>0,00</b>
<b><u>Net Book amount</u></b>					
<b><u>31.12.2011</u></b>	<b>899.493,00</b>	<b>5.158.875,90</b>	<b>86.789.222,40</b>	<b>92.847.591,30</b>	<b>200.171.794,84</b>
<b><u>Net Book Amount</u></b>					
<b><u>31.12.2012</u></b>	<b>628.468,01</b>	<b>4.297.432,44</b>	<b>84.396.950,60</b>	<b>89.322.851,05</b>	<b>200.171.794,84</b>

## 6. Investments in related entities

In the financial statements of the parent company, the following companies are valued at cost less impairment losses, as given in the table below. The consolidated statements incorporated all the full consolidation method.

<b>Investments in subsidiaries</b>	<b>The Company</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>
<i>FOLLI-FOLLIE HONG KONG LTD</i>	22.627.986,94	22.627.986,94
<i>FOLLI-FOLLIE UK LTD</i>	3.110.450,19	3.110.450,19
<i>FOLLI-FOLLIE FRANCE SA</i>	7.155.791,41	7.155.791,41
<i>FOLLI-FOLLIE JAPAN LTD</i>	15.528.412,86	15.528.412,86
<i>FOLLI-FOLLIE SPAIN SA</i>	4.983.697,81	3.824.932,41
<i>MFK FASHION LTD</i>	367.395,18	367.395,18
<i>PLANACO SA</i>	7.776.221,01	7.776.221,01
<i>FOLLI-FOLLIE POLAND</i>	0,00	0,00
<i>FOLLI-FOLLIE SLOVAKIA</i>	0,00	0,00
<i>FOLLI-FOLLIE CZECH</i>	0,00	0,00
<i>FOLLI-FOLLIE GMBH</i>	0,00	0,00
<i>HELLENIC DISTRIBUTION</i>	108.522.114,01	55.022.094,01
<i>DUTY PAID SHOPS S.A.</i>	7.000.000,00	499.950,00
<i>HDFS SCOPJE DOO</i>	1.060.000,00	960.000,00
<i>Elmec Romania SRL</i>	5.545.971,25	5.545.971,25
<i>Elmec Sport Bulgaria EOOD</i>	1.544.023,14	1.544.023,14
<i>Chronosport AE</i>	0,00	0,00
<i>MOUSTAKIS S.A.</i>	943.650,44	943.650,44
<i>Logistics Express S.A.</i>	60.000,00	60.000,00
<i>North Landmark S.A.</i>	3.146.150,00	3.146.150,00
<i>Ice Cube S.A.</i>	25.000,00	25.000,00
<i>Collective S.A.</i>	960.000,00	960.000,00
<i>LINKS OF LONDON LTD</i>	0,00	0,00
<i>ATTICA DEPARTMENT STORES S.A.</i>	1.450.000,00	1.450.000,00
<i>NORTH GREECE DEPARTMENT STORES S.A.</i>	1.716.000,00	1.716.000,00
<b>Total</b>	<b>193.522.864,24</b>	<b>132.264.028,84</b>

<b>Investments in subsidiaries</b>	<b>The Group</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>
<i>LINKS OF LONDON LTD</i>	57.423.473,76	57.423.473,76
<i>ATTICA DEPARTMENT STORES S.A.</i>	1.500.000,00	1.500.000,00
<i>HELLENIC DISTRIBUTION S.A. DUTY PAID SHOPS</i>	60.000,00	0,00
<i>NORTH GREECE DEPARTMENT STORES S.A.</i>	793.650,00	793.650,00
<b>Total</b>	<b>59.777.123,76</b>	<b>59.717.123,76</b>

Investments in related entities in the financial statements of the parent company are subjected to value impairment control once per year, and particularly on 31.12. of each year, based on their value in use. If the value in use of the units creating cash flows is found to be less than their accounting value, an impairment loss is registered, equal to the balance.

With regard to the subsidiaries in Asia, there are no impairment indications, since their net position is significantly larger than the participation value; as a result, there is no need to conduct impairment control.

For the remaining subsidiaries (in Europe / Greece), due to the specific nature of the market conditions, particularly in the past two years, they are subjected to value impairment control once per year, and specifically on 31.12. The result of the above is that in 2012 fiscal years, impairments were finalized in the specific category, based on their value in use, was equal to €0. Respectively, in previous years the company has reduced the value of participations, while for the previous periods, impairments were finalized, equal to €4.3million.

## 7. Investments available for sale

Analysis of balances of investments available for sale and other long-term requirements of the group and the company presented in the following tables:

<b>The Group</b>				
	<b>Lito S.A.</b>	<b>Agricultural Bank of Greece</b>	<b>Various Securities</b>	<b>Total</b>
<b>Balance at 01.01.11</b>	<b>338.328,00</b>	<b>121.405,88</b>	<b>26.216,92</b>	<b>485.950,80</b>
additions	0,00	228.207,16	0,00	<b>228.207,16</b>
reductions	0,00	0,00	0,00	<b>0,00</b>
Transportation	0,00	0,00	0,00	<b>0,00</b>
Sales	0,00	0,00	0,00	<b>0,00</b>
valuation 01.01.11 to 31.12.11	-30.638,81	-281.626,58	100,00	<b>-312.165,39</b>
<b>Balance at 31.12.11</b>	<b>307.689,19</b>	<b>67.986,46</b>	<b>26.316,92</b>	<b>401.992,57</b>
additions	0,00	0,00	0,00	<b>0,00</b>
reductions	0,00	0,00	0,00	<b>0,00</b>
Transportation	0,00	0,00	0,00	<b>0,00</b>
Sales	0,00	0,00	0,00	<b>0,00</b>
valuation 01.01.12 to 31.12.12	240.108,52	-32.385,45	7.162,92	<b>214.885,99</b>
<b>Balance at 31.12.12</b>	<b>547.797,71</b>	<b>35.601,01</b>	<b>33.479,84</b>	<b>616.878,56</b>

<b>The Company</b>				
	<b>Lito S.A.</b>	<b>Agricultural Bank of Greece</b>	<b>Various Securities</b>	<b>Total</b>
<b>Balance at 01.01.11</b>	<b>338.328,00</b>	<b>121.405,88</b>	<b>23.722,92</b>	<b>483.456,80</b>
additions	0,00	228.207,16	0,00	<b>228.207,16</b>
reductions	0,00	0,00	0,00	<b>0,00</b>
Transportation	0,00	0,00	0,00	<b>0,00</b>
Sales	0,00	0,00	0,00	<b>0,00</b>
valuation 01.01.11 to 31.12.11	-30.638,81	-281.626,58	100,00	<b>-312.165,39</b>
<b>Balance at 31.12.11</b>	<b>307.689,19</b>	<b>67.986,46</b>	<b>23.822,92</b>	<b>399.498,57</b>
additions	0,00	0,00	0,00	<b>0,00</b>
reductions	0,00	0,00	0,00	<b>0,00</b>
Transportation	0,00	0,00	0,00	<b>0,00</b>
Sales	0,00	0,00	0,00	<b>0,00</b>
valuation 01.01.12 to 31.12.12	240.108,52	-32.385,45	7.455,92	<b>215.178,99</b>
<b>Balance at 31.12.12</b>	<b>547.797,71</b>	<b>35.601,01</b>	<b>31.278,84</b>	<b>614.677,56</b>

Investments available for sale on the group's shares listed on the Athens Stock Exchange are valued at current prices closing meeting of the Stock Exchange on December 31<sup>st</sup> 2012 and shares not quoted on the Athens Stock Exchange are valued at cost and tested at each balance sheet date for impairment through the results. The audit conducted on 31.12.2012 revealed a profit of €215 thousand.

## 8. Other long term Assets

Other long term assets	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<i>Bills and checks receivable</i>	1.404.727,32	965.978,84	1.404.727,32	965.978,84
<i>Rental deposits</i>	14.763.203,07	15.650.972,62	5.112.262,18	5.272.161,13
<i>Other non current assets</i>	14.626.108,41	10.706.055,08	14.000.000,00	10.000.000,00
<b>Total</b>	<b>30.794.038,80</b>	<b>27.323.006,54</b>	<b>20.516.989,50</b>	<b>16.238.139,97</b>

## 9. Inventories

Inventories	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<i>Merchandise</i>	388.134.112,04	342.946.171,27	89.972.673,00	98.435.927,03
<i>Products - Raw Materials &amp; Consumables</i>	2.913.957,96	2.763.222,58	2.598.134,78	2.402.203,44
<i>Packing materials</i>	751.330,10	669.350,19	288.338,20	310.736,94
<i>Less: Provisions for obsolescence</i>	-14.183.257,91	-7.209.629,68	-1.314.008,94	-1.188.980,19
<b>Total</b>	<b>377.616.142,19</b>	<b>339.169.114,36</b>	<b>91.545.137,04</b>	<b>99.959.887,22</b>

Inventories are measured at the lowest value between the acquisition value and the clear liquidating value, as provided for by IAS 2.

