



FF GROUP

ANNUAL
REPORT
2 0 1 1



“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
23RD KM OF ATHENS - LAMIA NATIONAL HIGHWAY 145 65, AG. STEFANOS, ATTICA

ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 01.01.2011 TO 31.12.2011

PURSUANT TO ARTICLE 4 OF LAW NO 3556/2007

THE ATTACHED FINANCIAL STATEMENTS FOR THE PERIOD 01.01.2011 - 31.12.2011 WERE APPROVED BY THE COMPANY'S BOARD OF DIRECTORS ON MARCH 28TH OF 2012 AND WAS PUBLISHED BY BEING POSTED IN THE INTERNET, AT WWW.DUTYFREESHOPS.GR and 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.



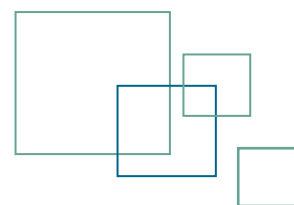
Contents

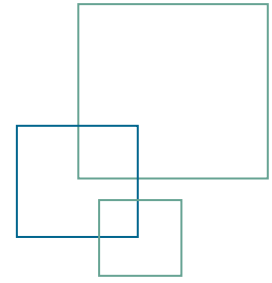
Chairman's Message	04
Company Profile	07
Statement of the Board of Directors	18
Management Report of the B.O.D	19
Independent Certified Auditors' Accountants Report	40





Financial Statements	42
Information about the Group	49
Information of article 10 of law 3401/2005	87
Report for the funds raised	91
Report of rights issue proceeds from share capital increase in cash ...	93
Condensed Financial Statements of 2011	94





chairman's **message**

Dear shareholders,

Looking back on the past year, major events have influenced and shaped our company. As an important milestone in our corporate history the merger of the three companies Folli Follie, Hellenic Duty Free Shops and Elmec Sport can be regarded. This development as a consistent implementation and highlight of a three year lasting acquisition strategy was embraced from both our stockholders and internally by our staff with great enthusiasm and encouragement and actively implemented by the latter.

Shortly after the merger and re-formation of the group, the company gained with the entry of the major investment group Fosun in Folli Follie's share capital an excellent strategic partner. The cooperation with Fosun, the premium investment group with focus on China's growth momentum has strengthened synergies, targeting in particular the expansion of the Group's Jewellery, Watches and Accessories activity in Mainland China.

In addition to these two internal factors that have influenced the development of our company over the past year much, the development of the Greek economy has been an important external parameter. The deepening of the recession came both from developments that affected the economic fundamentals and due to the strong deterioration of the domestic socioeconomic climate. Domestic demand weakened significantly, after the roll-out of austerity measures and the subsequent increase of unemployment.

Despite a deteriorating domestic environment with the recession to last for the fourth consecutive year the Folli Follie Group managed to reach in the year 2011 its record sales. Looking at the performance by activity, the strongest increase in terms of revenues and profitability has been achieved by the travel retail segment. With a sales increase of more than 15% travel retail reached its historical best performance ever. Full Year gross profit increased by 18% with the respective margin reaching the highest full year level ever at 52% and the EBITDA margin to reach 29%.

The retail and wholesale activity was impacted by the weak economic environment in Greece and the Balkans with sales declining by 9% and EBITDA decreasing by €7,4 million. Compared to the general condition of the domestic retail market, the Group's retail and wholesale activity managed to withstand in the deteriorating environment and even gaining market share which indicates the attractiveness of the brands the Group represent in Greece and the Balkans.

Our department store activity has been also impacted by the local recession with a revenue decline by almost 8% and a resilient EBITDA margin at almost 9%. This modest decline compared to the overall market, reflects the strength of this particular sales channel.

The Jewellery, Watches and Accessories activity increased its revenues for the year 2011 by almost 4% and reached an EBITDA margin of 23%. The sector's Asian activities managed to counterbalance the weaknesses experienced in Europe and the notably weaker retail sentiment in the UK.

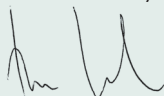
Looking ahead into 2012, the outlook for the global economy remains uncertain. The recession of the Greek economy will deepen further in 2012. The rapidly contracting domestic demand during the final months of 2011, which came from successive packages of fiscal measures and rising unemployment, will continue to weaken, at least in the first half of 2012, constituting the key driver for the shaping of the trends in the Greek economy.

The Folli Follie Group is very well-equipped – not only to face up to challenges, but also to seize opportunities. All our activities of the Group faced with great vigilance and reactivity operating difficulties and we are prepared for the challenges coming ahead.

I wish to express my special thanks and appreciation to our colleagues worldwide and especially to our staff in Greece who worked with enthusiasm and great commitment to achieve these respectable results.

Thank you for your loyalty and support.

Yours sincerely,



Dimitris Koutsolioutsos

Chairman of the Board of Directors



company profile

Duty Free Shops S.A. under the distinctive title **FOLLI FOLLIE Group (FF Group)** operates actively in more than 28 countries defining new trends at all sectors at which it activates. With a dynamic structure and an impressive portfolio the FF Group “accompanies” a customer through all life phases: from early childhood to adulthood one can relate to the FF Group and its brand portfolio.

The strategic mission of FF Group is to establish and maintain a leading position in the international fashion world through the further development of all individual brands and the attraction of worldwide famous brands. The expansion of the constantly developing distribution network is among the Group’s corporate goals. Hellenic Duty Free Shops aims to retain its position as an internationally recognized travel retail brand.

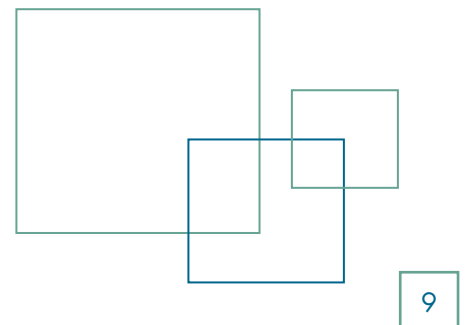
FF Group designs, produces and markets on a global level its own brands: **Folli Follie** and award winning British jeweller **Links of London**. Famed for high quality and breakthrough design, jewellery, watches, accessories and giftware from Folli Follie and **Links of London** have won a place in the hearts of millions of consumers globally.

The FF Group also operates exclusively in the Greek travel retail sector, through Hellenic Duty Free Shops, whereas Folli Follie and Links of London products are also available in-flight on major international airlines. The FF Group operates numerous points of sale in airport duty free shops around the world.

The dynamic presence of **FF Group** in the travel retail sector has been acknowledged by the “Duty Free News International” Product Awards 2010 where the FF Group won the following distinctions: Best New Beauty Store for Hellenic Duty Free Stores at the Athens International Airport, Best Watches Campaign for Folli Follie at Asian Airlines and Best New Jewellery Store for Folli Follie at Hong Kong International Airport.

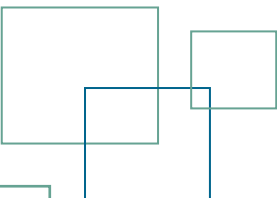
At the same time the Group maintains a leading presence in the department stores field, the retail and wholesale channel of apparel and footwear, within Greece and S.E.E. through “Factory Outlets”, as well as “attica” department stores, the Group’s department stores in Greece that cover more than 65,000 m². Brands such as Ermenegildo Zegna, Juicy Couture, UGG Australia, Nike, Converse, Calvin Klein Jeans, G-Star Raw, Samsonite and Technogym belong to the Group’s brand portfolio.

The **FF Group** creates fashion globally and has established a strong presence counting more than 800 points of sale worldwide and employing more than 5,800 people worldwide.



important milestones

- 1979:** Duty Free Shops S.A. was set up with 2 stores.
- 1982:** Folli Follie company is founded in Greece by Mr. Dimitris Koutsolioutsos and his wife Kitty. First Folli Follie store opens in downtown Athens.
- 1994:** Launch of the Folli Follie women's watch collection.
- 1995:** Folli Follie enters the Japanese market, shop openings in New York, Hawaii, Guam.
- 1997:** Folli Follie listed at the Athens Stock Exchange. An agreement was signed allowing duty free items to be sold exclusively at points of exit from Greece (airports, ports, border stations) until 2048.
- 1998:** Folli Follie enters key Asian markets. Listing of Hellenic Duty Free Shops' shares at the Athens Exchange. At that time, the company was the largest retailer listed at the Athens Stock Exchange.
- 1999:** Folli Follie creates subsidiaries in France and UK and acquires 5% of the share capital of HELLENIC DUTY FREE SHOPS S.A. The European Commission abolishes duty free sales to passengers traveling within the EU (July 1).
- 2000:** The subsidiary, Hellenic Distributions S.A., was set up. That company provides ship handling services for cruise liners, ferry boats, merchant vessels and other ship chandlers, army bases and embassies, distributing internationally renowned brands via its network, of retail outlets within Greece.
- 2001:** The new Athens International Airport at Spata officially opened with three company shops within its premises.
- 2002:** Folli Follie enters key European and Chinese markets and develops the Travel Retail business.
- 2005:** Opening of "attica", the biggest department store in Greece, in the center of Athens.
- 2006:** Raising the stake at HDFFS from 24,61% to 52,28%. HDFFS acquires Links of London. Folli Follie obtains the Chinese retail license.
- 2007:** Acquisition of Elmec Sport via HDFFS.
- 2008:** Acquisition of Folli Follie's affiliate in Japan.
- 2010:** Merger of the companies Folli Follie S.A., HELLENIC DUTY FREE SHOPS S.A. and Elmec Sport S.A. all absorbed by HELLENIC DUTY FREE SHOPS S.A. Creation of the Folli Follie Group of Companies. The London Organising Committee of the Olympic and Paralympics Games appoints Links of London, as the creators of the Official Jewellery Collection of London 2012.
- 2011:** Reopening of the Duty Free petrol stations by HELLENIC DUTY FREE SHOPS S.A. Fosun International acquires a stake of 9,5% in FF Group through a capital increase excluding existing shareholders and increases successively its stake to 13,4%. Folli Follie opens new shops in Puerto Rico and Canada.
- 2012:** The FF Group gains the exclusive distribution and representation of PROCTER & GAMBLE PRESTIGE perfumes in Greece. Opening of the third "attica" department store in Thessaloniki. In a joint venture between Duty Free Shops and Setur Servis Turistik A.S. a lease contract for the operation of the Tourist Port of Mytilene is signed for 40 years.





activity segments

▪ Jewellery, Watches and Accessories

With the own brands **Folli Follie** and **Links of London**, FF Group has a very strong presence in Asia, Japan, Europe and the US.

Folli Follie is a Greek brand which designs, manufactures and distributes jewellery, watches and fashion accessories. Folli Follie creates fashion in 24 countries with more than 488 points of sale worldwide.

The philosophy of the brand lies in offering a “full fashion concept” of branded, trendy jewellery, watches and accessories of high quality at affordable prices, appealing to the needs of the modern, fashion-conscious working woman. Folli Follie aims in fulfilling the demand of today’s global consumer for affordable fashionable luxury.

The launch of Folli Follie in the very demanding Greek jewellery market was followed by an unprecedented success that convinced the owners to steer the brand towards additional categories of fashion accessories and led the way towards the brand’s international expansion through strategic shop locations. Apart from a strong presence in Mainland China and Japan, the brand has presence in the most fashionable streets of the world’s major cosmopolitan cities: London (New Bond Street), Hong Kong (Central district), New York (Madison Avenue & Prince Street), Dubai, Athens, Beijing, Seoul, Honolulu.

Apart from the flagship stores in strategic locations, Folli Follie products are also sold through stand-alone shops and shop-in-shop in famous department stores, such as Isetan and Takashimaya in Japan, Lotte and Hyundai in Korea and Corte Ingles in Spain. In 2012, Folli Follie proves once again its leading position in the fashion industry by entering the Harrods Store in London. Folli Follie has a direct control of its international distribution network by vertically integrating its operations from production to retail. As a result, it has established a direct line of communication with its customers having adopted the required flexibility to respond to their changing demands.

In addition, Folli Follie has a strong presence in the travel retail market with points of sale in numerous airport duty free shops around the world, such as Beijing, Seoul, Athens, Vancouver, Taipei, Hawaii and Guam among others, whereas Folli Follie products are also available in-flight in major international airlines..

Folli Follie operates more than 54 points of sale, in Athens and in the rest of Greece, in several shopping Centers like in The Mall Athens, the Athens Heart, the Athens Metro Mall, shop-in-shop in department stores like attica, attica in Golden Hall and Notos Galleries. Moreover, the brand is present at points of sale of HELLENIC DUTY FREE SHOPS all over the country.

Folli Follie established itself as a true pioneer in the market when it introduced, among its first collections unique jewellery creations made of silver combined with murano glass and later on complete jewellery collections made of stainless steel in silver or gold colour combined with diamonds - a trend followed by many others.

Depending on the materials used (sterling silver, stainless steel, precious and semi-precious stones) and in a wide price range covering all needs, the company offers an unrivaled assortment of styles for the creation of a unique style.

The fact that nowadays, ladies watches are no longer considered as simple time pieces or expensive jewels, but everyday fashion accessories, to be mixed and matched, contributed to the development and establishment of Folli Follie watches in the field of fashion. Thanks to their unique design, their high quality and their affordable price, the watches of the Ceramic Collection, the Rubber Collection, the Jewellery Watches, Beautime, Donatella, Water Champ and Heart4Heart Watches are amongst the few that have been embellishing female wrists worldwide.

Furthermore, following the commands of the fashion industry to suit the changing lifestyles of the modern man and his need for both a "primary" and a "secondary" watch, Folli Follie re-launched its men's collection in March 2006 creating various watch designs.

In addition to its jewellery and watches lines, Folli Follie offers comprehensive assortments in fashion accessories, such as handbags, small leather goods, belts, pashminas and sunglasses. Following the same philosophy of "affordable, fashionable luxury", the exclusively designed pieces add breadth to the company's identity and are now globally recognized amongst accessories brands.

All Folli Follie jewellery, watches and accessories lines complement each other, offering a "full fashion concept" and providing at the same time a contemporary, alternative and fresh experience to customers over the world.

Folli Follie's jewellery, watches and accessories collections are presented throughout the year. All collections are enriched during each year with special promotions, flash collections and new creative ideas. The company's experienced design team consists amongst other of Italian, Swiss and Greek top designers, who work together for the presentation of complete jewellery, watches and accessories collections. The collection's highlight is the premium K Collection, which includes unique and limited edition jewellery and accessories pieces, inspired and supervised by Mrs. Ketty Koutsolioutsos. The Folli Follie designers' goal is not only to maintain a fashion orientation complementing the prevalent fashion trends, but also to set them, translating fashion in the daily life and offering special, characteristic fashion tips, with the signature of Folli Follie.

In 2012, Folli Follie launched a wide and international advertising campaign, entitled "Crazy for Greece" and featuring Gaile Lai, the famous Asian model and actress. The filming took place in Greece and specifically in the cosmopolitan island of Spetses, in order to honor the country and promote the wonderful Greek summer all over the world. This International campaign aims to present Greece abroad and also to attract more tourists from Asia and other regions. The international "Crazy for Greece" campaign, both print and digital, will be featured in newspapers and in the most famous fashion titles worldwide, will run online, will be hosted on TV shows, and will be featured on billboards in Europe, Asia and North America. Moreover, the campaign will be promoted via the 488 points of sale and in the most populous avenues in 24 countries.

Furthermore, the emphasis given to the unique design does not stop at the product itself but extends into all Folli Follie visible associations and image of the company, such as: shop layout, décor, window display, product presentation, furniture, packaging, promotional material and of course integrated communication strategy. In other words, the company's design team in collaboration with the Marketing and Public Relations Department strive to create a "Folli Follie world", which ensures a consistent, characteristic brand image amongst all Folli Follie shops and products, immediately recognizable by the global consumer.