## 10. Trade receivables and other current Assets

Trade receivables	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<i>Trade receivables (customers via open balances)</i>	426.207.175,97	377.724.806,79	60.814.379,70	55.609.686,53
<i>Cheques/promissory notes receivables</i>	20.272.964,45	23.609.248,23	17.953.757,09	20.410.619,25
<i>Balance provision of bad debts 31.12.2012</i>	-943.034,92	-1.876.519,50	-457.200,84	-1.481.967,86
<b>Total</b>	<b>445.537.105,50</b>	<b>399.457.535,52</b>	<b>78.310.935,95</b>	<b>74.538.337,92</b>

Aging Commercial Requirements	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<i>up to 120 days</i>	316.388.023,35	254.478.699,02	55.027.719,12	33.408.050,37
<i>120 - 180 days</i>	47.329.486,19	58.923.207,22	5.354.407,03	5.297.917,54
<i>180 -270 days</i>	45.572.423,67	46.283.936,53	5.281.765,13	4.292.450,43
<i>up to 270 days</i>	37.190.207,21	41.648.212,25	13.104.245,51	33.021.887,44
<b>Total</b>	<b>446.480.140,42</b>	<b>401.334.055,02</b>	<b>78.768.136,79</b>	<b>76.020.305,78</b>

With regard to the provisions taken for bad debts resulting from the stand-alone analysis of the ability to repay the balance for each customer - debtor, taking into account the age thereof. For other customers who have paid to claim through legal action, taking into account the assessment of legal counsel. During the year from the parent company a provision sum of € 573 thousand and subsidiaries of the Group conducted additional provision of € 678 thousand, while also there was a provision of € 1.598 th for the Company and € 1.616 th for the Group for deleting bad credits.

Following are the amounts of provisions and the remaining maturity of trade receivables:

<b>Trade receivables</b>	<b>The Group</b>	<b>The Company</b>
<i>Trade receivables (receivables via open balances)</i>	-1.871.535,57	-1.481.967,86
<i>Cheques/promisory notes receivables</i>	-687.528,33	-573.195,76
<i>Balance provisions of bad debts 31.12.2012</i>	1.616.028,98	1.597.962,78
<b>Total</b>	<b>-943.034,92</b>	<b>-457.200,84</b>

<b>Other current assets</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<i>Trade receivables (customers via credit cards)</i>	14.555.345,45	15.168.878,05	1.716.338,55	2.163.710,86
<i>Short-term Loan Claims</i>	171.600,11	532.186,81	11.848.424,96	10.559.949,06
<i>Receivables from public sector</i>	8.923.926,15	6.769.811,36	5.977.534,67	5.131.234,91
<i>Advances to suppliers</i>	68.001.443,03	52.574.014,19	4.845.736,23	1.874.406,09
<i>Personel advances</i>	155.881,55	25.203,74	68.263,25	14.330,22
<i>Purchases under settlement</i>	31.853.694,58	33.600.648,10	1.847.959,39	3.149.977,64
<i>Other receivables</i>	15.535.128,87	13.572.314,59	10.252.968,46	8.036.790,96
<i>Prepaid expenses</i>	6.225.945,19	12.093.313,01	673.785,91	731.148,59
<i>Accrued income</i>	857.399,63	1.769.528,63	575.131,59	1.788.487,37
<b>Total</b>	<b>146.280.364,56</b>	<b>136.105.898,48</b>	<b>37.806.143,01</b>	<b>33.450.035,70</b>

The account "Advances for purchase of stocks" due primarily to advances given to production units to capture performance and competitive price large annual orders and ensure preferential discounts on stock purchases and equipment outlets subsidiaries in South East Asia.

The fair value of these receivables is not materially different from their book value.

## 11. Cash and cash equivalents

Cash & cash equivalent	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<i>Cash on hand</i>	3.217.644,23	10.357.458,46	1.801.698,39	1.474.214,67
<i>Cash at bank</i>	123.265.504,18	125.144.092,64	9.928.197,00	19.367.132,76
<b>Total</b>	<b>126.483.148,41</b>	<b>135.501.551,10</b>	<b>11.729.895,39</b>	<b>20.841.347,43</b>

## 12. Other financial Assets at fair value

	<b>The Group</b>	<b>The Company</b>
	<i>Shares of Listed Companies</i>	<i>Shares of Listed Companies</i>
<b>Other financial assets at fair value through profit</b>		
<b>Balance at 1.1.2011</b>	382.128,20	382.128,20
Additions	0,00	0,00
Disposals	0,00	0,00
Adjustment	0,00	0,00
Impairments	0,00	0,00
Valuation	-315.700,07	-315.700,07
Exchange Differences	0,00	0,00
<b>Balance at 31.12.2011</b>	<b>66.428,13</b>	<b>66.428,13</b>
<b>Balance at 1.1.2012</b>	<b>66.428,13</b>	<b>66.428,13</b>
Additions	0,00	0,00
Disposals	0,00	0,00
Adjustment	0,00	0,00
Impairments	0,00	0,00
Valuation	-30.957,42	-30.957,42
Exchange Differences	0,00	0,00
<b>Balance at 31.12.2012</b>	<b>35.470,71</b>	<b>35.470,71</b>

### 13. Equity shareholders and parent company

Equity of shareholders of the parent company	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Share Premium	145.211.731,47	145.211.731,47	145.211.731,47	145.211.731,47
Own shares	-13.384.633,73	-13.384.633,73	-13.384.633,73	-13.384.633,73
Other reserves	-896.260,44	-9.542.642,86	-4.690.550,95	-13.277.409,67
Currency translated differences	-27.533.149,61	-8.694.652,64	0,00	0,00
Differences due Consolidation	-87.027.854,86	-87.027.854,86	-85.554.366,48	-85.554.366,48
Retained earnings	768.222.990,18	674.731.561,73	40.074.713,56	51.996.203,74
<b>Total</b>	<b>804.677.286,01</b>	<b>721.377.972,11</b>	<b>101.741.356,87</b>	<b>105.075.988,33</b>

### 14. Borrowings

<b>Borrowings</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>Borrowed funds</b>				
Bond Loans	447.414.428,18	584.272.007,39	444.500.000,00	519.070.516,17
Bank Loans	241.600.708,92	89.993.079,70	196.265.606,22	58.976.477,60
Leases	52.061.396,98	57.645.226,11	44.117.564,79	47.094.699,29
<b>Total</b>	<b>741.076.534,08</b>	<b>731.910.313,20</b>	<b>684.883.171,01</b>	<b>625.141.693,06</b>
Long-term borrowings	428.829.361,00	314.665.406,03	400.008.208,00	242.204.098,29
Short-term borrowings	312.247.173,08	417.244.907,17	284.874.963,01	382.937.594,77
<b>Total</b>	<b>741.076.534,08</b>	<b>731.910.313,20</b>	<b>684.883.171,01</b>	<b>625.141.693,06</b>
<b>Bond Loans</b>				
More than 5 years	0,00	407.945,77	0,00	0,00
From 1 to 5 years	361.261.007,62	255.403.638,02	359.000.000,00	197.931.626,17
Up to 1 year	86.153.420,56	328.460.423,60	85.500.000,00	321.138.890,00
<b>Total</b>	<b>447.414.428,18</b>	<b>584.272.007,39</b>	<b>444.500.000,00</b>	<b>519.070.516,17</b>
<b>Bank Loans</b>				
More than 5 years	0,00	0,00	0,00	0,00
From 1 to 5 years	20.096.857,94	6.116.085,20	0,00	0,00
Up to 1 year	221.503.850,98	83.876.994,50	196.265.606,22	58.976.477,60
<b>Total</b>	<b>241.600.708,92</b>	<b>89.993.079,70</b>	<b>196.265.606,22</b>	<b>58.976.477,60</b>
<b>Leases</b>				
More than 5 years	27.662.930,00	31.857.813,75	27.662.930,00	31.852.802,97
From 1 to 5 years	19.808.565,44	20.879.923,29	13.345.278,00	12.419.669,15
Up to 1 year	4.589.901,54	4.907.489,07	3.109.356,79	2.822.227,17
<b>Total</b>	<b>52.061.396,98</b>	<b>57.645.226,11</b>	<b>44.117.564,79</b>	<b>47.094.699,29</b>

In the current period, the parent company signed a new Loan of €60 million.

## 15. Retirement Benefit Liabilities-Retirement benefit due to service exit

<b>The Group</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>Amounts recognized in income statement</b>		
Current service cost	655.487,12	757.100,13
Interest on obligation	359.501,28	456.196,82
Recognition of actuarial loss / (profit)	-68.527,00	-13.747,00
Recognition of past service cost	-18.192,70	301.312,28
Cost cuts / settlement / termination of service	544.492,63	793.273,00
<b>Total expense in the income statement</b>	<b><u>1.472.761,33</u></b>	<b><u>2.294.135,23</u></b>
<b>Changes in net liability recognized in balance sheet</b>		
Net liability at beginning of year	9.354.397,23	9.426.821,71
Benefits paid by the employer	-1.705.225,86	-1.566.553,18
Total expense recognized in income statement	572.423,39	1.271.376,41
Exchange differences	52.514,79	222.752,29
<b>Net liability at end of year</b>	<b><u>8.274.109,55</u></b>	<b><u>9.354.397,23</u></b>
Adjustment	0,00	0,00
<b>Net liability at end of year</b>	<b><u>8.274.109,55</u></b>	<b><u>9.354.397,23</u></b>
<b>The Company</b>		
<b>31.12.2012</b>		
<b>31.12.2011</b>		
Present value of unfunded obligations	6.009.002,00	7.997.010,00
Unrecognised actuarial gains / (losses)	1.677.001,00	1.788.821,00
Unrecognised past service cost	-819.325,00	-1.920.148,00
<b>Net liability recognized in balance sheet</b>	<b><u>6.866.678,00</u></b>	<b><u>7.865.683,00</u></b>
<b>Amounts recognized in income statement</b>		
Current service cost	203.873,00	375.847,00
Interest on obligation	209.947,00	396.073,00
Recognition of actuarial loss / (profit)	-59.550,00	-13.747,00
Recognition of past service cost	-314.263,00	275.927,00
<b>Normal output in the income statement</b>	<b><u>40.007,00</u></b>	<b><u>1.034.100,00</u></b>
Cost cuts / settlement / termination of service	132.831,00	447.533,00
<b>Total expense in the income statement</b>	<b><u>172.838,00</u></b>	<b><u>1.481.633,00</u></b>
<b>Changes in net liability recognized in balance sheet</b>		
Net liability at beginning of year	7.865.683,00	8.180.540,00
Benefits paid by the employer	-1.171.843,00	-1.796.490,00
Total expense recognized in income statement	172.838,00	1.481.633,00
<b>Net liability at end of year</b>	<b><u>6.866.678,00</u></b>	<b><u>7.865.683,00</u></b>
Adjustment	0,00	0,00
<b>Net liability at end of year</b>	<b><u>6.866.678,00</u></b>	<b><u>7.865.683,00</u></b>
<b>Change in present value of obligation</b>		
Present value of obligation at beginning of period	7.997.010,00	9.332.030,00
Current service cost	203.873,00	375.847,00
Interest on obligation	209.947,00	396.073,00
Benefits paid by the employer	-1.171.843,00	-1.796.490,00
Additional payments or expenses / (income)	193.784,00	459.178,00
Cost of service during the period	-1.379.343,00	0,00
Actuarial loss / (gain)	-44.426,00	-769.628,00
<b>Present value of obligation at end of period</b>	<b><u>6.009.002,00</u></b>	<b><u>7.997.010,00</u></b>
<b>Assumptions</b>		
Discount rate	2,94%	4,35%
Future salary increases	0,00%	0,00%
Expected remaining working lives	17,06	16,61

## 16. Long term liabilities

<b>Total long-term provisions</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Provisions for additional taxes 31.12.2012	872.249,86	872.565,24	571.000,00	571.000,00
Provisions for exposure & expenses 31.12.2012	2.831.869,85	2.491.105,18	2.150.000,00	2.150.000,00
<b>Total</b>	<b>3.704.119,71</b>	<b>3.363.670,42</b>	<b>2.721.000,00</b>	<b>2.721.000,00</b>

For the Company formed after the merger, in regards to the unaudited fiscal years we have the following to state:

- HDFFS (Duty-Free Shops S.A.) has been audited, tax-wise, until the fiscal year 2007.

For the absorbed companies we have the following:

- Folli Follie S.A. has been tax audited by ordinary tax audits until 30.06.2010 (date of the merger)

- Elmec Sport S.A. has been audited by ordinary tax audits until the fiscal year 2008

<b>Company Name</b>	<b>Unaudited Tax Years</b>
FOLLI FOLLIE UK LTD	2006-2011
FOLLI FOLLIE FRANCE SA	2006-2011
FOLLI FOLLIE SPAIN SA	2007-2011
MFK FASHION	2006-2011
PLANACO S.A.	2010
FOLLI FOLLIE JAPAN LTD	2010-2011
FOLLI FOLLIE HONG KONG LTD	2006-2011
FOLLI FOLLIE ASIA LTD	2006-2011
FOLLI FOLLIE TAIWAN LTD	2006-2011
FOLLI FOLLIE KOREA LTD	2006-2011
FOLLI FOLLIE SINGAPORE LTD	2006-2011
FOLLI FOLLIE MACAOU LTD	2008-2011
BLUEFOL GUAM LTD	2006-2011
BLUEFOL HAWAII LTD	2006-2011
BLUEFOL HONG KONG LTD	2006-2011
FOLLI FOLLIE MALAYSIA LTD	2006-2011
FOLLI FOLLIE THAILAND LTD	2006-2011
FOLLI FOLLIE CHINA (PILION LTD)	2006-2011
FOLLI FOLLIE SHENZHEN	2008-2011
HELLENIC DIDTRIBUTION S.A.	2010
LINKS (LONDON) LIMITED	2006-2011
LINKS OF LONDON (INTERNATIONAL) LTD	2006-2011
LINKS OF LONDON COM LTD (UK)	2006-2011
LINKS OF LONDON INC (USA)	2006-2011
LINKS OF LONDON (FRANCE)	2006-2011
HDFS SKOPJE DOO S.A.	2006-2011
DUTY PAID SHOPS S.A.	2010
ELMEC ROMANIA SRL	2007-2011
ELMEC SPORT BULGARIA EOOD	2007-2011
MOUSTAKIS S.A.	2010
LOGISTICS EXPRESS S.A.	2010
ATTIKA DEPARTMENT STORES S.A.	2009-2011
NORTH LANDMARK S.A.	2009-2011
NORTH GREECE DEPARTMENT STORES S.A.	-
ICE CUBE S.A.	-
COLLECTIVE PATRAS S.A.	-

During the year 2012 tax compliance reports were issued without reservation by paragraph 5 of Article 82 of Law.2238/1994 for the audit of fiscal year 2011 of the Parent company and the subsidiaries listed in the following table.

*Planaco S.A.*

*Hellenic Distribution S.A.*

*Duty Paid Shops S.A.*

*Moustakis S.A.*

*Logistics Express S.A.*

*Attica Department Stores S.A.*

*North Landmark S.A.*

*North Greece Department Stores S.A.*

*Ice Cube S.A.*

*Collective Patras S.A.*

For the fiscal year 2012, the Parent Company and its subsidiaries included in the above table have been subject to tax audits by Chartered Accountants under the provisions of Article 82 par. 5 Law. 2238/1994. This test is in progress

and the related tax certificate to be granted after the publication of the financial statements year 2012. (If until the completion of tax audits generate additional tax liabilities appreciate that will not have a material effect on the financial statements).

In addition to provisions for additional taxes from future tax audits, the companies of the Group have formed the following provisions:

Provision for litigious cases

This provision is equal to €2,150 mil. and is based on the fact that a company of the Group is facing court action; the Greek State is the plaintiff in these cases and the above amount is a reliable evaluation of the amounts required to be paid if the final decision is against the Company.

Provision for the forfeiture of penalty clauses

This provision is equal to €324 thousand and stems from the fact that a Group's subsidiary company may be required to pay certain amounts as penalty clauses to its suppliers with whom the company has contracted a shop-in-shop commercial cooperation contract, if such cooperation is prematurely terminated, under specific conditions and terms.

These provisions are re-examined at each balance sheet date and are adjusted in order to show the present value of the expense anticipated in order to settle the obligation.

## 17. Other Long Term Liabilities

Other long-term liabilities	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Other liabilities	77.270,00	110.050,96	0,00	0,00
Valuation from financial hedging instruments	29.210.736,37	37.109.184,40	29.210.736,37	37.109.184,40
Special contribution tax	10.796,58	0,00	0,00	0,00
<b>Total</b>	<b>29.298.802,95</b>	<b>37.219.235,36</b>	<b>29.210.736,37</b>	<b>37.109.184,40</b>

The item "valuation of financial and hedging instruments" for interest rate swaps (IRS) which are held as hedging instruments cash flow variable rate financial liabilities, which cover 86% of the debt. The majority of the contracts expires in 2015. The fair value of the financial derivative products is based on market valuation (mark to market), as confirmed by credit institutions which have signed the contracts. These changes in valuation of hedging instruments are recognized as "reserves" in equity funds, through the statement of other comprehensive income and are credited to income when the hedged cash flows affect them.