▪ Links of London

Links of London is the iconic international jewellery brand that captures London's wit, spirit and heart.

As one of our most coveted jewellery brands, Links of London has continued to captivate customers with striking jewellery collections, statement watches and a selection of exquisite gifts. Since the beginning, imaginative design, uncompromised craftsmanship and the use of the finest materials have remained integral to each new collection, ensuring that each piece remains a timeless contemporary classic.

The company was founded in 1990 and over the last 22 years Links of London has grown significantly across the globe and now has over 80 stores including London, New York, Tokyo, Athens, Dubai and Hong Kong.

In July 2006, Links of London was acquired by FF Group. The in-house design team has steered the brand through the next stage of growth and evolution, as a result the brand has been cleverly repositioned, challenging the customer's perception whilst retaining its enduring appeal.

Landmarks for 2009 have been the successful and much anticipated launch of the Sweetie watch, alongside the introduction of bespoke friendship bracelets and more fashion forward collections.

The Brit Lines Collection epitomised the brand's vision, drawing inspiration from London's vibrant and dynamic landscape in keeping with Links of London's spirit.

In 2010, the London Organising Committee of the Olympic and Paralympics Games (LOCOG) appoints Links of London as the Creators of the Official Jewellery Collection of London 2012 Olympic Games. Following this appointment, in 2011 Links of London introduced the Entwine Collection inspired by the twirling aerial movements of ribbons used during rhythmic gymnastics. Later on, Links of London presented the complete official 2012 collection which includes Play, Union Jack, Friendship, Sweetie Charms collections, cufflinks and gifts.

In 2011, Links of London introduced the first Bridal Collection, an initiative of elegant wedding bands and solitaire engagement rings.

In 2012, Links of London partnered with McLaren to design a collection of men's jewellery and accessories, based on Formula 1 cars and racing. Designs feature carbon fiber and stainless steel. Movement and energy evoke the spirit of this mechanically inspired luxury collection with design features motivated by the components of the impressive Vodafone McLaren Mercedes' Formula 1 cars. Celebrating a fusion of first class engineering, sophisticated materials and a marriage of function and design this collection brings the fast-paced exhilarating McLaren environment into the luxury jewellery world of Links of London.

Links of London looks forward to an exciting future, establishing itself in new markets, developing more interactive online content and introducing a new range of leather goods.



▪ Hellenic Duty Free Shops - Travel Retail

From 1979, Hellenic Duty Free Shops offers travellers the most amazing shopping experience. The 130,000 original, modern, fresh, brand-name products, always available at competitive prices list Hellenic Duty Free Shops to No 1 shopping destination for 30,800,000 Greek and foreign travellers, visiting Greece. Around 7,700,000 passengers, every year, choose Hellenic Duty Free Shops for their purchases.

HELLENIC DUTY FREE SHOPS S.A. is the exclusive duty free operator in Greece. It has the exclusive right for selling duty free products at all exits of Greece. The company is characterized for its rapid growth, development and the high quality of provided services. In 1979, Hellenic Duty Free Shops opened the first two shops. Today, it operates a network of 97 stores at 47 sales points throughout Greece, 21 of which are located in airports, 13 at border stations and 13 at ports all over Greece.

Hellenic Duty Free Shops secures a great variety of products to all travellers at competitive prices. In modern, comfortable, friendly and easily accessible stores, the full collection of perfumes and cosmetics (Dior, Chanel, Estee Lauder, Lancôme, Clinique, La Prairie, Paco Rabanne, Burberry, Korres etc), tobacco, liquor, confectionery (Hersey's, Toblerone, Lindt, Cadbury, Kinder etc), luxury and fashion products (Folli-Follie, Hermés, Bvlgari, Juicy Couture, Armani Jeans, Swatch, Lacoste, Zegna, Luxotica) are offered. Furthermore, Greek delicacies - representing the wealth of the Greece - from all over the country are carefully selected by experts and are available at the Hellenic gourmet Store. The Hellenic gourmet concept is part of our efforts to promote the Greek culture, products and producers and actively support the emerging movement "Buy Greek".

The company's aim is to improve product mix and services for the traveler by implementing tailor made promotional activities (offer-

ing gifts with purchases, special offers, competitions and happenings) according to its needs and desires, which change frequently. Whilst, new, fresh, brand name products are often launched for the first time at Hellenic Duty Free Shops, and in some cases only available exclusively there.

In 1999, when the European Commission decided the abolition of duty free sales to passengers traveling within the EU, Hellenic Duty Free Shops implemented the "Travel Value" concept providing products at the same prices independent from the travellers' final destination (in Greece, in the E.U. or third countries) and absorbing duties and taxes.

All Hellenic Duty Free Stores are located right after the passport control and are strongly signed to attract travelers' attention by providing to travelers a wide range of brand name, original, newly launched products at competitive prices and the most amazing shopping experience.

One of the company's core values is that growth and development is not simply a means of survival but lies at the very heart of doing business, and is something to be pursued irrespective of the surrounding circumstances. A simplified organizational structure, economies of scale, more effective management, utilization of economic partnerships and the Group's experience offer the company unique advantages that will enable it to grow on both the national and international market.

Hellenic Duty Free Shops offers to every traveller, executive, tourist the last memorable experience of Greece to carry back home.

In 2012, the Greek Government signed the 40 years 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". The dynamics of the said marina consists of 252 berth areas of which 222 as marine and 30 on land space. The company Setur, is a leader in the marina management business in our neighbouring country.



hellenic **duty free shops**

■ Awards & Acclaims

- 2005:** The "European Business Magazine - 2005" ranked HELLENIC DUTY FREE SHOPS at 7th place among the companies with the best return on equity.
- 2007:** "The Duty Free & Travel-Retail Database & Directory" has recognized HELLENIC DUTY FREE SHOPS amongst the 20 largest companies worldwide in the Travel Retail Industry based on sales and the 3 largest based on earnings.
- 2008:** The Athens Chamber of Commerce and Industry awarded the company in 2007 with the Export Activity prize at an event attended by the President of the Hellenic Republic, the Prime Minister and other prominent leaders.
- 2010:** According to Generation Research of Sweden which prepared "The World's Top 50 Giant Operators, 2009" the company was in 9th place worldwide.

■ Hellenic Distributions S.A.

Hellenic Distributions S.A. was founded in September 2000, as a subsidiary of Hellenic Duty Free Shops S.A. Today the company has an extensive network of stores in airports and ports across Greece.

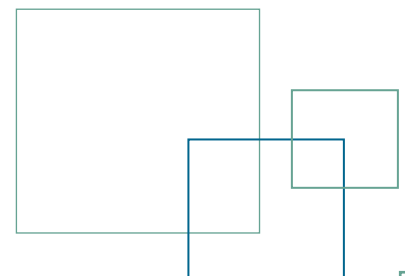
The company is active in wholesale sales and the supplying of vessels since 2005. Specifically, the company supplies cruise ships, ferryboats, cargo vessels, ship chandlers, military forces, embassies etc. with products of well-known brands.

It is the leading company in its sector in Greece, focusing its activities on the merchandising of world tobacco, cigars, wines, liquors, perfumes & cosmetics, confectionery, sunglasses, watches toiletries, accessories etc. Furthermore, it is the exclusive distributor of PHILIP MORRIS, PAPASTRATOS, PERNOD RICARD, WORLD BRANDS DUTY FREE, WILLIAM GRANT'S, IAN MACLEOD, QUALITY SPIRITS INTERNATIONAL and FOLLI FOLLIE WINES in Greece.

Hellenic Distributions cooperates with internationally renowned companies, certifying the high quality and the authenticity of the products that it markets.

It has its business headquarters in Piraeus, the country's largest port, where it houses its offices and superior quality storage areas. The company boasts of a well appointed administrative and organizational centre, which delivers well managed and efficient supply and distribution of a wide range of products.

The Company's industry expertise and effective distribution network, guarantees superior quality services to its customers.



▪ Department Stores

FF Group is active in the field of retail with department stores and outlet stores. The first discount department store in Greece called "Factory Outlet" opened in 1999 in Piraeus Street at the southern part of Athens with a space of 13,000 m².

The second discount department store opened in 2006 at the commercial park of Athens International Airport, with a 14,000 m² space.

FF Group participates with 50% at "attica, the department store" the largest up-scale department store in the Greek market. The impressive eight-storey department store of 25,000 m² is located in the heart of Athens. In November 2008, a second "attica", in which FF Group participates with 35%, opened its doors in the shopping mall "Golden Hall" near the Athens Olympic Center, with a total surface of 13,000 m². In addition, in April 2012 another "attica" department store opens in "Mediterranean Cosmos Mall" shopping Mall in Salonica with 5.000 m² space.

Moreover, a reconstruction program is in place for two groups of buildings, a privately owned building of 12,000 m² at the centre of Bucharest in Romania, and finally the buildings that have accommodated in the past the department stores "Minion" at Patisson street, at the centre of Athens, of 15,000 m².

▪ Wholesale and Retail Segment

FF Group is active in the field of wholesale and retail, exclusively introducing and distributing aspiring fashion brands of apparel, footwear and accessories in the markets of Greece, Cyprus, Romania and Bulgaria.

The Group is involved in the sportswear section, as it distributes exclusively the brand Nike in Romania and Bulgaria, and the whole range of Converse products in the markets of Greece, Cyprus, Romania and Bulgaria. When it comes to Converse apparel, FF Group has the license to design and produce all adult and kids sportswear collections.

Fashion brands that are distributed by FF Group are the following: Juicy Couture and UGG Australia (in Greece, Romania and Bulgaria), Gas Jeans, Patrizia Pepe, Atos Lombardini, UGG, G-Star RAW and 40-Weft (in Greece), Helly-Hansen (in Greece, Cyprus and Bulgaria), Redskins (in Greece and Bulgaria), Vilebrequin (in Greece) as well as the children collections by Levi's, Papermoon, Monnalisa, Alviero Martini, Calvin Klein Jeans, Converse, Juicy Couture Girl (in Greece).

Moreover, since 2010, FF Group distributes in Greece the Samsonite bags and accessories, whereas from 2011, the Group distributes in Greece the brand Calvin Klein. In Romania, the Group also distributes the fashion brands Calvin Klein, Calvin Klein Jeans, Miss Sixty, Energie, Killah, Scotch & Soda, UGG Australia and Gant Footwear.

FF Group has an impressive retail network in Greece, Romania and Bulgaria comprising of concept stores, mono-brand boutiques and multi-brand fashion stores. The main pillar of the segment is the store chain selling exclusively Nike items, which comprises 63 selling points today: 29 in Greece, 21 in Romania and 13 in Bulgaria. Meanwhile a network of exclusive Converse stores is under development, which at present integrates the following selling points: 9 in Greece, 2 in Romania and 3 in Bulgaria.



In the market of Romania, the Group focuses on the retail network of fashion brands operating three medium-sized multi-brand galleries (small department stores) under the "Collective" umbrella and 18 multi-brand & mono-brand stores featuring collections by Folli Follie, Juicy Couture, Polo Ralph Lauren, Calvin Klein, Napapijri, Marlboro Classics, Boss Orange, DKNY Jeans, Scotch&Soda, Superdry, Franklin Marshall, Converse, UGG Australia, Diesel, Denim&Supply Ralph Lauren, G-Star Raw, Pepe Jeans, Miss Sixty, Killah, Energie, Gant Footwear.

Mono-brand boutiques and multibrand fashion stores operate in Greece as well, specifically 31, which feature collections by UGG, Calvin Klein Jeans, Converse, G-Star RAW, Helly-Hansen, Gas, Patrizia Pepe, Atos Lombardini, Samsonite and Monnalisa.

In 2009, FF Group initiated the development of mono-brand Juicy Couture boutiques. The fourteen points of sale operate: four inside the "attica" department stores, one at the Factory Outlet near the Athens International Airport, one at the Factory Outlet in Peiraios Street, one in the Athens International Airport. The other five exclusive boutiques operate in Kifisia, Kolonaki, Glyfada, Thessaloniki and Mykonos, whereas in April 2011 FF Group opened the first Juicy Couture boutique outside Greece, in Sofia, Bulgaria.

Moreover, signing an agreement with Ermenegildo Zegna for the company's retail network expansion in Greece has led to the opening of two exclusive Zegna boutiques in Athens and of another four points of sale ("attica" department stores, at the Athens International Airport and at the Factory Outlet near the airport).



▪ Beauty & Cosmetics

In 2012, Folli Follie Group continued its strategic development, with the extension of its activities via another dynamic distribution channel of famous brands and created a new business function, Beauty & Cosmetics.

More specifically, Folli Follie Group undertook the exclusive distribution and representation of Procter & Gamble Prestige perfumes in Greece for the following brands: Dolce&Gabbana, D&G, Gucci, Hugo Boss, Escada, Lacoste, Dunhill, Rochas, Ghost, Laura Biagiotti, Christina Aguilera, Puma, and also the Dolce & Gabbana Make-Up Collection.

The Dolce & Gabbana Make-Up collection in particular was introduced for the first time in the Greek market in 2011, and the strategic objective is to further expand it and reach 20 point of sales until 2015. In parallel, Dolce & Gabbana perfumes constitute one of the leading perfume brands in the Greek market.

▪ Other Activities

Under this segment fall various activities of FF Group, which cover a wide product range.

FF Group, with a legacy of long-term tradition in fitness equipment, represents in Greece the Italian firm TechnoGym, the world's top manufacturer of fitness equipment.

Moreover, the Group represents and sells motorcycles, spares and accessories of Harley-Davidson and Buell, whereas it has also developed an autonomous commercial department which deals with the import and distribution of surveillance and security systems.

Planaco yacht yard, which has been known to Greek and foreign yachtsmen alike for over 30 years, and is located on the island of Aegina, is also included in the other activities of FF Group.

▪ Corporate Responsibility

FF Group's Corporate Responsibility scheme is based upon a wider strategic approach and is defined by the philosophy of each and every distinct company. Every corporate responsibility act is defined by the management's commitments towards the employees, the shareholders, the clients, the suppliers, and the society at large. In a wider sense, these stakeholders constitute the family, in which Folli Follie grows, operating with responsibility and respect. The Group's Corporate Responsibility scheme applies globally, in all markets that the company enters, confirming its respect to all the relevant communities and corresponding to each region's needs.

Taking always into account the diversity and particularity of each one of the 28 countries of its operation, the Group develops and implements a holistic and focused Corporate Social Responsibility Programme, according to the basic axes that the Headquarters in Athens define. With the basic axes evolving around Culture and Sports, Society and Environment, the Folli Follie Group's Corporate Responsibility Programme spreads through both a national and international level.

The Travel Retail sector of the Group has also activated intense socially responsible programmes. More specifically, the Hellenic Duty Free Shops have incorporated in their business strategy the principles of viability through the development of social and environmental responsibility policies, and by giving back to the societies in which they operate.

▪ Culture- Sports Axis

Being a Group that operates in many different countries, FF Group embraces culture and arts as global means of communication that unite civilizations. Thus, culture has been a major feature of the social contribution of FF Group: the cooperation with organizations which promote culture and arts is considered as of really high importance in order to preserve each region's cultural heritage and also to support the artists' efforts.

In the past Folli Follie has sponsored several cultural events in Greece and abroad, events such as the first Kabuki Theater in Megaron-the Athens Concert Hall and Dionysis Savopoulos' concert in Benaki Museum in Athens. Our philosophy regarding arts and culture is transferred globally: in October 2005, Folli Follie was honoured to support the Hong Kong closing concert of the Greek performer Nana Moushouri, who is a UNESCO Good Will Ambassador. Moreover, in May 2007, during Mrs Dora Bakoyannis, Minister of External Affairs visit in China, Folli Follie sponsored the renowned Greek singer, Alkistis Protopsalti's concert, in the Forbidden City of Beijing.

Folli Follie also sponsored the "Sensitivity Questioned" exhibition that was hosted at Ileana Tounta Gallery, in Athens in 2010. The exhibition was dedicated to femininity through the eyes of a male, with the participation of famous Greek and international artists, like Jean Luc Blanc, Gregory Crewdson, Jim Drain, Ryan McGinley, Michael Robinson, Daniel Silver, Daniel Subkoff, Stephen Sutcliffe, Scott Treleaven, Dimitrios Antonitsis, Christos Delidimos, Kostas Bassanos, etc.

Along the Sports axis, Folli Follie honoured the Vouliagmeni female polo team - European Champion 2010 - by dedicating and naming a sports watch "Water Champ". Folli Follie, as a company which always promotes its Hellenic heritage and roots wanted to express its gratitude to the "golden girls" of the female polo team. The "Water Champ" collection is one of the company's most symbolic watch collections and enjoys a great success.



In 2011, Hellenic Duty Free Shops organised a BASE jump sponsorship in Saint George Disalona, in Symi. This athletic event, which takes place each year, brings together athletes from 15 countries and attracts the Greeks and Turks tourists' attention due to the sport's special character. In addition, Hellenic Duty Free Shops organised the "Treasure Hunt" with the participation of Special Olympics athletes who left from our country starting from the Athens International Airport.

The Group also sponsored Symi island Festival which was organised by the Municipality of Symi and several events in Krystalopigi, in order to celebrate the 55 years anniversary of the village.

▪ Society Axis

The activities of the FF Group extend to long-lasting charity initiatives throughout Greece and globally, covering the needs of schools, non-profit institutions and NGOs that involve children, the tenderest part of society. In addition, Folli Follie continues to demonstrate its sensitivity to social solidarity issues that are not direct business actions but topics, which the company feels a great responsibility to bring to the public's attention.

As for the rest of the world, Folli Follie sponsors various charitable causes dedicated to public welfare, such as the Cancer Fund in Hong Kong, where it has been the major sponsor of the "Pink Revolution" campaign for the last years. In autumn 2009, Folli Follie designed for Greece and abroad two limited edition bracelets in collaboration with the leading non-profit organisation Save the Children, whereas part of their proceeds was donated to support its remarkable activities. Folli Follie also donates to organizations dedicated to child care and the protection of children, such as the "Smile Angel" Foundation in China.

During 2011 Folli Follie also supported the non-profit organization "The Art of Elysium" through the opening of the new Folli Follie boutiques in New York (Soho & Lord & Taylor). This organization was established in 1997 and its objective is to encourage working actors, artists and musicians to voluntarily dedicate their time and talent to children who are battling serious medical conditions. For this purpose, Folli Follie Group employees in New York were prompted to participate in the workshop that took place in the Hospital for Joint Diseases by sharing their personal talents with these children. The works that were created in this workshop were presented during the Lord & Taylor store's opening.

In Spain, Folli Follie actively supports the purposes of the "SOS" organization through the launch of a specially designed collection, and part of this collection proceeds were offered to the International "SOS" organization. In order to honour Mrs Ketty Koutsolioutsos, founder of Folli Follie, a department of a nursery that was built in Cangut Village in Senegal, was named as "Ketty's Nursery".

Furthermore, Folli Follie supports several associations and non-governmental organizations through product donations. Indicatively, in 2011 the Group offered products to the following organizations/associations: "ATTIKON Hospital Employees Association", "Kentro Zois", "Andros Maritime Association", "Karyatides Union" of the American Hellenic Educational Progressive Association (AHEPA Hospital), "Hamogelo tou Paidiou", "Institute of Social Welfare for Hearing Impaired persons", "Association of parents of disabled persons", "ALMA Greek Association", "Arogi", "Merimna", "Perivolaki" and more.

More specifically, Hellenic Duty Free Shops have donated money for the support of the viability of the local communities of the Greek region such as: Kastanies, Feres, Anixi, Promachonas and the islands Karpathos and Simi. Donations have been made towards charitable organizations operating in Greece such as the Centre for Babies "Mitera", "Kentro Zois" and the "Centre of Mental Health". Hellenic Duty Free Shops sponsors events organized in the local communities in which it operates. It's worth mentioning the really important financial support of the region of West Erymanthos in the Municipality of Kalavryta with the objective to create new jobs for young people (18-24 years old) that reside in the region.

Links of London is also an active participant of FF Group's social responsibility programs focused on society and especially children. During 2008, the brand offered part of its "Friendship Bracelet" proceeds to the "Mazi gia to Paidi" non-profit organisation.

In 2010, it also organized an ambassadors' initiative, named "Sweetie... It's all about you!", to support the causes of "Make-A-Wish" foundation. Antigoni Drakoulakis, Calliope Karvounis, Sia Kossiones, Helena Kountouras, Katerina Lechou, Nina Lotsaris, Nantia Mpoule, Maria Naupliotou, Ioanna Pappas, Rea Toutountzi and Zeta Fountas accepted Links of London proposal and participated as the Goodwill Ambassadors in the successful Social Responsibility Campaign that was created for this cause. The support towards the "Make-A-Wish" foundation continued for a second consecutive year through the collaboration with the renowned Greek singer Antonis Remos, who designed a friendship bracelet, profits of which were donated to the organization. The aim was to fulfil the wishes of children of 3-18 years old with life-threatening medical conditions and provide them with support and courage in order to win their right to life. The "Make-A-Wish" foundation sponsorship was completed with a major charity event, maximizing the impact of this great initiative.

In addition, Links of London created for the Fall/Winter 2011 collection 7 cord bracelets, each one of them representing activation against hunger throughout the world. Part of the bracelets proceeds were offered to FEED Foundation, a non-profit organization, which was formed by Lauren Bush and Ellen Gustafson and is dedicated to supporting programs and organizations that are effectively working to fight hunger and eliminate malnutrition throughout the world. This activation was held with great success in the United Kingdom and the United States and set a good example to other countries where Links of London is present.

Last but not least, FF Group for the past three years has been supporting the "Doctors without Borders" organization globally through the purchase of Christmas Cards.

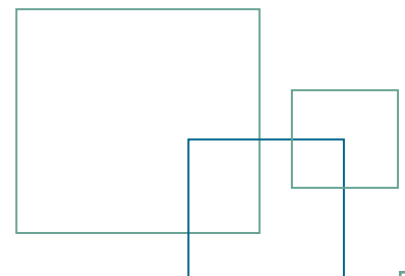
■ Environment Axis

Follie Follie Group is strongly activated towards the environmental protection and examines all countries' needs individually, focusing on programmes that offer concrete results and cover specific needs.

In May 2008 Folli Follie hosted a Charity Sale in Hong Kong to support the victims of the Sichuan earthquake; the response was massive and all the proceeds of the 3-day sale were donated to the Hong Kong Red Cross China Relief Fund. One month later, in June 2008, Folli Follie Group also delivered a number of works to Artemida village, Municipality of Zacharo, Prefecture of Ilia, Greece, as a contribution of social solidarity after the destructive wildfires that affected the wider area of western Peloponnese in August 2007. Moreover, Hellenic Duty Free Shops have offered money for the development and viability of local societies in rural areas of Greece.

The close relationship that Folli Follie Group has developed with Japan during the past 25 years led to actively demonstrate its support towards those affected by the devastating earthquake and subsequent tsunami that struck Japan on March 2011. Folli Follie brand donated 10% of global sales of the entire Heart4Heart Collection and Links of London 10% of the global sales of the classic Friendship Bracelet to support the Japanese Red Cross.

With the environment and the sustainable development always in mind, the FF Group Headquarters, as well as the Factory Outlet retail stores, are housed in eco-friendly buildings, promoting programmes of recycling and battery recycling, energy saving by which the employees, the third-party partners and the visitors abide.



A**Statement of the Board of Directors**

(according to Article 4 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.", we declare and confirm that, to the best of our knowledge:

(a): The Group's 12M 2011 Financial report, which has been conducted in accordance with the International Accounting Standards in effect, give 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.

(b): The Group's 12M 2011 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, 28.03.2012

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 01.01-31.12.2011

The current Board of Directors' Financial Report for the period 01.01.2011-31.12.2011 was compiled according to the provisions of §6 article 4 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 2011 report and is divided into the following sections:

I. Review for the full year of 2011

2011 was a year of change for the Group. The merger of the three companies has brought to the Group people with important knowledge and skills who can contribute decisively to create added value for the Group, in this volatile economic and political environment. Undoubtedly, however, it was a difficult year for the Group. The impact of the economic crisis especially in the vulnerable economies of Greece, Spain and Southeast Europe has negatively affected the results. Especially for Greece, structural measures imposed by the IMF, the European Commission and European Central Bank, and the continuous reduction of consumers disposable income, contributed to the deepening of the recession. However, the Group's performance in terms of sales reached a historical high, with sales to exceed 1 billion euro, with an EBITDA of €198.8 million, and pretax earnings at €91.3 million.

Comparative advantage and an important asset for the Group is a diversified portfolio of activities and presence in major markets worldwide. The following table shows basic results data,

Consolidated results

In € mn

	2011	2010	%
Revenues	1.021,4	989,6	3,2%
EBITDA	198,8	193,4	2,8%
EBT	121,9	124,7	-2,2%
Net Earning after taxes and minorities	89,5	83,3	7,4%
Total comprehensive income attributable to shareholders	114,7	99,2	15,6%

Sales per segment

Sales per Segment (before eliminations)			
in € m.	2011	2010	% chng
Jewellery - Watches - Accessories	513,0	509,7	0,6%
Travel Retail	298,4	257,2	16,1%
Department Stores	127,7	144,4	-11,6%
Retail/Wholesale	135,4	140,8	-3,8%
Other Activities	5,4	7,4	-27,0%
Intra Group	-58,5	-70	-16,4%

More detailed, **Revenues** reached €1,021.4 million in 2011, from €989.6 million in 2010, increased by 3,2%. **EBITDA** reached €198.8 million from €193.4 million, increased by 2.8%. **EBT** reached €121.9 million from €124.7 million, decreased by (2%) while **Net Income after taxes and minorities** of the Group reached €89.5 million vs €83.3 million in 2010, improved by almost 7.4%.

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 two department stores of the Group, under the brand name "attica" at the city centre of Athens and at the mall "Golden Hall" respectively, through its subsidiaries, "Attica Department Stores S.A." and "North Landmark 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) Clothing - Footwear

The clothing and footwear 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 m² 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 and travel goods.
- ii. Retail sale of footwear and clothing accessories for mono-brand/ and multi-brand) retail apparel, footwear and accessories.

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 represents and sells motorcycles and spare parts of Harley-Davidson and Buell, and has developed an autonomous sales department, which 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	2011	2010	chn g %	% of total
Jewellery - Watches - Accessories	493,4	476,4	3,6%	48,3%
Travel Retail	290,9	252,6	15,1%	28,5%
Department Stores	125,9	136,4	-7,8%	12,3%
Retail/Wholesale	106,2	117,2	-9,4%	10,4%
Intra Group	5,1	7,0	-27,1%	0,5%
Total	1.021,4	989,6	3,22%	100,0%

Revenues of the segment **"Jewellery-Watches-Accessories"** rose during the year 2011 by 3.6% to € 493.4 million compared to € 476.4 million in the corresponding year 2010.

Sales in the segment **"Travel Retail"** increased in 2011 significantly namely by 15.1% to €290.9 million compared to €252.6 million in the corresponding previous year of 2010.

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 2011: 30.8 million departing passengers, against 29.1 million passengers in 2010, increasing by 6.04%.
- Average ticket per customer in 2011: € 41,41 vs 2010 € 39,49 showing an increase of 4.87%
- Penetration in 2011: 24.89% compared to 24.69% in 2010, showing an increase of 0.8%.

Sales in **"Department Stores"** declined during 2011 by (7.8%) with revenues reaching €125.9 million from €136.4 million in the corresponding year of 2010.

Subsequently, the sector **"Retail and wholesale"** reported for the year 2011 revenues of €106.2 million from €117.2 million in 2010 decreasing by (9.4%) over the corresponding year 2010.

Revenues of **"Other Activities"** reached in 2011 €5.1 million from €7.0 million in the corresponding year 2010.

Financial Position of the Group and ratios

Cash and cash equivalents reached to € 135.5 million from € 133.7 million in 2010 and Net Debt reached to €596.4 million. The following table displays analysis on the performance of the Group through ratios:

For the Group		
Liquidity	2011	2010
Current ratio	1.72	2.74
Quick ratio	1.14	1.81
Cash ratio	23.04%	42.02%
Working Capital	567,229,217.23	448,723,866.47
Activity		
Current assets turnover	1.01	1.13
Avrg collection period	131.24	112.82
Inventory turnover	1.59	1.74
days Inventory	229.93	209.34
Financial		
Indebtedness	57.09%	65.60%
Loans to Equity	1.33	1.91
Profitability		
Gross profit	50.57%	50.37%
Return on Assets	5.30%	5.38%
Return on Equity	12.34%	15.63%

II. Significant events during 2011

External environment:

Since the beginning of year 2011, the Group headed for another year of an unfavourable domestic economic environment, which began as a result of the global financial turmoil that erupted in the early autumn of 2008 and continued with the financial crisis especially in Greece. Under the new Memorandum (which does not differ largely from the first one) the Greek government had and has to take measures to increase tax revenues, reduce unfunded pension liabilities and the amount of health spending, competitiveness of the economy and liberalizing markets, products and services. The temporary settlement of the financial crisis creates hope for recovery from 2013 onwards. Based on estimates, domestic GDP is expected to show negative growth rates for the year 2012 as well.

Business Development of the Group:

After the completion of the merger between the formerly three listed entities Folli Follie S.A., Duty Free Shops S.A. and Elmec Sport S.A., the Group informed in its announcement to the Athens Stock Exchange on January 7th, 2011 that the shares of the new entity FF Group, started trading at the Athens Stock Exchange as decided on the respective Extraordinary General Meetings of the merged companies (Folli Follie S.A., Elmec Sport S.A. and Hellenic Duty Free Shops S.A.), on December 6th, 2010, which unanimously approved with majority the absorption of the companies Folli Follie S.A. and Elmec Sport S.A. by HDFFS S.A. setting as date of balance sheet transformation the June, 30th 2010. The beneficiaries were the shareholders of the three companies (HDFFS S.A., Folli Follie S.A. and Elmec Sport S.A.) on January 4th, 2011. The prospectus, namely the document of article 4 of Law 3401/2005, submitted to the relevant authorities and the approval has been available since January 4th, 2011 on the websites of the merged companies. The shareholders participation rates of the merged companies were as follows:

- Shareholders **FOLLI FOLLIE S.A.**, 83.5% of shares
- Minority Shareholders **HDFFS S.A.**, 16.25% of shares
- Minority Shareholders **ELMEC SPORT S.A.**, 0.25% of shares

Shareholders	Shares pre merger	Exchange Ratio	Shares post merger	Participation % in Share Capital post merger
H.D.F.S.	52.675.000	1 old HDFFS share for 0.43498235 new H.D.F.S. share	9.845.584	16,25%
FOLLI FOLLIE	32.946.875	1 Folli share for 1.53553730 new H.D.F.S. shares	50.591.155	83,50%
ELMEC	55.400.000	1 Elmec share for 0.06214769 new H.D.F.S. share	151.471	0,25%
Total			60.588.210	100,00%

Also,

- An important development was the decision of the Ministry of Finance, which allowed the operation of duty free petrol stations at the border Kipi Evros, Kakkavia and Evzoni for commercial vehicles. More specifically, the petrol station in Kipi Evros, is in operation since April 1st, 2011, the station at Evzoni operates since July 1st, 2011 and the service station in Kakavia opened in the second half of 2011.
- Floor space expansion in the "Travel Retail" segment: More specifically, the Group added in total 630 sq.m. at the airports of Rhodes, Thessaloniki, Kos, Zakynthos and Corfu. New floor space was also added at the Extra Schengen area of the Heraklion airport with the new usable area reaching 720 m². Also, a new store opened in the port of Santorini with 180 m², one new store was added at the airport of Anchialos with 170 m² and the store in Niki (Florina) was extended by 400m² reaching a surface of 1.000m². Athens International Airport started the operation of two new stores in the arrivals area.