## 18. Trade and other Liabilities

Trade and other payables	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Suppliers	96.132.739,90	97.917.038,18	47.411.989,67	50.305.340,99
Cheques / promissory notes payables	10.429.051,29	10.728.350,84	6.011.499,81	4.483.811,54
Advances from customers	7.334.391,17	5.435.888,02	5.977.418,95	4.128.472,17
Personnel payroll payable	1.742.621,08	1.428.077,09	876.768,33	933.791,71
Other creditors payable	6.593.315,80	4.829.126,07	79.112,38	13.578,26
Social security contribution	6.221.137,22	4.572.690,02	2.449.673,18	2.850.455,28
Other liabilities	12.868.962,65	15.080.704,64	292.267,81	2.523.910,51
Accrued expenses	10.908.769,67	14.025.928,98	1.312.249,46	22.266,43
Deferred revenue	60.582,58	3.768,50	10.421,44	1.828,35
<b>Total</b>	<b>152.291.571,36</b>	<b>154.021.572,34</b>	<b>64.421.401,03</b>	<b>65.263.455,24</b>

## 19. Current income tax and current tax liabilities

Current Income tax	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Income tax	15.039.688,88	8.549.141,78	4.158,80	-2.989.133,06
Special contribution tax	0,00	2.276,45	0,00	2.276,45
<b>Total</b>	<b>15.039.688,88</b>	<b>8.551.418,23</b>	<b>4.158,80</b>	<b>-2.986.856,61</b>

Current tax liabilities	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
V.A.T.	2.608.263,94	5.219.171,94	-455.922,51	206.917,48
Other taxes	2.287.065,92	3.525.374,66	1.428.493,86	2.800.664,11
<b>Total</b>	<b>4.895.329,86</b>	<b>8.744.546,60</b>	<b>972.571,35</b>	<b>3.007.581,59</b>

## 20. Deferred Income Tax

	The Group				The Company			
	31.12.2012		31.12.2011		31.12.2012		31.12.2011	
Deferred tax Claims-liabilities	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>Current assets</b>								
Tangible fixed assets	0,00	13.369.433,73	0,00	6.237.430,72	0,00	13.969.765,25	0,00	6.059.047,19
Intangible assets	0,00	12.754.662,38	0,00	12.792.118,31	0,00	11.556.306,80	0,00	11.768.893,44
Long Term receivables	234.545,11	0,00	0,00	35.819,66	266.848,34		52.163,78	0,00
<b>Non-current assets</b>								
Receivables	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Provisions	1.967.099,14	0,00	2.381.433,07	0,00	1.418.015,05	0,00	1.757.893,45	0,00
Def. Tax recognised in Equity	7.421.836,89	0,00	7.421.836,89	0,00	7.594.791,46	0,00	7.421.836,89	0,00
Losses	2.877.654,05	0,00	3.099.012,28	0,00	0,00	0,00	0,00	0,00
Accruals	0,00	-141.276,45	0,00	2.483.918,51	0,00	65.340,92	0,00	2.745.414,45
<b>Total</b>	<b>12.501.135,19</b>	<b>25.982.819,66</b>	<b>12.902.282,24</b>	<b>21.549.287,20</b>	<b>9.279.654,85</b>	<b>25.591.412,97</b>	<b>9.231.894,12</b>	<b>20.573.355,08</b>
Offsetting	10.130.087,70	10.130.087,70	9.368.993,67	9.368.993,67	9.233.968,44	9.233.968,44	9.108.774,59	9.108.774,59
<b>Total</b>	<b>22.631.222,89</b>	<b>36.112.907,36</b>	<b>22.271.275,91</b>	<b>30.918.280,87</b>	<b>18.513.623,29</b>	<b>34.825.381,41</b>	<b>18.340.668,71</b>	<b>29.682.129,67</b>

Deferred taxes are calculated based on the tax rate to be charged to the profit of each company during the year are expected to settle the deferred tax asset or liability, taking into account the tax provisions in effect at the balance sheet date. Therefore, the tax rate used to calculate the deferred tax is detailed as follows: based on recent amendments in the Greek tax legislation, 26% rate was used. Due to this change, has occurred a difference of €3.764.251,87 for the Parent Company and €3.771.499,88 for the Group.

## 21. Revenues

Turnover	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Sales of Merchandise	1.093.157.929,98	999.285.030,73	393.019.916,84	385.642.132,85
Sales of Products	8.220.214,08	7.784.864,10	6.836.182,00	7.555.310,82
Sales of other goods	516.852,16	3.033.282,08	498.523,97	3.013.629,25
Sales of services	8.137.539,82	11.314.039,74	7.582.828,20	10.281.968,13
<b>Total</b>	<b>1.110.032.536,04</b>	<b>1.021.417.216,65</b>	<b>407.937.451,01</b>	<b>406.493.041,05</b>

## 22. Other Income

Other operating income	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Income from Marketing	6.516.992,67	7.820.328,73	6.486.520,93	7.927.210,15
Income from Promoters & Merch.	7.954.296,89	7.907.371,53	1.950.511,98	2.199.679,61
Other income	8.290.505,21	5.273.398,96	2.189.485,51	1.221.661,24
Received grants	125.143,94	746.732,17	91.161,94	174.313,24
Rental income	85.829,08	269.450,84	67.086,00	244.129,95
Foreign exchange gains	2.208.477,69	3.676.283,54	504.481,05	1.341.974,30
Other operating & extraordinary income	7.123.288,50	410.677,55	372.087,18	418.279,96
Prior year income	234.318,72	316.207,57	225.351,24	180.103,29
<b>Total</b>	<b>32.538.852,70</b>	<b>26.420.450,89</b>	<b>11.886.685,83</b>	<b>13.707.351,74</b>

The funds titled "Income from Marketing / Promoters and Merchandising" and "Other income" includes income related to advertisement and promotional actions, as well as income from subsidiary companies and refer to services and expenses charged by them to the businesses operating sale corners inside department stores, such as internal decoration expenses, telecom expenses, and expenses for joint advertisement actions.

## 23. Administrative and Selling expenses

Administration expenses	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Total Fees & staff	32.371.074,91	26.235.491,09	10.341.720,75	10.960.217,89
Legal-professional-other fees	15.196.066,28	6.433.077,79	6.695.283,91	2.751.944,94
Credit card commissions	23.940,83	17.087,70	171,28	0,00
Postage & telecommunication	744.335,77	763.915,05	148.442,54	239.272,47
Rent expenses	4.097.193,79	3.503.765,58	171.857,14	307.642,33
Car rentals & car leases	213.874,21	207.294,83	195.653,20	190.838,46
Insurance	464.940,60	468.160,44	191.287,13	245.415,81
Repairs & Maintenance	1.161.186,29	642.295,87	402.321,64	299.821,11
Utilities & cleaning	704.098,26	656.772,28	516.612,96	488.037,30
Other taxes (not income tax)	1.426.268,18	945.455,18	473.761,67	300.315,35
Transportation expenses	1.992.142,14	1.258.499,45	340.531,53	309.590,40
Advertising & promotional expenses	4.641.728,90	3.668.138,63	262.736,96	132.340,30
Fairs & exhibition expenses	572.419,40	377.295,31	0,00	0,00
Stationery & consumables	612.268,54	537.915,90	82.891,47	128.274,90
Other expenses	1.775.509,72	2.706.443,87	767.291,20	825.070,78
Depreciation & amortization	7.072.474,07	6.917.704,89	4.966.319,04	5.115.615,45
Provision for retirement	368.982,05	551.323,02	-16.874,64	199.407,93
Other Provisions	163.466,46	727.501,07	0,00	0,00
<b>Total</b>	<b>73.601.970,40</b>	<b>56.618.137,96</b>	<b>25.540.007,78</b>	<b>22.493.805,42</b>

Selling expenses	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Total Fees & staff	115.925.719,29	120.352.031,96	51.132.758,70	57.527.965,38
Legal-professional-other fees	20.352.819,70	19.605.817,22	4.618.765,97	4.660.523,65
Credit card commissions	5.242.795,28	4.646.373,32	2.101.645,89	2.013.581,65
Postage & telecommunication	2.104.533,06	1.974.411,63	843.945,13	798.636,42
Rent expenses	84.596.137,08	89.695.387,08	35.430.946,53	35.913.076,83
Car rentals & car leases	374.407,17	429.137,86	314.199,79	344.003,85
Insurance	1.843.566,77	1.758.219,73	1.188.598,83	1.115.521,73
Repairs & Maintenance	4.328.588,33	3.942.147,38	1.296.186,72	1.064.821,75
Utilities & cleaning	8.532.725,44	7.452.948,56	3.920.751,00	3.506.207,38
Other taxes (not income tax)	2.447.187,88	2.525.450,34	1.191.388,29	1.347.492,26
Transportation expenses	5.885.303,53	5.786.972,81	3.099.889,59	2.999.320,58
Advertising & promotional expenses	19.612.751,42	16.629.901,23	6.338.350,84	5.804.054,36
Fairs & exhibition expenses	189.988,81	120.387,95	103.655,78	74.926,39
Stationery & consumables	2.098.041,79	2.173.392,74	290.329,88	286.261,85
Other expenses	19.988.957,24	9.576.283,25	2.929.820,22	2.728.248,98
Depreciation & amortization	19.788.939,20	17.829.128,90	7.289.714,79	7.006.807,41
Provision for retirement	311.142,17	821.041,69	52.283,20	589.749,29
Other Provisions	182.039,74	356.577,58	0,00	0,00
<b>Total</b>	<b>313.805.643,90</b>	<b>305.675.611,22</b>	<b>122.143.231,15</b>	<b>127.781.199,76</b>

## 24. Other expenses

Other operating expenses	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Penalties & fines	135.517,48	171.633,90	95.696,60	161.458,17
Duties and taxes on deficits	6.384,49	20.297,63	245,11	0,00
Impairment of assets	123.356,02	171.037,56	0,00	0,00
Stock loss & damage	1.541.921,74	684.612,30	270.623,73	0,00
Loss from claims not susceptible of collection	681.823,96	598.894,23	624.619,12	0,00
Provisions for exposure & expenses	7.811.352,18	705.477,96	756.783,61	701.587,05
Foreign exchange losses	3.862.485,16	2.785.099,30	958.662,48	922.242,73
Prior years' expenses	926.993,95	291.729,41	55.373,85	284.278,12
Other expenses	1.120.980,81	1.239.093,14	3.679.999,56	6.335.026,85
<b>Total</b>	<b>16.210.815,79</b>	<b>6.667.875,43</b>	<b>6.442.004,06</b>	<b>8.404.592,92</b>

## 25. Financial Income-Expenses

Financial income	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Gains from forex instruments	165.523,04	8.954.355,82	165.523,04	8.276.428,17
Gains from invest. At fair value revaluation	4.419,44	0,00	0,00	0,00
Gains from derivatives	1.013.520,97	2.691.925,46	1.013.520,97	2.691.925,46
Dividends from other investments	34.052,04	57,01	0,00	0,00
Interest on reserves	1.816.098,66	2.863.478,54	290.450,67	1.498.670,98
Other interests	265.700,87	246.939,41	155.576,88	89.309,15
Profits from sale of assets	30.283,18	165.467,69	26.940,37	11.311,34
Other financial income	581.118,97	651.811,64	143.971,64	598.046,29
<b>Total</b>	<b>3.910.717,17</b>	<b>15.574.035,57</b>	<b>1.795.983,57</b>	<b>13.165.691,39</b>

Financial expenses	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Losses from sale of investments	5.172,13	1.474,74	0,00	0,00
Losses from foreign exchange products	1.851.121,92	8.150.508,26	1.602.289,14	8.148.510,89
Loss on valuation of investment at fair value	82.809,78	315.700,07	30.957,42	315.700,07
Losses on derivatives	12.472.322,68	16.037.277,59	12.472.322,68	15.269.385,87
Losses from the disposal of assets	1.103.119,89	932.080,17	4.412,67	287.214,88
Assets Valuation	58.092,00	152.674,96	0,00	0,00
Other financial expenses	655.979,26	373.323,05	107.751,16	265.790,29
Impairment of investments	0,00	0,00	0,00	1.193.334,80
Interest expenses (Loans)	38.939.265,07	37.935.431,60	34.645.425,18	34.129.950,47
Interest expenses (Leases)	1.654.723,64	2.058.712,28	1.568.946,53	1.976.282,46
Other interests	460.399,95	20.365,94	0,00	0,00
Bank commission & taxes	1.420.749,79	1.635.504,75	1.205.035,52	864.845,50
<b>Total</b>	<b>58.703.756,11</b>	<b>67.613.053,41</b>	<b>51.637.140,30</b>	<b>62.451.015,23</b>

## 26. Income Tax

	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
<b>Profit/Loss (before the tax)</b>	<b>130.894.451,56</b>	<b>121.937.756,64</b>	<b>-3.291.177,87</b>	<b>-1.614.407,88</b>
Current tax rate	20,00%	20,00%	20,00%	20,00%
<b>Tax related</b>	<b>26.178.890,31</b>	<b>24.387.551,33</b>	<b>-658.235,57</b>	<b>-322.881,58</b>
Irreversible deviations from tax basis	727.711,30	1.253.864,63	687.393,30	1.253.864,63
Tax effect of funds not subject to tax	5.805.851,28	4.491.998,55	4.468.686,18	3.825.702,91
Deleted deferred taxes	50.850,21	38.884,29	45.234,21	38.884,29
Effect of different deferred tax rate	3.757.003,86	0,00	3.764.251,87	0,00
Effect of different subsidiaries' tax rate	-1.268.715,70	-3.336.092,20	0,00	0,00
Other Taxes	22.705,20	18.030,29	22.705,20	18.030,29
Additional to prior years' taxes	0,00	3.794.637,56	0,00	3.534.375,12
<b>Total</b>	<b>35.274.296,46</b>	<b>30.648.874,46</b>	<b>8.330.035,19</b>	<b>8.347.975,67</b>

## 27. Earnings per share

Earnings per Share	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<b>Net profit for the period</b>	<b>95.620.155,10</b>	<b>91.288.882,19</b>	<b>-11.621.213,06</b>	<b>-9.962.383,55</b>
<b>Attributable to :</b>				
Shareholders of the parent company	93.625.719,74	89.518.910,34	-11.621.213,06	-9.962.383,55
Non controlling interests	1.994.435,36	1.769.971,85	0,00	0,00
<b>Weighted average number of shares</b>	<b>66.015.129,00</b>	<b>66.015.129,00</b>	<b>66.015.129,00</b>	<b>66.015.129,00</b>
<b>Basic earnings per share</b>	<b>1,4182</b>	<b>1,3560</b>	<b>-0,1760</b>	<b>-0,1509</b>

## 28. Related party transactions (according IAS 24)

	01.01. - 31.12.2012	01.01. - 31.12.2011
Sales of goods	35.827.688,46	43.674.799,33
Sales Services	377.466,95	827.341,42
RENTALS - OTHER	0,00	0,00
Purchases	9.692.680,91	10.076.439,38
Reception - other expenses	3.839.681,25	7.104.391,35

Parent transactions with other related parties		
	01.01. - 31.12.2012	01.01. - 31.12.2011
Sales of goods	0,00	0,00
Sales Services - Other Income	38.907,97	0,00
Purchases	0,00	0,00
Reception - other expenses	0,00	0,00

Transactions and Fees with managers		
	01.01. - 31.12.2012	01.01. - 31.12.2011
The Company	7.054.079,86	3.749.965,62
The Group	7.983.438,49	4.698.218,02

Group's transactions with other related parties		
	01.01. - 31.12.2012	01.01. - 31.12.2011
Sales of goods	0,00	0,00
Sales Services - Other Income	10.032,00	0,00
Purchases	912.410,00	0,00
Reception - other expenses	30.563,00	0,00

<b>Closing balance</b>		
	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>The Company</b>		
<b>From subsidiaries</b>		
Requirements	53.997.477,06	43.734.685,87
Obligations	10.818.555,16	9.470.917,93
<b>From other related parties</b>		
Requirements	38.907,97	0,00
Obligations	0,00	355.000,24
<b>by executives</b>		
Requirements	0,00	0,00
Obligations	0,00	0,00
<b>The Group</b>		
<b>From other related parties</b>		
Requirements	45.563,97	0,00
Obligations	838.698,00	355.000,24
<b>by executives</b>		
Requirements	0,00	0,00
Obligations	0,00	72.698,00

## 29. Probable obligations and unavoidable commitments

The Group companies have transferred to third parties to secure letters of contingent liabilities of the Group for those parts which are not reflected in the consolidated balance sheet.

For property of the subsidiary Elmec Romania SRL Bucharest registered mortgage to the Bank Bancpost, the Group EFG Eurobank, to secure credit lines. Also entered in favor of the Bank AlphaBank Romania mortgage on the land Elmec Romania SRL, also situated in Bucharest, to secure credit lines.

The Company has guaranteed loans to its subsidiaries have concluded, totaling € 20 million.

No other restrictions on ownership or transfer or other charges on assets owned by the Group. The assets acquired through financial leases remain the property of third until the expiration of the contract and repay the obligation

## 30. Number of employed personnel

At 31.12.2012 the Group employed 6.063 employees versus 5.816 employees on 31.12.2011. The according figures for the Company are 2.169 versus 2.138 employees.