- Mid March of the year 2011 a deadly tsunami hit Japan which destroyed one store Folli Follie, while three shops suffered minor damage.
- On May 4th, 2011 the Folli Follie Group announced, that the Board of Directors decided to sign a Memorandum of Understanding (MoU) with the Group FOSUN INTERNATIONAL. The largest private investment group of China, became a shareholder of the Folli Follie Group with a stake of 9.5%. To this end, the share capital of the Company increased to € 1,908,000, by issuing 6,360,000 new common registered voting shares, at nominal value € 0.30 each and at a price of € 13.30 per share (total funds raised € 84,588,000), with pre-emptive rights of existing shareholders ceased, in favour of Fosun International. For this reason, the Board of Directors decided to convene an Extraordinary General Meeting on May 26th, 2011, in order to enable the participation of Fosun International Group's shareholding at the Company. The Board of Directors believes that the agreement reached with Fosun International opens the way for significant investments and significant synergies that will arise for Greece, for example, enhancement of the Greek tourism and travel retail. Moreover, the cooperation with Fosun International will accelerate and strengthen the Group's expansion for the two brands Folli Follie and Links of London in the Greater Chinese region.
- On June 15th, 2011 the Company informed that on June 14th, 2011 the B.o.D. in its meeting solely on the certification of payment of the sum of EURO 84,588,000 to increase its share capital, as decided in the EGM on 26th May, 2011. The coverage of the said capital increase took over after the preferential right of existing shareholders ceased, in accordance with Article 13, paragraph 6 of Law 2190/1920, as decided at that Extraordinary General Meeting of shareholders, the companies under the names "FOSUN INTERNATIONAL LIMITED" and "PRAMERICA - FOSUN CHINA OPPORTUNITY FUND, LP", received respectively 3,758,702 and 2,601,298 new common, dematerialized, registered, voting shares, totalling 6,360,000 shares, that corresponds to 5.61% and 3.89% respectively, giving a total participation for both companies of 9.5%, all of nominal value €0.30 and price of €13.30 each. Specifically, the shareholder "FOSUN INTERNATIONAL LIMITED" deposited the sum of €49,990,736.60 and the shareholder "PRAMERICA - FOSUN CHINA OPPORTUNITY FUND, LP" the amount of €34,597,263.40. The BoD, at its meeting on June 14th 2011, unanimously proclaimed the payment of €84,588,000 to cover the amount of the approved increase of share capital.
- On June 24th 2011, the Company announced that the Board of Directors of the Hellenic Capital Market Committee approved the prospectus for the listing on the Athens Stock Exchange of the 6,360,000 new common intangible, registered, voting shares resulting from the share capital increase of the funds in cash amounting to Euro 84,588,000.
- On June 30th 2011 the Athens Stock Exchange approved the listing of 6,360,000 new common intangible, registered, voting shares that resulted from the share capital increase. So the Group's share capital amounts to € 20,084,463 divided into 66,948,210 common registered voting, shares of nominal value €0.30 each.
- On 4th of July 2011, the new shares started trading, arising from the share capital increase, as has been described in detail above.
- The paid up share capital of the Company as of March 31st 2011, amounted to € 18,176,463 divided into 60,588,210 ordinary shares, nominal value € 0.30 each. According to the decisions of the Extraordinary General Meeting of shareholders on May 26th 2011, the share capital of the Company, amounted on July 4th 2011 to € 20,084,463 divided into 66,948,210 ordinary shares, at nominal value € 0.30 each.

NUMBER OF SHARES BEFORE THE SHARE CAPITAL INCREASE	60.588.210
Issue of new shares with cash with the right of the existing shareholders ceases	6.360.000
TOTAL NUMBER OF SHARES AFTER THE SHARE CAPITAL INCREASE	66.948.210
Nominal value	€ 0,30
Trading price	€ 13,30
Unit of trading	1 share
Raised funds	84.588.000

- On August 11th 2011 Folli Follie Group's shareholder FOSUN INTERNATIONAL HOLDINGS LTD informed about a change of shares and voting rights with the following details: From 6,360,000 shares of the Company to 6,703,493 shares with voting rights indirectly, namely 10.02% of share capital, of which 4,102,195 shares with voting rights namely 6.13% of share capital held directly by the FOSUN INTERNATIONAL LIMITED and indirectly 3.89% namely 2,601,298 shares with voting rights through the Pramerica-Fosun China Opportunity Fund LP. Mr. GUO GUANGCHANG, controlling person at FOSUN INTERNATIONAL HOLDINGS LTD., holds at stake of 10.02% (0% directly and 10.02% indirectly through FOSUN INTERNATIONAL LIMITED and Pramerica-Fosun China Opportunity Fund, LP).
- FOSUN INTERNATIONAL HOLDINGS LTD. informed the Folli Follie Group also on September 21st, 2011 about a change in shares and voting rights with the following details: From 6,703,493 shares of the Company's voting rights percentage namely 10.02% to 8,969,263 shares with voting rights indirectly, namely 13.40% of share capital, of which 6,367,965 shares voting rights namely 9.51% of share capital are held directly by the FOSUN INTERNATIONAL LIMITED and indirectly 3.89% namely 2,601,298 shares with voting rights through Pramerica-Fosun China Opportunity Fund LP. The stake of Mr. GUO GUANGCHANG, Chairman of FOSUN INTERNATIONAL HOLDINGS LTD. is at 13.40% (0% directly and 13.40% indirectly through FOSUN INTERNATIONAL LIMITED and Pramerica-Fosun China Opportunity Fund, LP).
- The Board of Directors decided to participate in the share capital of the newly established company "NORTHERN GREECE SA STORES TRADING COMPANY DEPARTMENT STORES AND SHOPPING CENTERS." The payment of €1.716.000 took place during the month of November 2011, represents and corresponds to 44% of share capital (direct investment).

III. General meeting of shareholders resolutions

The most important decisions of the Group's General Meetings held during 2011 are as follows:

- a) At the Extraordinary General Meeting held on May 26th, 2011, the main subject was the share capital increase as detailed mentioned above. At the same time the EGM decided the election of a new non-executive member of the Board, Mr. Jiannong QIAN in replacement of Mr. Nikolas Kezos.
- b) The Annual General Meeting held on June 24th, 2011, approved among others, a share buyback program in accordance with article 16 of Law 2190/1920. In particular, the Company is entitled within 24 months from the date of the decision, to make a buyback of up to one tenth (1/10) of the total issued share capital, at a minimum price of EUR 5 and a maximum purchase price of EUR 25 per share. For the calculation of one tenth (1/10) the already acquired shares the Company holds will be taken into account. The Company intends to comply in relation to the Rule of the market for those shares, as referred to in article 5 of regulation 2273/2003 of the Hellenic Capital Market Committee on the price and volume of purchases, and referred to in article 6 § 1 thereof.

It also decided that the Board authorized the Company for any such decision, to perform any act and regulate every detail to for the implementation of the above decision.

c) The Annual General Meeting also approved the provision of corporate guarantees for the subsidiaries "HELLENIC DISTRIBUTIONS S.A.", "LINKS OF LONDON Ltd.", "ELMEC ROMANIA SRL", and "ELMEC SPORT BULGARIA EOOD", to the total amount of €50 million. Also confirmed the election of members of the Group's Audit Committee which now consists of:

Zacharias Mantzavinos, non-executive member
George Aronis, independent non-executive member, and
Epaminondas Dafermos, independent non-executive member.

Treasury shares

As of 31.12.11 the number of treasury shares reached 933,081 at a purchase price of € 13.385 million. At the Annual General Meeting held on June 24th, 2011, among others it was decided to acquire the Company's own shares in accordance with article 16 of Law 2190/1920. In particular, the Company shall be entitled within 24 months from the 24th June, 2011 to proceed to a buyback of shares up to one tenth (1/10) of the total issued share capital, at minimum price of EUR 5 and a maximum purchase price of EUR 25 per share. As part of this decision, the Board of Directors, with its decision of 04.07.2011, preceded to the implementation of the decision of the General Meeting of Shareholders on 24.06.2011. As part of this decision, the Company during the period 04.07.2011 until 31.12.2011 purchased 575,406 shares, representing 0.86% of total share capital.

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, 2011 the Group employed 5,816 employees, over 5,969 employees on December 31, 2010. The corresponding figures for the Company are 2,138 versus 2,160. 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 2011, according to IAS 24, are the following

For the Group

Nature of transaction

	1.1-31.12.2011		1.1-31.12.2010	
	Directors	Other related parties	Directors	Other related parties
Purchase of goods	0.00	0.00	0.00	45,085.00
Service of goods	0.00	0.00	0.00	336,651.10
Total	0.00	0.00	0.00	381,736.10
Transactions and fees of directors				
Hellenic Duty Free Shops S.A. (FF Group)	3,749,965.62	0.00	4,869,433.00	0.00
Hellenic Distribution S.A.	282,752.59	0.00	0.00	0.00
Northlandmark S.A.	367,338.81	0.00	491,790.00	0.00
Attica department stores S.A.	298,161.00	0.00	0.00	0.00
Total	4,698,218.02	0.00	5,361,223.00	0.00
Assets				
HDFS S.A.	0.00	0.00	3,100.00	0.00
Total	0.00	0.00	3,100.00	0.00
Liabilities				
Hellenic Duty Free Shops S.A. (FF Group)	0.00	355,000.24	0.00	365,369.79
Northlandmark AE	72,698.00	0.00	0.00	0.00
Total	72,698.00	355,000.24	0.00	365,369.79

For the Parent Company

Nature of transaction

	1.1-31.12.2011	1.1-31.12.2010		1.1-31.12.2011	1.1-31.12.2010
Sale of goods			Services & other income		
FOLLI-FOLLIE H.K. - Group	89,793.85	212,099.62	FOLLI-FOLLIE H.K. - Group	566,835.13	4,564,450.65
FOLLI-FOLLIE JAPAN LTD	6,980.10	0.00	FOLLI-FOLLIE JAPAN LTD	179.97	1,234.08
FOLLI FOLLIE UK LTD	0.00	0.00	FOLLI FOLLIE UK LTD	0.00	0.00
FOLLI FOLLIE FRANCE SA	9,893.69	-249,181.63	FOLLI FOLLIE FRANCE SA	1,203.00	7,898.99
FOLLI FOLLIE SPAIN SA	229,162.41	27,518.26	FOLLI FOLLIE SPAIN SA	16,500.52	24,818.11
MFK FASHION LTD	199,556.32	318,545.59	MFK FASHION LTD	17,682.36	10,607.67
PLANACO S.A.	0.00	0.00	PLANACO S.A.	3,297.89	8,223.57
LINKS OF LONDON LTD	7,648,063.93	9,843,302.78	LINKS OF LONDON LTD	30,754.28	5,920.20
HELLENIC DISTRIBUTION S.A.	6,728,642.04	3,754,600.21	HELLENIC DISTRIBUTION S.A.	145,593.63	13,211.64
HDFS SKOPJE DOO S.A.	0.00	0.00	HDFS SKOPJE DOO S.A.	0.00	0.00
DUTY PAID SHOPS S.A.	0.00	0.00	DUTY PAID SHOPS S.A.	0.00	1,200.00
ELMEC ROMANIA	11,137,994.04	12,647,518.24	ELMEC ROMANIA	0.00	10,892.35
ELMEC SPORT BULGARIA EOOD	4,486,080.80	5,519,454.00	ELMEC SPORT BULGARIA EOOD	0.00	0.00
MOUSTAKIS S.A.	532,721.00	905,387.00	MOUSTAKIS S.A.	0.00	0.00
LOGISTICS EXPRESS SA	1,723,605.56	901,223.00	LOGISTICS EXPRESS SA	42,413.62	0.00
ATTIKA DEPARTMENT STORES S.A.	4,990,014.83	3,782,013.01	ATTIKA DEPARTMENT STORES S.A.	0.00	0.00
NORTHLANDMARK SA	3,488,431.23	2,386,325.03	NORTHLANDMARK SA	0.00	0.00
ICS ELMEC SPORT SRL	0.00	0.00	ICS ELMEC SPORT SRL	0.00	0.00
ICE CUBE SA	742,836.18	364,299.00	ICE CUBE SA	1,621.92	5,538.00
COLLECTIVE PATRAS S.A.	1,661,023.35	628,786.00	COLLECTIVE PATRAS S.A.	1,259.10	299,492.00
TOTAL	43,674,799.33	41,041,890.11	TOTAL	827,341.42	4,953,487.26

For the Parent Company

	1.1-31.12.2011	1.1-31.12.2010		1.1-31.12.2011	1.1-31.12.2010
Purchase of goods			Services/other income		
FOLLI-FOLLIE H.K. - Group	7,313,891.28	4,755,129.79	FOLLI-FOLLIE H.K. - Group	851,695.91	0.00
FOLLI-FOLLIE JAPAN LTD	0.00	0.00	FOLLI-FOLLIE JAPAN LTD	0.00	0.00
FOLLI FOLLIE UK LTD	0.00	0.00	FOLLI FOLLIE UK LTD	0.00	0.00
FOLLI FOLLIE FRANCE SA	0.00	0.00	FOLLI FOLLIE FRANCE SA	0.00	780.00
FOLLI FOLLIE SPAIN SA	0.00	0.00	FOLLI FOLLIE SPAIN SA	0.00	0.00
MFK FASHION LTD	0.00	0.00	MFK FASHION LTD	0.00	0.00
PLANACO S.A.	238,780.95	435,054.50	PLANACO S.A.	11,765.00	10,062.39
LINKS OF LONDON LTD	250,108.84	885,581.74	LINKS OF LONDON LTD	6,043,130.48	4,467,295.00
HELLENIC DISTRIBUTION S.A.	820,194.57	620,988.87	HELLENIC DISTRIBUTION S.A.	26,976.78	43,954.79
HDFS SKOPJE DOO S.A.	0.00	0.00	HDFS SKOPJE DOO S.A.	0.00	0.00
DUTY PAID SHOPS S.A.	0.00	0.00	DUTY PAID SHOPS S.A.	0.00	0.00
ELMEC ROMANIA	378,610.67	189,185.00	ELMEC ROMANIA	0.00	0.00
ELMEC SPORT BULGARIA EOOD	50,819.15	269,772.00	ELMEC SPORT BULGARIA EOOD	0.00	0.00
MOUSTAKIS S.A.	674,960.00	0.00	MOUSTAKIS S.A.	0.00	0.00
LOGISTICS EXPRESS SA	8,754.00	0.00	LOGISTICS EXPRESS SA	0.00	0.00
ATTIKA DEPARTMENT STORES S.A.	171,710.00	264,544.00	ATTIKA DEPARTMENT STORES S.A.	122,386.00	100,450.83
NORTHLANDMARK SA	0.00	225,641.00	NORTHLANDMARK SA	48,437.18	790.55
ICS ELMEC SPORT SRL	0.00	0.00	ICS ELMEC SPORT SRL	0.00	0.00
ICE CUBE S.A.	1,139.02	0.00	ICE CUBE S.A.	0.00	0.00
COLLECTIVE PATRAS S.A.	167,470.90	0.00	COLLECTIVE PATRAS S.A.	0.00	0.00
TOTAL	10,076,439.38	7,645,896.90	TOTAL	7,104,391.35	4,623,333.56