Total Fees & staff	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
Wages and salaries	122.310.984,17	119.872.092,30	48.318.198,08	53.615.267,14
Employer contributions	23.870.374,56	24.571.731,10	12.737.289,81	14.025.613,64
Released for reimbursement	657.873,61	1.012.460,04	238.972,39	781.084,71
Other benefits	2.417.662,53	2.539.057,66	791.559,09	897.962,10
<b>Total</b>	<b>149.256.894,87</b>	<b>147.995.341,10</b>	<b>62.086.019,37</b>	<b>69.319.927,59</b>

### 31. Significant events for 2012

The Company signed an agreement for the sale of 51% of the travel retail business to Dufry A.G. In more detailed, following the signed agreement, the Company will proceed with the carve-out of the travel retail sector thus will be transferred to a subsidiary of the Group. The absorbed company, to which the debt will be transferred amounting 335 EURO million, will proceed into an equal amount refinancing according to the syndicated bond loan program. After the completion of the spin off, Dufry AG will acquire 51% of the share capital of the absorbed company for a total consideration of 200.5 EURO million, while also will have the option to the remaining 49% in four years' time at a fair value. As outcome of the said transaction, the net debt of the Group after the carve-out will be diminished. The transaction is expected to be concluded within April of 2013.

### 32. Management of financial risk

#### a) Exchange rates for the translation of the financial statements and sensitivity

The exchange rates used in order to translate the financial statements of the subsidiaries and foreign branches in € are the following:

	USD	GBP	JPY
31.12.2012	1,3194	0,8161	113,61
01.01.-31.12.2012	1,2848	0,8109	102,4919
31.12.2011	1,2939	0,8353	100,2
01.01-31.12.2011	1,392	0,8679	110,9586

#### b) Liquidity risk

Prudent liquidity risk management requires (a) maintaining sufficient cash and (b) the availability of funding through adequate credit lines. Due to the dynamic nature of its activities, the Group maintains flexibility in funding by maintaining high unused credit limits in short-term bank loans. The Treasury Department prepares statements of expected future cash flows which are reviewed by management in order to better plan the management of liquidity.

Despite the financial crisis and the limitation of liquidity at a global level, the Group has maintained increased liquidity, thanks to the retail nature of most of its sales, and takes steps in order to further support its liquidity, by creating discount outlets, in order to dispose old stock, as well as by limiting expenses.

Loan and other liabilities of the Group and Company are classified under the term of repayment, are shown in the table below. The amounts in the table refer to the nominal value of the liability plus interest and therefore may not agree with the amounts in the balance sheet.

<b>The Group</b>					
<b>Liquidity Analysis</b>					
<b>31.12.2012</b>	<b>Average Interest Rate</b>	<b>Up to 1 year</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Floating rate loans	5,65%	319.825.116,63	440.611.343,92	0,00	760.436.460,55
Liabilities & Financial leases	3,18%	4.662.880,97	21.383.346,39	32.061.335,87	58.107.563,24
Suppliers etc. free liabilities		106.561.791,19	0,00	0,00	106.561.791,19
		<b>431.049.788,79</b>	<b>461.994.690,31</b>	<b>32.061.335,87</b>	<b>925.105.814,98</b>
<b>31.12.2011</b>	<b>Average Interest Rate</b>	<b>Up to 1 year</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Floating rate loans	5,20%	427.346.500,12	298.917.043,64	503.405,08	726.766.948,84
Liabilities & Financial leases	4,08%	5.007.601,85	23.009.675,47	38.356.807,76	66.374.085,07
Suppliers etc. free liabilities		108.645.389,02	0,00	0,00	108.645.389,02
		<b>540.999.490,99</b>	<b>321.926.719,11</b>	<b>38.860.212,84</b>	<b>901.786.422,93</b>

<b>The Company</b>					
<b>Liquidity Analysis</b>					
<b>31.12.2012</b>	<b>Average Interest Rate</b>	<b>Up to 1 year</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Floating rate loans	6,02%	293.639.208,87	418.432.450,00	0,00	712.071.658,87
Liabilities & Financial leases	3,13%	3.158.018,22	14.389.546,00	31.992.178,55	49.539.742,77
Suppliers etc. free liabilities		53.423.489,48	0,00	0,00	53.423.489,48
		<b>350.220.716,57</b>	<b>432.821.996,00</b>	<b>31.992.178,55</b>	<b>815.034.891,12</b>
<b>31.12.2011</b>	<b>Average Interest Rate</b>	<b>Up to 1 year</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Floating rate loans	5,44%	394.590.160,80	227.542.197,45	0,00	622.132.358,24
Liabilities & Financial leases	4,08%	2.879.800,60	13.686.475,40	38.350.774,78	54.917.050,78
Suppliers etc. free liabilities		54.789.152,53	0,00	0,00	54.789.152,53
		<b>452.259.113,93</b>	<b>241.228.672,85</b>	<b>38.350.774,78</b>	<b>731.838.561,56</b>

### c) Asset Management

Asset management aims to ensure that the Group will continue its activities to provide profits to shareholders and benefits for other shareholders, while maintaining a capital structure that minimizes the cost of capital.

A key indicator used by the asset manager is the leverage ratio, calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including short and long term loans) minus cash. The total capital is calculated as equity in the balance sheet plus net debt.

The leverage ratio stood is depicted below:

<b>Leverage Ratio</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Borrowed funds	741.076.534,08	731.910.313,20	684.883.171,01	625.141.693,06
Less: Cash	126.483.148,41	135.501.551,10	11.729.895,39	20.841.347,43
Net debt	614.593.385,67	596.408.762,10	673.153.275,62	604.300.345,63
Equity	825.089.422,84	739.750.807,53	101.741.356,87	105.075.988,33
	<b>42,7%</b>	<b>44,6%</b>	<b>86,9%</b>	<b>85,2%</b>

### 33. Post Balance Sheet Events

The Group stated the following on recent developments in Cyprus:

- Our Group has deposits in Cyprus, specifically at the "Bank of Cyprus" which at the last day of operation of Banks (15/03/2013), amounting to approximately € 375.000.
- There is no exposure of our Group in marketable securities (equities - bonds) issued by the banks CPB and BOC.
- The rate of turnover of our Group in Cyprus for the year 2012 amounts to 0.12%.
- The Group will have no significant impact on the turnover, the results and financial position, due to the very small size of the Group's operations in Cyprus and thus little effect on consolidated figures.

Other than that, on the balance sheet date and until the approval of the Financial Statements by the Board, there were no events significantly affecting the financial figures.

Agios Stefanos, March 26<sup>th</sup> 2013

**THE CHAIRMAN OF THE BOARD**

Dimitrios Koutsolioutsos  
ID Card No. H-159150

**A' DEPUTY MANAGING  
DIRECTOR & GENERAL  
MANAGER**

Georgios Velentzas  
ID Card No. AB-285760

**THE MANAGING DIRECTOR**

Georgios Koutsolioutsos  
ID Card No. AB-593469

**THE FINANCE MANAGER**

Vasileios Kalamatianos  
ID Card No. AE-011034

**THE CHIEF ACCOUNTANT**

Georgios Alavanos  
ID Card No. AI-518859  
Lic. No. OEE 0008211 A' CLASS

## F. INFORMATION OF ARTICLE 10 OF LAW 3401/2005

Date	Subject
10/12/2012	Significant change in voting rights
7/12/2012	Significant change in voting rights
7/12/2012	Significant change in voting rights
6/12/2012	EGM resolutions
4/12/2012	Draft amendment of the Articles of Association
29/11/2012	Folli Follie Group announces 9m 2012 results
15/11/2012	Invitation for the Extraordinary General Meeting
19/10/2012	Changes in voting rights
12/10/2012	Announcement
10/10/2012	Folli Follie Group joins forces with the Swiss Group Dufry AG
24/9/2012	Announcement
20/9/2012	Response to a letter sent by the Hellenic Capital Markets Commission
11/9/2012	Response to the letter sent by the Hellenic Capital Markets Commission
30/8/2012	Announcement for the 1st half 2012
6/6/2012	Resolutions of the Annual General Meeting of the Shareholders on the 6th of June 2012
30/5/2012	Announcement of Q1 2012 financial results
15/5/2012	Invitation to AGM
30/3/2012	Financial calendar for 2012
29/3/2012	Announcement of 2011 full year financial results
12/3/2012	Announcement date of the 12M 2011 financial results
20/2/2012	Announcement-correction
3/2/2012	Announcement
12/1/2012	Announcement of new distribution agreement

# G. CONDENSED FINANCIAL STATEMENTS OF 2011



## DUTY FREE SHOPS S.A.

General Commercial Registry Number: 3027701000 (previous Registration No:14216/06/B/86/06)

23rd Km Athens - Lamia 145 65 Ag.Stefanos

Financial Data and Information for the period

January 1st, 2012 - December 31st, 2012

(Published according to Law. 2190, article 135, for companies preparing annual financial statements, consolidated or not, according to IFRS)

The following data and information that result from Financial statements aim to provide a general briefing for the financial position and the results of operations of HDP's S.A, with trade mark "FF GROUP" and the Group. It is therefore recommended, to any reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit Company's web site, where the Financial Statements are posted, as well as the relevant Certified Auditors Report review whenever that is required by the law.