For the Parent Company

	1.1-31.12.2011	1.1-31.12.2010		1.1-31.12.2011	1.1-31.12.2010
Receivables			Payables		
FOLLI-FOLLIE H.K. - Group	1,459,940.38	1,087,905.44	FOLLI-FOLLIE H.K. - Group	231,912.08	0.00
FOLLI-FOLLIE JAPAN LTD	7,100,908.64	1,347.68	FOLLI-FOLLIE JAPAN LTD	0.00	0.00
FOLLI FOLLIE UK LTD	4,577.10	4,441.77	FOLLI FOLLIE UK LTD	0.00	0.00
FOLLI FOLLIE FRANCE SA	111,524.65	0.00	FOLLI FOLLIE FRANCE SA	0.00	246,577.19
FOLLI FOLLIE SPAIN SA	3,278,963.03	1,293,300.10	FOLLI FOLLIE SPAIN SA	0.00	0.00
MFK FASHION LTD	447,161.00	747,792.55	MFK FASHION LTD	0.00	0.00
PLANACO S.A.	1,186,331.09	4,946.05	PLANACO S.A.	53,546.55	0.00
LINKS OF LONDON LTD	2,661,630.53	2,161,645.57	LINKS OF LONDON LTD	6,013,122.87	5,241,489.88
HELLENIC DISTRIBUTION S.A.	4,965,841.92	1,452,815.64	HELLENIC DISTRIBUTION S.A.	2,506,959.19	977,432.34
HDFS SKOPJE DOO S.A.	0.00	0.00	HDFS SKOPJE DOO S.A.	0.00	0.00
DUTY PAID SHOPS S.A.	0.00	0.00	DUTY PAID SHOPS S.A.	0.00	0.00
ELMEC ROMANIA	8,007,209.12	5,869,004.03	ELMEC ROMANIA	309,249.34	-69,361.00
ELMEC SPORT BULGARIA EOOD	123,652.28	362,141.00	ELMEC SPORT BULGARIA EOOD	0.00	269,772.00
MOUSTAKIS S.A.	247,773.84	656,937.00	MOUSTAKIS S.A.	303.69	0.00
LOGISTICS EXPRESS SA	2,183,647.29	1,108,931.00	LOGISTICS EXPRESS SA	11,284.80	0.00
ATTIKA DEPARTMENT STORES S.A.	5,562,106.57	4,488,238.70	ATTIKA DEPARTMENT STORES S.A.	125,309.85	156,397.37
NORTHLANDMARK SA	3,801,507.08	2,687,645.68	NORTHLANDMARK SA	11,839.32	80,109.33
ICS ELMEC SPORT SRL	0.00	0.00	ICS ELMEC SPORT SRL	0.00	0.00
ICE CUBE SA	900,225.49	963,137.00	ICE CUBE SA	1,401.00	0.00
COLLECTIVE PATRAS S.A.	1,691,685.86	213,737.00	COLLECTIVE PATRAS S.A.	205,989.24	0.00
TOTAL	43,734,685.87	23,103,966.21	TOTAL	9,470,917.93	6,902,417.11

Trends, prospects and expected development of the Group

Undoubtedly, 2012 will be a difficult year for the Greek economy with effects on consumption that cannot be assessed. The unfavourable economic climate is reflected most graphically in microeconomic and macroeconomic figures of the Greek economy: unemployment, falling consumption, negative growth rates.

With consumption and entrepreneurship deeply hurt, it seems to remove the immediate overthrow of the economic climate and the prospect of financial growth.

For this reason, the Group remains cautious in issuing long-term forecasts and taking a "step by step" as the only way, so that all the market data are evaluated carefully and judged by the Management that even in such circumstances the opportunities in the retail sector can occur but very difficult to predict.

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

The operation of the petrol stations during the second half of 2011 and the maturity of the operation in the renovated stores in relation with the importance of the second half of the turnover in travel retail, further improved the results of 2011. 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 does not seem encouraging, the continuous, increased unemployment, reduced purchasing power and the decline in consumer and business confidence, leave no room for optimism since the activities of the Company are related with those of the Greek economy.

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_TELIKO_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 fulfillment 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

Dafermos Epaminondas, 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 operation

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 to 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. Koutsolioutsou 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 Koutsolioutsou. 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 Harford 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 Polykatakastimata 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 Asfalistiki 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 ATElaxi 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%

Agricultural Bank of Greece: 6.84%

Fidelity Investments: 5.04%

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 2011.

L. Significant events after year end

On the balance sheet date and until the approval of the Financial Statements by the Board, there were no events significantly affecting those situations.

Ag. Stefanos, March 28th 2012

CHIEF EXECUTIVE OFFICER
GEORGE KOUTSOLIOUTSOS

DEPUTY EXECUTIVE OFFICER
AND GENERAL MANAGER
GEORGE VELENTZAS

C

Independent Certified Auditors' Accountants 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 2011, 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, 2011, 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, March 29th 2012
The Certified Public Accountant
George I. Varthalitis
SOEL Reg.: 10251

D

Financial Statements

1 Statements of Financial Position for the Group and the Company 1.1 Statement of financial position of the Group

The Group
31.12.2011
31.12.2010
Assets

	Notes	31.12.2011	31.12.2010
Non-current assets			
Tangible fixed assets	4	233,187,374.37	232,028,033.67
Investment Property	4	73,804,104.99	74,851,786.86
Intangible assets	5	103,733,233.64	105,464,913.61
Goodwill	5	252,828,647.37	252,828,647.37
Investments in subsidiaries	6	0,00	0,00
Investments available for sale	7	401,992.57	485,950.80
Deferred tax claims	20	22,271,275.91	12,541,435.19
Other long term assets	8	27,323,006.54	27,270,988.72
Total non-current		713,549,635.39	705,471,756.22
Current assets			
Inventories	9	339,169,114.36	296,954,560.36
Trade receivables	10	399,457,535.52	335,068,910.51
Other current assets	10	136,105,898.48	110,843,864.44
Derivatives		63,974.28	285,452.08
Other financial assets at fair value through profit	12	66,428.13	382,128.20
Cash & cash equivalent	11	135,501,551.10	133,765,665.18
Total current assets		1,010,364,501.87	877,300,580.77
Total assets		1,723,914,137.26	1,582,772,336.99
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	13	20,084,463.00	18,176,463.00
Share Premium	13	145,211,731.47	62,531,731.47
Other reserves	13	-22,927,276.59	-12,922,626.41
Other equity	13	-95,722,507.50	-124,141,821.67
Retained earnings	13	674,731,561.73	585,529,812.67
		721,377,972.11	529,173,559.06
Minority interests		18,372,835.42	15,287,457.27
Total equity		739,750,807.53	544,461,016.33
Liabilities			
Long-term liabilities			
Long-term borrowings	14	314,665,406.03	649,430,022.20
Deferred tax liabilities	20	30,918,280.87	20,837,117.96
Employee benefit liabilities	15	9,354,397.23	9,426,821.76
Total long-term provisions	16	3,363,670.42	4,328,843.92
Other long-term liabilities	17	37,219,235.36	34,367,737.19
Total long-term provisions		395,520,989.91	718,390,543.03
Short-term liabilities			
Short-term borrowings	14	417,244,907.17	136,621,173.23
Derivatives		0.00	242,246.00
Trade and other payables	18	154,021,572.34	163,246,129.25
Current Income tax	19	8,551,418.23	13,056,914.47
Current tax liabilities	19	8,744,546.60	6,674,422.27
Dividends payable		79,895.48	79,892.41
Total short term liabilities		588,642,339.82	319,920,777.63
Total liabilities		984,163,329.73	1,038,311,320.66
Total equity & liabilities		1,723,914,137.26	1,582,772,336.99

1.2 | Statement of financial position of the Company

The Company

		31.12.2011	31.12.2010
Assets			
Non-current assets			
	Notes		
Tangible fixed assets	4	110,037,890.54	108,317,089.63
Investment Property	4	73,804,104.99	74,851,786.86
Intangible assets	5	92,847,591.30	96,216,358.41
Goodwill	5	200,171,794.84	200,171,794.84
Investments in subsidiaries	6	132,264,028.84	131,045,186.98
Investments available for sale	7	399,498.57	483,456.80
Deferred tax claims	20	18,340,668.71	8,666,423.10
Other long term assets	8	16,238,139.97	16,148,081.54
Total non-current		644,103,717.76	635,900,178.16
Current assets			
Inventories	9	99,959,887.22	97,242,586.17
Trade receivables	10	74,538,337.92	68,231,554.52
Other current assets	10	33,450,035.70	26,931,065.13
Derivatives		0.00	186,640.00
Other financial assets at fair value through profit	12	66,428.13	382,128.20
Cash & cash equivalent	11	20,841,347.43	12,585,398.80
Total current assets		228,856,036.40	205,559,372.82
Total assets		872,959,754.16	841,459,550.98
Equity & Liabilities			
Equity of shareholders of the parent company			
Share capital	13	20,084,463.00	18,176,463.00
Share Premium	13	145,211,731.47	62,531,731.47
Other reserves	13	-26,662,043.40	-17,204,960.59
Other equity	13	-85,554,366.48	-85,554,366.48
Retained earnings	13	51,996,203.74	61,958,587.29
		105,075,988.33	39,907,454.69
Minority interests		0.00	0.00
Total equity		105,075,988.33	39,907,454.69
Liabilities			
Long-term liabilities			
Long-term borrowings	14	242,204,098.29	555,501,410.00
Deferred tax liabilities	20	29,682,129.67	19,513,480.66
Employee benefit liabilities	15	7,865,683.00	8,180,539.61
Total long-term provisions	16	2,721,000.00	3,471,874.00
Other long-term liabilities	17	37,109,184.40	34,329,737.19
Total long-term liabilities		319,582,095.36	620,997,041.46
Short-term liabilities			
Short-term borrowings	14	382,937,594.77	106,243,124.52
Derivatives		0.00	242,246.00
Trade and other payables	18	65,263,455.24	67,983,949.85
Current Income tax	19	-2,986,856.61	5,017,541.70
Current tax liabilities	19	3,007,581.59	988,300.35
Dividends payable		79,895.48	79,892.41
Total short term liabilities		448,301,670.47	180,555,054.83
Total liabilities		767,883,765.83	801,552,096.29
Total equity & liabilities		872,959,754.16	841,459,550.98

2. Statement of Comprehensive Income for the Group
The Group

		01.01. - 31.12.2011	01.01. - 31.12.2010
		Continuing operations	Continuing operations
	Notes		
Turnover	21	1,021,417,216.65	989,600,917.39
Cost of goods		-504,899,268.45	-491,095,119.99
Gross Profit		516,517,948.20	498,505,797.40
Other operating income	22	26,420,450.89	33,056,356.97
Administration expenses	23	-56,618,137.96	-55,525,876.87
Selling expenses	23	-305,675,611.22	-297,811,268.79
Other operating expenses	24	-6,667,875.43	-6,552,004.53
Operating income		173,976,774.48	171,673,004.18
Financial income	25	15,574,035.57	23,575,392.01
Financial expenses	25	-67,613,053.41	-70,536,356.33
Profit/Loss (before the tax)		121,937,756.64	124,712,039.87
Income tax	26	-30,648,874.45	-39,607,531.82
Profit/Loss (after the tax)		91,288,882.19	85,104,508.05
Depreciation & amortization		24,771,469.26	21,674,979.54
Profit before taxes depreciation & amortisation		198,748,243.74	193,347,983.72
Other comprehensive income / (expenses): Recognised in Equity			
Financial assets available for sale		-250,887.88	-4,120.00
Valuation of financial instruments		-3,527,026.56	-7,916,129.69
Deferred taxes non-participants in Profit		555,889.45	657,456.73
Foreign translation exchange differences		28,419,314.18	23,229,789.21
Other comprehensive income, net of taxes		25,197,289.19	15,966,996.25
Total comprehensive income after taxes		116,486,171.38	101,071,504.30
Profit is attributable to:			
Shareholders of the parent company		89,518,910.34	83,279,446.42
Non controlling interests		1,769,971.85	1,825,061.62
Total		91,288,882.19	85,104,508.05
Total comprehensive income Attributable to :			
Shareholders of the parent company		114,716,081.50	99,246,442.67
Non controlling interests		1,770,089.88	1,825,061.63
Total		116,486,171.38	101,071,504.30
Earnings / Losses per share Basic and diluted (in euros):	27	1.3560	1.3965

The Company

	Notes	01.01. - 31.12.2011	01.01. - 31.12.2010
		Continuing operations	Continuing operations
Turnover	21	406,493,041.05	379,008,882.89
Cost of goods		-213,849,878.73	-197,532,462.78
Gross Profit		192,643,162.32	181,476,420.11
Other operating income	22	13,707,351.74	18,204,303.58
Administration expenses	23	-22,493,805.42	-22,328,565.90
Selling expenses	23	-127,781,199.76	-123,567,979.15
Other operating expenses	24	-8,404,592.92	-8,169,733.49
Operating income		47,670,915.96	45,614,445.15
Financial income	25	13,165,691.39	21,843,580.89
Financial expenses	25	-62,451,015.23	-64,934,308.69
Profit/Loss (before the tax)		-1,614,407.88	2,523,717.35
Income tax	26	-8,347,975.67	-16,844,826.73
Profit/Loss (after the tax)		-9,962,383.55	-14,321,109.38
Depreciation & amortization		12,124,136.31	10,769,094.16
Profit before taxes depreciation & amortisation		59,795,052.27	56,383,539.31
Other comprehensive income / (expenses): Recognised in Equity			
Financial assets available for sale		-250,887.88	-4,120.00
Valuation of financial instruments		-2,779,447.21	-7,916,129.69
Deferred taxes non-participants in Profit		555,889.45	664,684.73
Other comprehensive income, net of taxes		-2,474,445.64	-7,255,564.96
Total comprehensive income after taxes		-12,436,829.19	-21,576,674.34
Profit is attributable to:			
Shareholders of the parent company		-9,962,383.55	-14,321,109.38
Non controlling interests		0.00	0.00
Total		-9,962,383.55	-14,321,109.38
Total comprehensive income Attributable to :			
Shareholders of the parent company		-12,436,829.19	-21,576,674.34
Non controlling interests		0.00	0.00
Total		-12,436,829.19	-21,576,674.34
Earnings / Losses per share			
Basic and diluted (in euros):	27	-0.1509	-0.2401

3. Statement of changes in equity for the Group
The Group

	Share Capital	Share Premium	Consolidation Differences	Fair Value Reserves	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total share holders' equity	Minority Interests	Total Equity
Balance at 1.1.2010	18,176,463.00	62,531,731.47	-88,927,927.73	0.00	-14,602,091.47	8,119,004.08	501,893,092.92	-59,715,791.52	427,474,482.75	13,621,543.80	441,096,026.55
Earnings After taxes	0.00	0.00	0.00	0.00	0.00	0.00	83,279,446.43	0.00	83,279,446.43	1,825,061.62	85,104,508.05
Valuation of financial assets	0.00	0.00	0.00	0.00	0.00	-7,916,129.69	0.00	0.00	-7,916,129.69	0.00	-7,916,129.69
Valuation of investments available for sale	0.00	0.00	0.00	0.00	0.00	-4,120.00	0.00	0.00	-4,120.00	0.00	-4,120.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,229,789.21	23,229,789.21	0.00	23,229,789.21
Income tax relating to items of the total income	0.00	0.00	0.00	0.00	0.00	657,456.73	0.00	0.00	657,456.73	0.00	657,456.73
Total comprehensive income for the period, net of tax	0.00	0.00	0.00	0.00	0.00	-7,262,792.96	83,279,446.43	23,229,789.21	99,246,442.68	1,825,061.62	101,071,504.30
Capital increase expenses	0.00	0.00	0.00	0.00	0.00	0.00	-81,000.00	0.00	-81,000.00	0.00	-81,000.00
Dividends payable	0.00	0.00	0.00	0.00	0.00	0.00	-3,953,623.22	0.00	-3,953,623.22	0.00	-3,953,623.22
Acquisition of minority shareholding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-598,064.97	-598,064.97
Transfers	0.00	0.00	0.00	0.00	0.00	-3,713,389.80	3,274,472.97	0.01	-438,916.82	438,916.82	0.00
Liquidation of Participations	0.00	0.00	1,900,072.87	0.00	0.00	0.00	0.00	-627,964.51	1,272,108.36	0.00	1,272,108.36
Purchase of own shares	0.00	0.00	0.00	0.00	5,609,748.55	-1,073,106.81	1,117,423.57	0.00	5,654,065.31	0.00	5,654,065.31
Balance at 31st December 2010	18,176,463.00	62,531,731.47	-87,027,854.86	0.00	-8,992,342.92	-3,930,283.49	585,529,812.67	-37,113,966.81	529,173,559.06	15,287,457.27	544,461,016.33
Balance at 1.1.2011	18,176,463.00	62,531,731.47	-87,027,854.86	0.00	-8,992,342.92	-3,930,283.49	585,529,812.67	-37,113,966.82	529,173,559.05	15,287,457.27	544,461,016.32
Earnings After taxes	0.00	0.00	0.00	0.00	0.00	0.00	89,518,910.34	0.00	89,518,910.34	1,769,971.85	91,288,882.19
Valuation of financial assets	0.00	0.00	0.00	0.00	0.00	-3,527,144.59	0.00	0.00	-3,527,144.59	0.00	-3,527,144.59
Valuation of investments available for sale	0.00	0.00	0.00	0.00	0.00	-250,887.88	0.00	0.00	-250,887.88	0.00	-250,887.88
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,419,314.18	28,419,314.18	0.00	28,419,314.18
Other income not calculated in profit for the period	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	118.03	118.03
Income tax relating to items of the total income	0.00	0.00	0.00	0.00	0.00	555,889.45	0.00	0.00	555,889.45	0.00	555,889.45
Total comprehensive income for the period, net of tax	0.00	0.00	0.00	0.00	0.00	-3,222,143.02	89,518,910.34	28,419,314.18	114,716,081.50	1,770,089.88	116,486,171.38
Capital increase	1,908,000.00	82,680,000.00	0.00	0.00	0.00	0.00	0.00	0.00	84,588,000.00	1,292,850.00	85,880,850.00
Various Expenses/Income in Equity	0.00	0.00	0.00	0.00	0.00	-42,223.95	0.00	0.00	-42,223.95	0.00	-42,223.95
Capital increase expenses	0.00	0.00	0.00	0.00	0.00	-2,619,110.11	0.00	0.00	-2,619,110.11	-23,605.30	-2,642,715.41
Transfers	0.00	0.00	0.00	0.00	0.00	271,117.71	-317,161.28	0.00	-46,043.57	46,043.57	0.00
Purchase of own shares	0.00	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
Balance at 31st December 2011	20,084,463.00	145,211,731.47	-87,027,854.86	0.00	-13,384,633.73	-9,542,642.86	674,731,561.73	-8,694,652.64	721,377,972.11	18,372,835.42	739,750,807.53

The Company

	Share Capital	Share Premium	Consolidation Differences	Fair Value Reserves	own shares	Other Reserves	Retained earnings	Currency exchange differences	Total share holders' equity	Minority Interests	Total Equity
Balance at 1.1.2010	18,176,443.00	62,531,731.47	-85,554,366.48	0.00	-14,713,340.73	-572,839.51	79,804,789.93	0.00	59,672,437.68	0.00	59,672,437.68
Earnings After taxes	0.00	0.00	0.00	0.00	0.00	0.00	-14,321,109.38	0.00	-14,321,109.38	0.00	-14,321,109.38
Valuation of financial assets	0.00	0.00	0.00	0.00	0.00	-7,719,255.29	0.00	0.00	-7,719,255.29	0.00	-7,719,255.29
Valuation of investments available for sale	0.00	0.00	0.00	0.00	0.00	-200,994.40	0.00	0.00	-200,994.40	0.00	-200,994.40
Affiliate's deferred tax in equity	0.00	0.00	0.00	0.00	0.00	606,545.73	58,139.00	0.00	664,684.73	0.00	664,684.73
Total comprehensive income for the period, net of tax	0.00	0.00	0.00	0.00	0.00	-7,313,703.96	-14,262,970.38	0.00	-21,576,674.34	0.00	-21,576,674.34
Dividends payable	0.00	0.00	0.00	0.00	0.00	0.00	-3,953,623.22	0.00	-3,953,623.22	0.00	-3,953,623.22
Transfers	0.00	0.00	0.00	0.00	0.00	747,032.61	-747,032.61	0.00	0.00	0.00	0.00
Purchase of own shares	0.00	0.00	0.00	0.00	5,720,997.81	-1,073,106.81	1,117,423.57	0.00	5,765,314.57	0.00	5,765,314.57
Balance at 31st December 2010	18,176,443.00	62,531,731.47	-85,554,366.48	0.00	-8,992,342.92	-8,212,617.67	61,958,587.29	0.00	39,907,454.69	0.00	39,907,454.69
Balance at 1.1.2011	18,176,443.00	62,531,731.47	-85,554,366.48	0.00	-8,992,342.92	-8,212,617.67	61,958,587.29	0.00	39,907,454.69	0.00	39,907,454.69
Earnings After taxes	0.00	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	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	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	0.00	555,889.45	0.00	0.00	555,889.45	0.00	555,889.45
Total comprehensive income for the period, net of tax	0.00	0.00	0.00	0.00	0.00	-2,474,445.64	-9,962,383.55	0.00	-12,436,829.19	0.00	-12,436,829.19
Capital increase	1,908,000.00	82,680,000.00	0.00	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	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	0.00	-4,392,290.81	0.00	0.00	0.00	-4,392,290.81	0.00	-4,392,290.81
Balance at 31st December 2011	20,084,443.00	145,211,731.47	-85,554,366.48	0.00	-13,384,633.73	-13,277,409.67	51,996,203.74	0.00	105,075,988.33	0.00	105,075,988.33

4. Cash flow statement
2nd Alternate: Indirect method

	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Cash Flows related to Operating Activities				
Net Profit before taxes (Continuing operations)	121,937,756.64	124,712,039.86	-1,614,407.88	2,523,717.35
Adjustments				
Depreciation and Amortisation	24,771,469.26	21,674,979.54	12,124,136.31	10,769,094.16
Provisions	2,456,443.36	1,376,205.55	1,490,744.27	1,114,140.13
Exchange differences	-10,032,741.42	15,022,444.82	0.00	0.00
Results (income, expenses, gains and losses) from investing activities	10,914,488.28	7,410,376.23	12,574,645.13	5,812,306.70
Interest and related expenses	42,064,170.30	34,005,036.00	39,020,738.92	31,467,372.44
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-31,202,308.68	-28,146,832.02	-1,565,338.37	-5,920,980.70
Decrease/(increase) of Receivables	-59,199,200.95	-83,525,552.35	-13,333,361.38	-14,703,959.48
Increase/(decrease) of payable accounts (except Banks)	-27,736,375.05	16,885,115.20	-7,928,220.33	11,605,729.20
Minus	0.00	0.00	0.00	0.00
Interest paid and similar expenses	-40,014,509.82	-33,307,227.27	-36,971,078.44	-30,769,563.71
Income Tax paid	-33,822,436.50	-46,161,070.27	-15,044,589.71	-19,232,954.70
Net cash inflows/(outflows) from Operating Activities (a)	136,755.42	29,945,515.29	-11,246,731.48	-7,335,098.61
Investing Activities				
Purchases of subsidiaries, associates and other investments	-4,824,357.46	-83,154.00	-2,640,357.46	-83,154.00
Acquisition of minorities	0.00	0.00	0.00	0.00
Purchases of tangible and intangible assets	-23,037,405.68	-23,198,894.61	-9,796,574.51	-9,372,838.61
Proceeds from sale of tangible and intangible assets	1,155,733.39	437,397.77	107,686.55	278,944.13
Interest received	2,863,478.54	1,349,270.88	1,587,980.13	381,898.40
Dividends received	0.00	90,604.00	0.00	90,604.00
Proceeds from sale of financial assets	-12,541,504.57	-18,576,576.91	-12,393,190.67	-18,576,576.91
Decrease/(increase) of other long-term receivables	786,078.85	-2,405,646.84	-90,058.43	373,423.27
Net cash inflows/(outflows) from Investing Activities (b)	-35,597,976.93	-42,386,999.71	-23,224,514.39	-26,907,699.72
Financing Activities				
Capital increase	90,477,000.00	0.00	84,588,000.00	0.00
Proceeds from Loans	77,042,477.01	87,937,835.62	67,500,000.00	64,922,934.00
Proceeds from leases	3,365,298.17	5,002,503.70	2,787,823.81	5,000,000.00
Payment of Loans	-122,534,110.64	-62,731,046.48	-103,910,219.99	-48,771,876.08
Payments for leases	-6,395,881.52	-2,795,686.34	-3,533,102.78	-2,614,570.10
Own Stock	-4,392,290.81	3,394,320.22	-4,392,290.81	3,394,320.22
Expenses related to capital increase	-365,384.78	0.00	-313,015.73	0.00
Dividends paid	0.00	-4,077,105.22	0.00	-4,077,105.22
Net cash inflows/(outflows) from Financing Activities (c)	37,197,107.43	26,730,821.50	42,727,194.50	17,853,702.82
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	1,735,885.92	14,289,337.08	8,255,948.63	-16,389,095.51
Cash and cash equivalents at beginning of period	133,765,665.18	119,476,328.10	12,585,398.80	28,974,494.31
Cash and cash equivalents at end of period	135,501,551.10	133,765,665.18	20,841,347.43	12,585,398.80

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 jewelry 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, 2011 up to December 31, 2011, approved by the Board the Company on March 28, 2012.

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
FOLLI FOLLIE UK LTD	Great Bretagne	99.99%		99.99%
FOLLI FOLLIE FRANCE SA	FRANCE	100.00%		100.00%
FOLLI FOLLIE SPAIN SA	Spain	100.00%		100.00%
FOLLI FOLLIE JAPAN LTD	JAPAN	100.00%		100.00%
FOLLI FOLLIE HONG KONG LTD	Hong Kong	99.99%		99.99%
FOLLI FOLLIE ASIA LTD	Hong Kong		99.99%	99.99%
FOLLI FOLLIE TAIWAN LTD	TAIWAN		99.99%	99.99%
FOLLI FOLLIE KOREA LTD	SOUTH KOREA		99.99%	99.99%
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE		99.99%	99.99%
FOLLI FOLLIE MACAU LTD	MACAU		99.99%	99.99%
FOLLI FOLLIE MALAYSIA LTD	MALAYSIA		99.99%	99.99%
FOLLI FOLLIE THAILAND LTD	THAILAND		99.99%	99.99%
FOLLI FOLLIE CHINA (PILION LTD)	CHINA	100.00%		100.00%
FOLLI FOLLIE SHENZHEN LTD	CHINA		100.00%	100.00%
BLUEFOL GUAM LTD	GUAM		99.99%	99.99%
BLUEFOL HAWAII LTD	HAWAII		99.99%	99.99%
BLUEFOL HONG KONG LTD	Hong Kong		99.99%	99.99%
LAPFOL	Hong Kong		75.00%	75.00%
HELLENIC DISTRIBUTION S.A.	GREECE	100.00%		100.00%
LINKS (LONDON) LIMITED	Great Bretagne		100.00%	100.00%
LINKS OF LONDON (INTERNATIONAL) LTD	Great Bretagne		100.00%	100.00%
LINKS OF LONDON COM LTD (UK)	Great Bretagne		100.00%	100.00%
LINKS OF LONDON INC (USA)	USA		100.00%	100.00%
LINKS OF LONDON (FRANCE)	FRANCE		100.00%	100.00%
DUTY PAID SHOPS S.A.	GREECE	100.00%		100.00%
ELMEC ROMANIA SRL	ROMANIA	100.00%		100.00%
ELMEC SPORT BULGARIA EOOD	BULGARIA	100.00%		100.00%
MOUSTAKIS S.A.	GREECE	100.00%		100.00%
ATTICA DEPARTMENT STORES S.A.	GREECE	25.00%	25.00%	50.00%
LOGISTICS EXPRESS S.A.	GREECE	100.00%		100.00%
NORTH LANDMARK S.A.	GREECE	35.00%		35.00%
MFK FASHION LTD	CYPRUS	100.00%		100.00%
HDFS SKOPJE DOO S.A.	SKOPJE	100.00%		100.00%
PLANACO S.A.	GREECE	100.00%		100.00%
ICE CUBE S.A.	GREECE	25.00%		25.00%
COLLECTIVE S.A.	GREECE	80.00%		80.00%
NORTH GREECE DEPARTMENT STORES S.A.	GREECE	44.00%	20.35%	64.35%

The attached financial statements include the financial details of Ice Cube SA and Collective Patras SA companies, which 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%.

In addition, the attached financial statements do not include the financial figures for ICS Elmec Sport Srl company, which is under liquidation; its use value has been impaired for the fiscal year per 100%.

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, 2011.

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 01/01/2011. These standards and the estimated impact on the financial statements of the Group and the Company are as follows:

IAS 24 (Amendment) "Related party disclosures"

The present amendment attempts to relax the disclosures of transactions between government-related entities and to clarify the definition of a related party. Specifically, the obligation of government-related entities to disclose details of all transactions with the government and other government-related entities is repealed, the definition of a related party is clarified and simplified and the amendment also imposes the disclosure not only of the relationships, transactions and balances between related parties but also of the commitments both in the separate and in the consolidated financial statements. This amendment does not apply to the Group.

IAS 32 (Amendment) "Financial instruments: Presentation"

The present amendment provides clarifications regarding the manner in which specific options should be classified. Specifically, rights, call or put options or stock options for the acquisition of a specific number of the entity's own equity instruments for a specific amount in any currency, constitute equity instruments if the entity offers such rights or options proportionately to all existing shareholders of the same category of the entity's own, non-derivative, equity instruments. This amendment has no effect on the Group's financial statements

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

IFRIC 19 refers to the accounting treatment applied by the entity that issues equity instruments to a creditor in order to settle, in part or in whole, a financial liability. The interpretation does not apply to the Group.

IFRIC 14 (Amendment)

"The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

The amendments apply to limited cases: when the entity is subject to a minimum funding requirement and proceeds with an advance payment of contributions to cover such requirements. The amendments allow such an entity to face the benefit from such an advance payment as an asset. The interpretation does not apply to the Group. Amendments to standards that are part of the IASB's (International Accounting Standards Board) 2010 annual improvement plan

The following amendments describe the most important changes that are induced to IFRS as a result of the IASB's annual improvement plan that was issued in May 2010. Unless stated otherwise, such amendments do not have a significant effect on the Group's financial statements.