### Company Information

Supervisory Authority:  
Website address:  
Financial Statements' approval date by the BOD  
Certified Auditor/Accountant:  
Auditing Company :  
Type of Auditors' Review:

MINISTRY OF DEVELOPMENT/General Secretariat of Commerce,  
[www.daf.gov.gr](http://www.daf.gov.gr) & [www.katf.gr](http://www.katf.gr)  
26 March 2013  
Christoula G. Vlachogianni  
BAKER TILLY HELLAS A.E  
Unqualified opinion

### Members of the Board Directors:

Chairman - Executive Member  
Managing Director - Executive member  
Vice President - Executive Member  
4 Deputy Managing Directors & General Manager, Executive Member  
8 Deputy Managing Director & General Manager, Executive Member  
Executive Member  
Non-Executive Member  
Non-Executive Member  
Non-Executive Member  
Non-Executive Member  
Independent non-Executive Member  
Independent non-Executive Member

Dimitris Koukouloutsos  
George Koukouloutsos  
Kali Koukouloutsos  
George Velenitas  
Emmanouil Zachariou  
Evrixi Ntini  
Jianyoung Qian  
Elias Koukouloutsos  
Elias Koukouloutsos  
Zacharias Mantzavinos  
Elias Bebis  
Epanominais Dafetmas  
George Anas

	DATA FROM STATEMENT OF FINANCIAL POSITION (consolidated and non consolidated) amounts in €				DATA FROM STATEMENT OF COMPREHENSIVE INCOME (consolidated and non consolidated) amounts in €				
	The Group		The Company		The Group		The Company		
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011	
<b>ASSETS</b>					Continuing operations	Continuing operations	Continuing operations	Continuing operations	
Property, Plant & Equipment	240.100.507,06	233.187.374,37	110.300.448,57	110.037.890,54	1.110.032.536,04	1.021.417.216,65	407.937.451,01	406.493.041,05	
Investment Property	72.865.151,63	73.804.104,99	72.865.151,63	73.804.104,99	556.861.034,25	516.517.948,20	188.788.536,02	192.641.136,32	
Intangible assets	353.276.250,58	356.561.881,01	289.494.645,89	293.019.386,14	185.781.456,86	173.976.774,48	46.549.978,86	47.670.915,56	
Participations	955.733,64	0,00	193.972.864,24	132.264.028,84	130.894.451,56	121.937.756,64	-3.281.177,87	-1.634.407,88	
Other non-current assets	54.042.140,25	49.996.275,02	39.645.290,35	34.978.307,25	95.620.155,10	91.288.821,19	-11.621.213,06	-9.962.383,55	
Inventories	37.616.142,19	339.169.114,36	91.545.137,04	99.959.887,22	93.625.719,74	89.518.910,34	-11.621.213,06	-9.962.383,55	
Trade Receivables	445.537.065,50	399.457.535,52	78.310.935,95	74.538.137,92	1.994.435,36	1.769.971,85	0,00	0,00	
Other current assets	272.798.983,68	271.737.851,99	49.571.509,11	54.357.811,26	10.151.609,15	25.197.289,19	8.286.581,60	-2.474.445,64	
<b>TOTAL ASSETS</b>	<b>1.815.832.014,53</b>	<b>1.723.914.137,26</b>	<b>925.705.982,78</b>	<b>872.959.754,16</b>	<b>85.468.545,95</b>	<b>116.485.171,38</b>	<b>-3.334.631,46</b>	<b>-12.436.829,19</b>	
					Shareholders of the parent company	Shareholders of the parent company	Shareholders of the parent company	Shareholders of the parent company	
					83.474.110,59	147.116.081,50	-3.334.631,46	-12.436.829,19	
					1.994.435,36	1.770.089,89	0,00	0,00	
					1,482	1,350	-0,176	-0,509	
					Basic Earnings/losses (after tax) per share(expressed in €)				
					Profit before taxes, financing and investing results, depreciation and amortisation (EBITDA)	212.818.497,06	198.748.243,74	58.849.242,72	59.795.052,27

### EQUITY AND LIABILITIES

	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Share capital	20.084.463,00	20.084.463,00	20.084.463,00	20.084.463,00
Other components of equity	784.592.823,01	701.283.509,11	81.626.893,87	84.951.525,33
<b>Total equity attributable to owners of the Parent (a)</b>	<b>804.677.286,01</b>	<b>721.377.972,11</b>	<b>101.711.356,87</b>	<b>105.075.988,33</b>
Non controlling interests (b)	20.412.136,83	18.372.835,42	0,00	0,00
<b>Total Equity (c) = (a)+(b)</b>	<b>825.089.422,84</b>	<b>739.750.807,53</b>	<b>101.711.356,87</b>	<b>105.075.988,33</b>
Long-term borrowings	428.822.381,00	314.665.496,03	403.000.308,00	242.204.986,29
Provisions / Other long terms liabilities	77.389.939,57	80.855.583,88	73.623.795,78	77.377.997,07
Short-term borrowings	312.247.173,08	417.244.907,17	284.874.963,01	382.937.594,77
Other current liabilities	172.286.118,04	171.397.432,65	65.347.659,12	65.347.659,12
Total liabilities (d)	980.703.321,69	984.163.229,22	832.964.625,91	793.883.765,63
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>1.815.832.014,53</b>	<b>1.723.914.137,26</b>	<b>925.705.982,78</b>	<b>872.959.754,16</b>

### CASH FLOW STATEMENT (consolidated and non consolidated) amounts in €

	The Group		The Company	
	01.01. - 31.12.2012	01.01. - 31.12.2011	01.01. - 31.12.2012	01.01. - 31.12.2011
<b>2nd Alternative: Indirect method</b>				
<b>Cash Flows related to Operating Activities</b>				
Net Profit before taxes (Continuing operations)	130.894.451,56	121.937.756,64	-3.291.177,87	-1.614.407,88
Adjustments				
Depreciation and Amortisation	27.037.040,20	24.771.469,26	12.299.263,86	12.124.136,31
Provisions	8.602.157,59	2.456.443,36	163.235,03	149.744,27
Exchange differences	108.933,76	-10.032.744,42	0,00	0,00
Results (income, expenses, gains and losses) from investing activities	5.756.323,52	10.914.888,28	12.457.969,98	12.574.645,13
Interest and related expenses	40.594.222,66	42.064.170,30	38.622.252,90	39.020.738,92
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-51.463.757,65	-31.202.308,68	8.299.721,43	-1.565.338,37
Increase/(decrease) of Receivables	-70.978.114,66	-59.199.200,95	-8.176.479,62	-13.333.361,38
Total increase/(decrease) of payable accounts (except Banks)	-4.794.818,95	-27.336.375,05	-3.476.168,67	-7.928.220,33
Minus:				
Interest paid and similar expenses	-38.186.341,47	-40.014.509,82	-36.214.371,71	-36.971.078,44
Income Tax paid	-23.981.320,97	-33.822.436,50	-498.540,41	-15.044.589,71
Net cash inflows/(outflows) from Operating Activities (a)	23.648.777,99	18.255,42	20.175.704,92	-11.246.731,68
<b>Investing Activities</b>				
Purchases of subsidiaries, associates and other investments	-599.700,00	-4.824.357,46	-61.708.835,40	-2.640.357,46
Purchases of tangible and intangible assets	-23.919.002,42	-23.037.405,68	-8.272.323,68	-9.796.574,51
Proceeds from sale of tangible and intangible assets	839.474,69	1.155.731,39	109.162,66	107.685,55
Interest received	2.081.799,53	2.863.478,54	446.027,55	1.587.980,13
Dividends received	0,00	0,00	0,00	0,00
Proceeds from sale of financial assets	-13.252.003,02	-12.541.504,57	-12.895.957,81	-12.393.196,67
Decrease/(increase) of other long-term receivables	-4.639.768,09	786.078,85	-4.728.949,53	-90.058,43
Net cash inflows/(outflows) from Investing Activities (b)	-39.468.197,31	-35.597.078,61	-86.600.386,71	-37.374.514,39
<b>Financing Activities</b>				
Capital increase	0,00	90.477.000,00	0,00	84.988.000,00
Proceeds from Loans	432.418.370,13	77.942.477,01	399.480.360,58	67.580.000,00
Proceeds from leases	940.000,00	3.365.298,17	0,00	2.977.823,81
Payment of Loans	-120.810.836,22	-122.534.110,64	-339.169.629,30	-103.910.219,99
Payments for leases	-5.572.224,04	-6.395.881,22	-2.977.134,49	-3.533.102,78
Own Stock	0,00	-4.392.290,81	0,00	-4.392.290,81
Expenses related to capital increase	-129.930,60	-365.384,78	0,00	-310.815,73
Dividends paid	-20.367,54	0,00	0,00	-20.367,54
Net cash inflows/(outflows) from Financing Activities (c)	6.827.073,03	37.197.107,63	52.311.225,25	52.727.145,50
<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>-0.018.402,69</b>	<b>1.735.885,92</b>	<b>-9.111.452,04</b>	<b>8.255.948,63</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>135.501.551,10</b>	<b>133.765.665,18</b>	<b>20.841.347,43</b>	<b>12.585.398,80</b>
<b>Cash and cash equivalents at end of period</b>	<b>126.483.148,41</b>	<b>135.501.551,10</b>	<b>11.729.895,39</b>	<b>20.841.347,43</b>