IFRS 3 "Business Combinations"

The amendments provide additional clarification as regards to: (a) contingent consideration agreements that result from business combinations with acquisition dates prior to the application of IFRS 3 (2008), (b) the calculation of the non-controlling interest, and (c) the accounting treatment of share-based payments that are part of a business combination, including awards based on shares and that were not replaced or were indirectly replaced.

IFRS 7 "Financial Instruments"

Disclosures" The amendments include multiple clarifications regarding the disclosures of financial instruments. IAS 1 "Presentation of Financial Statements" The amendment clarifies that entities may present the analysis of the individual items in total comprehensive income either in the statement of changes in equity or in the notes.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present the analysis of the individual items in total comprehensive income either in the statement of changes in equity or in the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the amendments of IAS 21, IAS 28 and IAS 31 that emanate from the revision of IAS 27 (2008) must be applied in the future.

IFRS 34 "Interim Financial Reporting"

The amendment applies larger emphasis on the disclosure principles that must be applied in relation to significant events and transactions, including the changes regarding fair value measurements, as well as the need to update the relevant information from the most recent annual report.

IFRS 13 "Customer Loyalty Programs"

The amendment clarifies the definition of the term "fair value", in the context of the measurement of customer loyalty programs. Standards and interpretations that are mandatory for periods beginning on or after 1 January 2012.

IFRS 9 "Financial instruments"

(applied for annual accounting periods beginning on or after 1 January 2013)

IFRS 9 is the first phase of the IASB's (International Accounting Standards Board) plan to replace IAS 39 and refers to the classification and measurement of financial assets and financial liabilities. During the next phases of the project, the IASB will extend IFRS 9 in order to add new requirements for impairment and hedge accounting. The Group is in the process of assessing the effect of IFRS 9 on its financial statements. IFRS 9 cannot be applied earlier by the Group as it has not been adopted by the European Union. Only after its adoption, the Group will decide whether it will apply IFRS 9 before 1 January 2013

IFRS 13, "Fair Value Measurement"

(Effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on measuring fair value and required disclosures. The requirements of the standard do not expand the use of fair values, but provide details of their application if their use is binding u945 by other standards. The FRS 13 provides precise definition of fair value and guidance on measuring fair value and required disclosures, regardless of the model based on making use of fair values. Moreover, the required disclosures have been extended to cover all assets and liabilities measured at fair value, not just financial. This standard is endorsed by the European Union.

IFRIC 20 "Stripping Costs opencast mines during the production stage"

(Effective for annual periods beginning on or after 1 January 2013)

This interpretation provides guidance on accounting for costs of removal of waste rock overburden ("stripping") during the production of a mine. Under this interpretation, the mining entity may need to remove the retained earnings of the beginning of the already capitalized stripping costs of mines which cannot be attributed to an identifiable component of an ore reserve ("ore body"). This interpretation applies only to items not opencast mines and underground mines or mining oil and gas. This interpretation has not yet been adopted by the European Union.

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

(applied for annual accounting periods beginning on or after 1 July 2011).

The present amendment provides the disclosures for transferred financial assets that have not been de-recognized entirely as well as for transferred financial assets that have been fully de-recognized but in which the Group continues to be involved. Guidance is also provided for the application of the required disclosures. This amendment has not yet been adopted by the European Union.

IAS 12 (Amendment) "Income Tax"

(applied for annual accounting periods beginning on or after 1 January 2012)

The amendment to IAS 12 remains a practical method to measure deferred tax liabilities and deferred tax assets when investment property is measured with the fair value method according to IAS 40 "Investment Property". This amendment has not yet been adopted by the European Union.

IAS 1 (Amendment) "Presentation of Financial Statements"

(Effective for annual periods beginning on or after 1 July 2012)

This amendment requires entities to separate the data presented in other comprehensive income into two groups based on whether they are in future likely to be transferred to operating results or not. The amendment has not yet been adopted by the European Union.

IAS 19 (Amendment) "Employee Benefits"

(Effective for annual periods beginning on or after 1 January 2013)

This amendment involves substantial changes in the identification and measurement of the cost of defined benefit plans and retirement benefit obligations (elimination of the margin method) and the disclosure of all benefits to employees. The main changes relate mainly to the recognition of actuarial gains and losses, in recognition of past service costs / cuts in the measurement of pension expense, the required disclosures, handling costs and taxes associated with defined benefit plans, and to distinguish between short and long term benefits. The amendment has not yet been adopted by the European Union.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

(Effective for annual periods beginning on or after 1 January 2013)

The IASB published this amendment to include additional information that will help users of financial statements of an entity to evaluate the effect or likely effect it would have agreements to settle financial assets and obligations, including the right to offset associated with recognized financial assets and liabilities, financial position of the entity. The amendment has not yet been adopted by the European Union.

IAS 32 (Amendment) Financial Instruments: Presentation

(Effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance of IAS 32 provides some clarification on requirements for offsetting financial assets and liabilities in the statement of financial position. The amendment has not yet been adopted by the European Union.

Group standards for integration and joint agreements

(Effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards for integration and joint agreements: FRS 10, FRS 11, FRS 12, IAS 27 (Amendment), IAS 28 (Amendment). These standards apply to annual periods beginning on or after January 1, 2013. Early application is permitted only if they simultaneously implemented and five standards. The standards have not been adopted yet by the European Union. The Group is currently assessing the impact of new standards on the consolidated financial statements. The main terms of the standards are:

IFRS 10 "Consolidated Financial Statements"

The FRS 10 replaces in full the instructions on the control and consolidation, as provided in IAS 27 and SIC 12. The new standard changes the definition of control as a key factor in deciding whether an entity should be consolidated. The standard provides extensive details that dictate the different ways in which one entity (investor) can control another entity (investment). The revised definition of control focuses on the need to have both the right (the ability to direct the activities that significantly affect performance) and performance variables (positive, negative). (Positive, negative or both) in order to have control. The new standard also provides clarification on participatory rights and veto rights (protective rights), as well as on relations agency.

IFRS 11 "Joint Arrangements"

The FRS 11 provides a more realistic treatment of joint agreements focusing on the rights and obligations, rather than legal form. The types of agreements are limited to two: jointly controlled operations and joint ventures. The method of proportional consolidation is no longer permissible. Participants in consortia implement the consolidation required by the equity method. Entities that participate in jointly controlled operations apply similar accounting treatment to that currently apply to the participants jointly controlled assets or jointly controlled operations. The standard also provides guidance on the participants in joint agreements, without any joint control.

IFRS 12 "Notification of participation in other entities"

The IFRS 12 refers to disclosures of an entity, including significant judgments and assumptions, which allow readers of financial statements to evaluate the nature, risks and economic impacts associated with the entity's participation in subsidiaries, associates from joint agreements and non-consolidated entities (structured entities). An entity has the ability to make some or all of these disclosures are not required to apply FRS 12 in its entirety, or 10 or FRS 11 or IAS 27 or 28.

IAS 27 (Amendment) 'Financial Statements'

The Standard was published concurrently with FRS 10 and in combination; the two standards replace IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 establishes the accounting treatment and the necessary disclosures regarding interests in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. In addition, the Council has moved to IAS 27 requirements of IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" on the separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The purpose of this Standard is to specify the accounting treatment with respect to investments in associates and cite the requirements for the application of equity method in accounting for investments in associates and joint ventures, according to the publication of IFRS 11.

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:

Assets Categories	Operational Years
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. 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/ 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.

- 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 31.12.11

Group FF GROUP

	Travel Retail	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Other segment	Total	Eliminations	Consolidated data
31.12.2011								
Sales to external customers	297,614	510,382	129,466	126,841	5,082	1,069,385	-47,968	1,021,417
Sales intersectoral	847	2,577	5,941	831	399	10,595	-10,595	0
Cost of sales	-146,440	-236,218	-89,575	-74,150	-4,495	-550,878	45,979	-504,899
Cost of sales sectors	-239	-240	-1,629	-8,485	0	-10,593	10,593	0
Gross Margin	151,782	276,501	44,203	45,037	986	518,509	-1,991	516,518
Other operating income	18,918	9,228	1,693	4,753	320	34,912	-8,492	26,420
Selling Cost	-83,897	-142,925	-45,820	-37,827	-2,635	-313,104	7,428	-305,676
Selling expenses crosscutting	-12	0	-230	0	0	-242	242	0
Administration cost	-5,513	-31,479	-10,477	-3,415	-1,212	-52,096	-4,522	-56,618
Administrative expenses crosscutting	0	-1	-115	0	0	-116	116	0
Other operating cost	-990	-8,518	-2,924	-220	-59	-12,711	6,043	-6,668
Segment operating earnings (EBIT)	80,288	102,806	-13,670	8,328	-2,600	175,152	-1,176	173,976
31.12.2010								
Sales to external customers	257,168	508,804	135,349	143,627	6,985	1,051,933	-62,333	989,600
Sales intersectoral	0	942	5,492	824	445	7,703	-7,703	0
Cost of sales	-128,864	-231,212	-91,701	-91,375	-6,005	-549,157	58,062	-491,095
Cost of sales sectors	-13	-435	-947	-6,167	0	-7,562	7,562	0
Gross Margin	128,291	278,099	48,193	46,909	1,425	502,917	-4,412	498,505
Other operating income	16,824	10,013	4,450	3,689	438	35,414	-2,358	33,056
Selling Cost	-81,804	-132,487	-47,798	-36,004	-2,654	-300,747	2,629	-298,118
Selling expenses crosscutting	0	-26	-101	0	0	-127	127	0
Administration cost	-12,398	-33,073	-7,745	-2,342	-797	-56,355	5,603	-50,752
Administrative expenses crosscutting	-1	0	0	0	-13	-14	14	0
Other operating cost	-712	-7,441	-2,564	-142	-119	-10,978	-40	-11,018
Segment operating earnings (EBIT)	50,200	115,085	-5,565	12,110	-1,720	170,110	1,563	171,673

BALANCE SHEET OF GROUP AT 31.12.11
Group FF GROUP

Amounts in thousands.000 31.12.2011	Travel Retail	Jewellery - Watch - Accessories	Clothing - Footwear	Department stores	Other segment	Total	Eliminations	Consolidated data
Tangible and Intangible assets	237,842	116,219	104,215	101,818	51,237	611,331	52,350	663,681
Inventories	60,895	190,171	43,939	43,359	3,757	342,121	-2,952	339,169
Trade and other receivables						615,801	-80,364	535,437
Cash & cash equivalent						135,501	0	135,501
	298,737	306,390	148,154	145,177	54,994	1,704,754	-30,966	1,673,788
Other assets Unallocated						247,186	-197,060	50,126
Total						1,951,940	-228,026	1,723,914
Trade and other payables	44,282	82,941	26,888	78,646	2,881	235,638	-64,241	171,397
Other liabilities Unallocated						832,949	-20,183	812,766
Equity						883,353	-143,602	739,751
Total						1,951,940	-228,026	1,723,914

Geographical Split of Revenues

	Greece	Rest Europe	Asia	Total
Net Revenues	546,052,574.41	117,636,364.62	357,728,277.62	1,021,417,216.65
Non Current Assets	36,676,545.07	2,191,848.75	11,127,881.20	49,996,275.02
Capital Expenditures	12,570,825.37	6,846,557.99	3,620,022.32	23,037,405.68

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 & Leasehold improvements	Machinery & technical installation	Transportation equipment	Furniture, Fittings and fixtures	Construction in progress	Total	Investment Property
Cost								
Balance at 1.1.2010	34,856,482.18	126,122,113.68	12,291,530.08	3,503,588.13	81,807,788.12	45,750,934.87	304,332,437.06	76,915,225.52
Additions	0.00	6,807,980.90	1,482,988.02	273,281.51	8,436,758.78	2,696,226.16	19,697,235.37	371,872.00
Disposals	0.00	-1,381,260.94	-643,184.76	-427,199.75	-1,132,947.97	0.00	-3,584,593.42	-4,840.00
Transfers	5,761,736.58	-4,100,873.20	-120,399.55	136.00	-464,338.98	67,956.90	1,144,217.75	0.00
Exchange Differences	172,959.79	1,664,021.13	153,828.89	19,718.41	985,060.95	-49,620.04	2,945,969.13	0.00
Balance at 31.12.2010	40,791,178.55	129,111,981.57	13,164,762.68	3,369,524.30	89,632,320.90	48,465,497.89	324,535,265.89	77,282,257.52
Balance at 1.1.2011	40,791,178.55	129,111,981.57	13,164,762.68	3,369,524.30	89,632,320.90	48,465,497.89	324,535,265.89	77,282,257.52
Additions	0.00	9,237,189.06	1,364,103.57	394,430.27	7,404,038.95	1,872,536.18	20,272,298.03	1,005.03
Disposals	0.00	-2,086,868.87	-1,701,378.93	-119,377.43	-12,763,503.91	-147,412.51	-16,818,541.65	0.00
Transfers	0.00	5,170,439.19	762.35	0.00	36,195.53	-4,779,676.38	427,720.69	0.00
Exchange Differences	64,845.72	1,866,293.05	52,476.63	14,747.64	658,017.16	-29,058.07	2,627,322.13	0.00
Balance at 31.12.2011	40,856,024.27	143,299,034.00	12,880,726.30	3,659,324.78	84,967,068.63	45,381,887.11	331,044,065.09	77,283,262.55
Accumulated amortisation								
Balance at 1.1.2010	0.00	14,369,398.84	8,953,053.90	2,646,268.68	50,837,740.07	0.00	76,806,461.49	1,375,392.09
Amortisation charge	0.00	8,030,013.07	1,230,130.53	222,987.17	7,915,344.57	0.00	17,398,475.34	0.00
Fair value impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,055,078.57
Decrease of amortisation	0.00	-1,117,567.93	-649,367.26	-231,615.83	-690,203.96	0.00	-2,688,754.98	0.00
Transfers	0.00	-2,111.00	-99,449.94	0.00	-443,557.79	0.00	-545,118.73	0.00
Exchange Differences	0.00	638,982.51	127,477.12	-27,012.95	796,722.42	0.00	1,536,169.10	0.00
Balance at 31.12.2010	0.00	21,918,715.49	9,561,844.35	2,610,627.07	58,416,045.31	0.00	92,507,232.22	2,430,470.66
Balance at 1.1.2011	0.00	21,918,715.49	9,561,844.35	2,610,627.07	58,416,045.31	0.00	92,507,232.22	2,430,470.66
Amortisation charge	0.00	8,777,448.98	1,391,454.94	203,654.10	8,592,162.91	0.00	18,964,720.93	0.00
Fair value impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	-15,512,730.32	-0.08
Transfers	0.00	48,396.83	0.00	0.00	-48,575.83	376,002.82	375,823.82	0.00
Exchange Differences	0.00	1,146,808.77	14,137.97	11,227.93	349,469.40	0.00	1,521,644.07	0.00
Balance at 31.12.2011	0.00	30,474,097.23	9,292,011.40	2,773,499.96	54,941,079.31	376,002.82	97,856,690.72	3,479,157.56
Net Book amount 31.12.2010	40,791,178.55	107,193,266.08	3,602,918.33	758,897.23	31,216,275.59	48,465,497.89	232,028,033.67	74,851,786.86
Net Book Amount 31.12.2011	40,856,024.27	112,824,936.77	3,588,714.90	885,824.82	30,025,989.32	45,005,884.29	233,187,374.37	73,804,104.99