### amounts in thousands.000

	The Group	The Company
A) Income	10,03	36.205,16
B) Expenses	942,97	13.532,36
C) Receivables	45,56	54.036,39
D) Payables	83,70	10.818,56
E) Directors' and members' of the Board of the Directors transactions and fees	7.983,44	7.054,08

	The Group		The Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<b>Equity Opening Balance ( 01.01.2012 and 01.01.2011 respectively)</b>	<b>739.750.807,53</b>	<b>544.461.016,33</b>	<b>105.075.988,33</b>	<b>39.907.454,69</b>
Total comprehensive income net of tax ( continuing operations)	85.468.545,95	116.485.171,38	-3.334.631,46	-12.436.829,19
Other Movements	-129.930,60	83.195.310,64	0,00	81.997.653,64
Purchase of own shares	0,00	-4.392.290,81	0,00	-4.392.290,81
<b>Equity Closing Balance ( 31.12.2012 and 31.12.2011 respectively)</b>	<b>825.089.422,84</b>	<b>739.750.807,53</b>	<b>101.711.356,87</b>	<b>105.075.988,33</b>

Agios Stefanos, March 26th, 2013

CHAIRMAN OF THE BOARD  
DIMITRIOS KOUTSOLOUTSOS  
ID AN 013337

MANAGING DIRECTOR  
GEORGE KOUTSOLOUTSOS  
ID. AN 593469

DEPUTY MANAGING DIRECTOR &  
GENERAL MANAGER  
GEORGE VELENITAS  
ID AN 285760

CHIEF FINANCIAL OFFICER  
VASILIOS KALAMANTIANOS  
ID AE 011334

CHIEF ACCOUNTANT  
GEORGE ALAVANOS  
ID AN 518499  
AP.AA.O.E.E. 0008211A' CLASS



## H. REPORT FOR FUNDS RAISED

### "DUTY-FREE SHOPS, SOCIETE ANONYME EXPLOITING DUTY FREE STORES AND INDUSTRIAL, MANUFACTURING, TECHNICAL AND COMMERCIAL SOCIETE ANONYME S.A."

REG. NO.: 14216/06/B/86/06

23<sup>RD</sup> KM OF ATHENS – LAMIA NATIONAL HIGHWAY 145 65, AG. STEFANOS, ATTICA

Disclosed in accordance with the decision of the Board of Directors of the ATHEX on 30/06/2011 with No. 15985 Protopresbyter that the increase in share capital in cash and abolition of the preferential right of existing shareholders, in favor of companies "FOSUN International Limited "and" Pramerica - Fosun China Opportunity Fund, LP ", which took place according to the 26/05/2011 decision of the Extraordinary General Meeting of Shareholders and under Case No. 1/590/24.06.2011 Board of the SEC approving the prospectus, net funds raised EUR 82 million (EUR 84,588,000 less issue costs of EUR 2.588 million).

Of the increase of share capital issued 6,360,000 new ordinary shares. Certification of payment of the share capital by the Board of Directors held on 14/06/2011.

The funds raised in connection with the prospectus, available until 31/12/2012, as follows:

A/A	METHOD OF DISPOSAL OF FUNDS RAISED	FUNDS RAISED TO SUPPLY	JUNE 2011 - AUGUST 2011	JUNE 2011 - DECEMBER 2011	JUNE 2011 - DECEMBER 2012	JUNE 2011 JUNE 2013	TOTAL	TOTAL DISBURSEMENTS UNTIL 31.12.12	REMAINING FOR DISTRIBUTION 31.12.12
1.	REDUCTION OF BANK LOANS	35.000.000,00	35.000.000,00				35.000.000,00	35.000.000,00	0,00
2.	EXPANSIONS OF STORE NETWORK OF THE COMPANY IN GREECE	11.000.000,00				11.000.000,00	11.000.000,00	7.791.000,00	3.209.000,00
3.	IMPROVEMENT-BUILDING RENOVATION IN ROMANIA	3.000.000,00				3.000.000,00	3.000.000,00		3.000.000,00
4.	EXPANSIONS OF STORE NETWORK IN ASIA AND EUROPE	6.000.000,00			6.000.000,00		6.000.000,00	6.000.000,00	0,00
5.	WORKING CAPITAL	27.000.000,00			27.000.000,00		27.000.000,00	27.000.000,00	0,00
6.	ISSUE EXPENSES	2.588.000,00		2.588.000,00			2.588.000,00	2.588.000,00	0,00
	<b>Total</b>	<b>84.588.000,00</b>	<b>35.000.000,00</b>	<b>2.588.000,00</b>	<b>33.000.000,00</b>	<b>14.000.000,00</b>	<b>84.588.000,00</b>	<b>78.379.000,00</b>	<b>6.209.000,00</b>

Note:

1. The above table distribution of the disbursements until 31/12/2012, amounted to EUR 78,379,000.00.
2. The remainder to be disposed of 31/12/2012 EUR 6,209,000.00 shall be deposited in short term deposits and included in the item "Cash and cash equivalents"

Ag. Stefanos, 26 March 2013

THE CHAIRMAN OF THE BOARD

Dimitrios Koutsolioutsos  
ID Card No. H-159150

THE MANAGING DIRECTOR

Georgios Koutsolioutsos  
ID Card No. AB-593469

A' DEPUTY MANAGING  
DIRECTOR & GENERAL  
MANAGER

Georgios Velentzas  
ID Card No. AB-285760

Finance Manager

Vasileios Kalamatianos

## I. REPORT OF RIGHTS ISSUE PROCEEDS FROM SHARE CAPITAL INCREASE IN CASH

To the Board of Directors

### **"DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A."**

According to the mandate received from the Board of Directors' **"DUTY FREE SHOPS, A CORPORATION OPERATING DUTY FREE SHOPS AND LARGE AND SMALL SCALE INDUSTRIAL OPERATIONS, TECHNICAL AND COMMERCIAL COMPANY S.A."** (the Company), performed the following agreed upon procedures in those under the regulatory framework of Stock Athens and the legal framework of the capital, on the Report on the Company raised funds, on the share capital increase through cash payment which was conducted in 2011. Management is responsible for preparing the aforementioned report. We undertook this task in accordance with International Standard on Related Services 4400, which applies to "Assignment Execution of agreed upon procedures related to financial reporting." Our responsibilities are to perform the following agreed upon procedures and report our findings.

Procedures:

1. We compared the amounts reported as disbursements in the accompanying "Report on funds raised from the capital increase in cash", with the amounts recognized in the books and records of the Company during the period they relate.
2. We examined the completeness of the report and therefore its content to those given in the Prospectus issued by the Company for this purpose, and with the relevant resolutions and statements of the Company's competent bodies.

Findings: i. The amounts shown as disbursements in the accompanying "Report on funds raised by the increase in share capital in cash," the books and records of the Company, the period they relate.

ii. The contents of the report include the minimum information provided for this purpose by the regulatory framework of the Athens Stock Exchange and the legal framework of the capital and is consistent with those mentioned in the relevant Prospectus and the relevant resolutions and statements of relevant bodies Company.

Given that the procedures do not constitute an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance other than those mentioned above. Had we performed additional procedures or had we performed an audit or review may have come to our attention and other issues, other than those mentioned in the previous paragraph.

This report is addressed solely to the Board of Directors, in compliance with the requirements of the normative framework of the Athens Stock Exchange and the legal framework of the capital. Hence this Report may not be used for other purposes is limited only to the items specified above and does not extend to the financial statements prepared by the Company for the period from 01/01/2012 until 31/12/2012 for which we issued separate audit report.

The Certified Public Accountant



Chrisa G. Tsakalogianni  
SOEL Reg.: 23811  
Athens 27 March 2013