The Company

	Land	Buildings & Leasehold improvements	Machinery & technical installation	Transportation equipment	Furniture, Fittings and fixtures	Construction in progress	Total	Investment Property
Cost								
Balance at 1.1.2010	25,051,808.90	84,683,734.05	5,681,397.16	2,404,925.54	40,494,051.24	4,596,313.05	162,912,229.94	79,223,098.00
Additions	0.00	1,787,755.84	223,714.10	178,576.49	2,976,467.33	1,316,475.31	6,482,989.07	371,872.00
Disposals	0.00	0.00	-1,200.00	-375,137.22	-307,063.86	0.00	-683,401.08	-4,840.00
Transfers	0.00	4,367.03	0.00	0.00	0.00	-4,367.03	0.00	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2010	25,051,808.90	86,475,856.92	5,903,911.26	2,208,364.81	43,163,454.71	5,908,421.33	168,711,817.93	79,590,130.00
Balance at 1.1.2011	25,051,808.90	86,475,856.92	5,903,911.26	2,208,364.81	43,163,454.71	5,908,421.33	168,711,817.93	79,590,130.00
Additions	0.00	5,911,823.35	464,629.21	162,385.29	2,566,691.06	109,575.00	9,215,103.91	1,005.03
Disposals	0.00	-217,944.04	-1,587,493.34	-89,053.99	-10,785,673.75	-147,412.51	-12,827,577.63	0.00
Transfers	0.00	4,788,842.91	0.00	0.00	42,660.00	-4,779,463.01	52,039.90	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2011	25,051,808.90	96,958,579.14	4,781,047.13	2,281,696.11	34,987,132.02	1,091,120.81	165,151,384.11	79,591,135.03
Accumulated amortisation								
Balance at 1.1.2010	0.00	19,904,893.26	4,037,369.42	1,778,382.07	27,936,462.30	0.00	53,657,107.05	3,683,264.57
Amortisation charge	0.00	3,430,032.95	343,339.01	124,326.56	3,255,006.29	0.00	7,152,704.81	0.00
Fair value impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,055,078.57
Decrease of amortisation	0.00	0.00	-293.00	-189,232.70	-225,557.86	0.00	-415,083.56	0.00
Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2010	0.00	23,334,926.21	4,380,415.43	1,713,475.93	30,965,910.73	0.00	60,394,728.30	4,738,343.14
Balance at 1.1.2011	0.00	23,334,926.21	4,380,415.43	1,713,475.93	30,965,910.73	0.00	60,394,728.30	4,738,343.14
Amortisation charge	0.00	3,561,012.44	297,540.71	113,124.36	3,206,583.44	0.00	7,178,260.95	0.00
Fair value impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	-12,459,495.68	-0.08
Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2011	0.00	26,817,155.00	3,090,468.71	1,804,891.34	23,400,978.52	0.00	55,113,493.57	5,787,030.04
Net Book amount 31.12.2010	25,051,808.90	63,140,930.71	1,523,495.83	494,888.88	12,197,543.98	5,908,421.33	108,317,089.63	74,851,786.86
Net Book Amount 31.12.2011	25,051,808.90	70,141,424.14	1,690,578.42	476,804.77	11,586,153.50	1,091,120.81	110,037,890.54	73,804,104.99

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

The Group

	Software Programs	Rental Rights	Grant of industrial property rights	Total	Goodwill
Cost					
Balance at 1.1.2010	19,412,829.69	7,834,859.58	114,113,135.80	141,360,825.07	253,052,516.22
Additions	484,133.97	3,233,901.14	3,275,255.13	6,993,290.24	0.00
Disposals	-8,326.71	-1,552,667.53	-3,013,380.30	-4,574,374.54	-514,330.84
Transfers	-3,324,871.62	3,340,000.00	0.00	15,128.38	0.00
Exchange Differences	260,275.76	-69,614.28	79,644.53	270,306.01	290,461.99
Balance at 31.12.2010	16,824,041.09	12,786,478.91	114,454,655.16	144,065,175.16	252,828,647.37
Balance at 1.1.2011	16,824,041.09	12,786,478.91	114,454,655.16	144,065,175.16	252,828,647.37
Additions	2,251,275.20	512,827.42	0.00	2,764,102.62	0.00
Disposals	-915,378.63	-568,501.97	-351,721.30	-1,835,601.90	0.00
Transfers	-132,807.98	763,638.13	-682,870.05	-52,039.90	0.00
Exchange Differences	217,945.16	367,054.76	97,586.07	682,585.99	0.00
Balance at 31.12.2011	18,245,074.84	13,861,497.25	113,517,649.88	145,624,221.97	252,828,647.37
Accumulated amortisation					
Balance at 1.1.2010	15,936,203.19	1,442,478.99	16,359,002.66	33,737,684.84	0.00
Amortisation charge	857,460.91	929,894.56	2,567,779.74	4,355,135.21	0.00
Decrease of amortisation	-7,052.05	-31,044.16	-39,387.00	-77,483.21	0.00
Transfers	-1,583,675.84	1,577,073.78	0.00	-6,602.06	0.00
Exchange Differences	203,861.87	375,351.98	12,312.92	591,526.77	0.00
Balance at 31.12.2010	15,406,798.08	4,293,755.15	18,899,708.32	38,600,261.55	0.00
Balance at 1.1.2011	15,406,798.08	4,293,755.15	18,899,708.32	38,600,261.55	0.00
Amortisation charge	837,863.56	1,396,703.81	2,523,494.01	4,758,061.38	0.00
Decrease of amortisation	-915,374.12	-565,871.17	-351,721.30	-1,832,966.59	0.00
Transfers	-119,133.91	311,407.89	-192,273.98	0.00	0.00
Exchange Differences	137,077.44	228,553.47	1.08	365,631.99	0.00
Balance at 31.12.2011	15,347,231.05	5,664,549.15	20,879,208.13	41,890,988.33	0.00
Net Book amount 31.12.2010	1,417,243.01	8,492,723.76	95,554,946.84	105,464,913.61	252,828,647.37
Net Book Amount 31.12.2011	2,897,843.79	8,196,948.10	92,638,441.75	103,733,233.64	252,828,647.37

The analysis of the goodwill on December 31st 2011, 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 €290,462 refers to other company acquisitions.

The Company

	Software Programs	Rental Rights	Grant of industrial property rights	Total	Goodwill
Cost					
Balance at 1.1.2010	8,312,290.43	4,282,735.14	111,204,556.02	123,799,581.59	200,171,794.84
Additions	363,665.85	2,014,400.00	139,160.97	2,517,226.82	0.00
Disposals	0.00	0.00	0.00	0.00	0.00
Transfers	-3,340,000.00	3,340,000.00	0.00	0.00	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2010	5,335,956.28	9,637,135.14	111,343,716.99	126,316,808.41	200,171,794.84
Balance at 1.1.2011	5,335,956.28	9,637,135.14	111,343,716.99	126,316,808.41	200,171,794.84
Additions	580,465.57	0.00	0.00	580,465.57	0.00
Disposals	-850,971.17	0.00	-351,721.30	-1,202,692.47	0.00
Transfers	-138,936.11	763,638.13	-676,741.92	-52,039.90	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2011	4,926,514.57	10,400,773.27	110,315,253.77	125,642,541.61	200,171,794.84
Accumulated amortisation					
Balance at 1.1.2010	5,545,182.66	1,592,459.99	19,137,289.00	26,274,931.65	0.00
Amortisation charge	494,480.47	839,413.60	2,491,624.28	3,825,518.35	0.00
Decrease of amortisation	0.00	0.00	0.00	0.00	0.00
Transfers	-1,577,073.78	1,577,073.78	0.00	0.00	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2010	4,462,589.35	4,008,947.37	21,628,913.28	30,100,450.00	0.00
Balance at 1.1.2011	4,462,589.35	4,008,947.37	21,628,913.28	30,100,450.00	0.00
Amortisation charge	536,034.98	921,542.11	2,439,611.29	3,897,188.38	0.00
Decrease of amortisation	-850,966.77	0.00	-351,721.30	-1,202,688.07	0.00
Transfers	-120,635.99	311,407.89	-190,771.90	0.00	0.00
Exchange Differences	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2011	4,027,021.57	5,241,897.37	23,526,031.37	32,794,950.31	0.00
Net Book amount 31.12.2010	873,366.93	5,628,187.77	89,714,803.71	96,216,358.41	200,171,794.84
Net Book Amount 31.12.2011	899,493.00	5,158,875.90	86,789,222.40	92,847,591.30	200,171,794.84

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.

Group

Investments in subsidiaries	31.12.2011	31.12.2010
LINKS OF LONDON LTD	57,423,473.76	57,423,473.76
NORTHERN GREECE DEPARTMENT STORES	468,000.00	0.00
Total	57,891,473.76	57,423,473.76

Company

Investments in subsidiaries	31.12.2011	31.12.2010
FOLLI-FOLLIE HONG KONG LTD	22,627,986.94	22,627,960.86
FOLLI-FOLLIE UK LTD	3,110,450.19	3,110,450.19
FOLLI-FOLLIE FRANCE SA	7,155,791.41	7,155,791.41
FOLLI-FOLLIE JAPAN LTD	15,528,412.86	15,528,412.86
FOLLI-FOLLIE SPAIN SA	3,824,932.41	5,018,267.21
MFK FASHION LTD	367,395.18	367,395.18
PLANACO SA	7,776,221.01	7,776,221.01
HELLENIC DISTRIBUTION S.A.	55,022,094.01	55,022,094.01
DUTY PAID SHOPS S.A.	499,950.00	499,950.00
HDFS SCOPJE DOO	960,000.00	960,000.00
Elmec Romania SRL	5,545,971.25	5,545,971.25
Elmec Sport Bulgaria EOOD	1,544,023.14	1,544,023.00
MOUSTAKI S.A.	943,650.44	943,650.00
Logistics Express S.A.	60,000.00	60,000.00
North Landmark	3,146,150.00	2,450,000.00
Ice Cube S.A.	25,000.00	25,000.00
Collective S.A.	960,000.00	960,000.00
ATTICA DEPARTMENT STORES S.A.	1,450,000.00	1,450,000.00
NORTHERN GREECE DEPARTMENT STORES	1,716,000.00	0.00
Total	132,264,028.84	131,045,186.98

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.

In regards 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 2011 fiscal years, impairments were finalized in the specific category, based on their value in use, equal to €1,193,334.80 million. Respectively, which have reduced the value of participations, while for the previous periods, impairments were finalized, equal to €3.1 million.

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:

The Group				
	Lito S.A.	"Agricultural Bank of Greece"	"Various securities"	Total
Balance at 01.01.2010	338,328.00	318,280.28	30,336.92	686,945.20
Additions	0.00	0.00	0.00	0.00
Impairments	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
Valuation 01.01.10-31.12.10	0.00	-196,874.40	-4,120.00	-200,994.40
Balance at 31.12.2010	338,328.00	121,405.88	26,216.92	485,950.80
Additions	0.00	228,207.16	0.00	228,207.16
Impairments	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
Valuation 01.01.11-31.12.11	-30,638.81	-281,626.58	100.00	-312,165.39
Balance at 31.12.2011	307,689.19	67,986.46	26,316.92	401,992.57

The Company				
	Lito S.A.	"Agricultural Bank of Greece"	"Various securities"	Total
Balance at 01.01.2010	338,328.00	318,280.28	27,842.92	684,451.20
Additions	0.00	0.00	0.00	0.00
Impairments	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
Valuation 01.01.10-31.12.10	0.00	-196,874.40	-4,120.00	-200,994.40
Balance at 31.12.2010	338,328.00	121,405.88	23,722.92	483,456.80
Additions	0.00	228,207.16	0.00	228,207.16
Impairments	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00
Valuation 01.01.11-31.12.11	-30,638.81	-281,626.58	100.00	-312,165.39
Balance at 31.12.2011	307,689.19	67,986.46	23,822.92	399,498.57

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 31st 2011 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 31.12.2011 revealed no evidence of further impairment of these.

8. Other long term Assets

Other long term assets	The Group		The company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Bills and checks receivable	965,978.84	1,083,383.00	965,978.84	1,083,383.00
Rental deposits	15,650,972.62	14,786,025.04	5,272,161.13	5,064,698.54
Other non current assets	10,706,055.08	11,401,580.68	10,000,000.00	10,000,000.00
Total	27,323,006.54	27,270,988.72	16,238,139.97	16,148,081.54

9. Inventories

Inventories	The Group		The company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Merchandise	342,946,171.27	298,765,232.89	98,435,927.03	95,211,255.38
Products - Raw Materials & Consumables	2,763,222.58	4,324,672.73	2,402,203.44	3,754,830.71
Packing materials	669,350.19	813,980.37	310,736.94	617,442.95
Less: Provisions for obsolescence	-7,209,629.68	-6,949,325.63	-1,188,980.19	-2,340,942.87
Total	339,169,114.36	296,954,560.36	99,959,887.22	97,242,586.17

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

A significant increase of the amount of inventories, in regards to 31.12.2011, is mainly due to the effect of foreign currency rates, per €5.5 million in the markets of Asia (mainly Hong Kong, China, and Japan), where the number of retail shops was increased.

10. Trade receivables and other current Assets

Trade receivables	The Group		The company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Trade receivables (customers via open balances)	377,724,806.79	317,712,149.81	55,609,686.53	52,455,118.67
Cheques/promissory notes receivables	23,609,248.23	18,654,845.16	20,410,619.25	16,750,795.85
Balance provision of bad debts 31.12.2011	-1,876,519.50	-1,298,084.46	-1,481,967.86	-974,360.00
Total	399,457,535.52	335,068,910.51	74,538,337.92	68,231,554.52

Significant effect on increasing the allocation made by the above rate USD / EURO on 31.12.2011. namely the effect reached to 11.2 million.

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 702 thousand and subsidiaries of the Group conducted additional provision of € 734 thousand. Following are the amounts of provisions and the remaining maturity of trade receivables.

Aging	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
From 1 to 120 days	254,478,699.02	184,539,449.61	33,408,050.37	22,437,446.62
From 120 to 180 days	58,923,207.22	68,928,188.23	5,297,917.54	4,863,112.01
From 180 to 270 days	46,283,936.53	43,362,919.29	4,292,450.43	16,111,751.08
From 270 days +	41,648,212.25	38,536,437.84	33,021,887.44	25,793,604.81
Total requirements	401,334,055.02	335,366,994.97	76,020,305.78	69,205,914.52

Impaired Requirements	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
From 120 to 180 days	0.00	0.00	0.00	0.00
From 180 to 270 days	91,553.56	68,149.43	81,437.56	51,153.90
From 270 days +	1,784,965.29	362,988.68	1,400,530.30	1,023,078.00
Total	1,876,518.85	431,138.11	1,481,967.86	1,074,231.90

Trade receivables	The Group	The Company
	31.12.2011	31.12.2010
Trade receivables (customers via open balances)	-1,298,084.46	-974,360.00
Cheques/promissory notes receivables	-1,436,114.02	-701,587.05
Balance provision of bad debts 31.12.2011	857,678.98	193,979.19
Total	-1,876,519.50	-1,481,967.86

Other current assets	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Trade receivables (customers via credit cards)	15,168,878.05	17,656,901.40	2,163,710.86	1,805,807.41
Short-term Loan Claims	532,186.81	453,097.14	10,559,949.06	0.00
Receivables from public sector	6,769,811.36	6,504,902.97	5,131,234.91	3,152,786.27
Advances to suppliers	52,574,014.19	48,196,859.05	1,874,406.09	4,942,465.75
Personel advances	25,203.74	144,605.71	14,330.22	131,245.66
Purchases under settlement	33,600,648.10	1,481,882.51	3,149,977.64	1,355,217.82
Other receivables	13,572,314.59	28,842,291.00	8,036,790.96	14,408,092.13
Prepaid expenses	12,093,313.01	6,940,474.40	731,148.59	619,648.43
Accrued income	1,769,528.63	622,850.26	1,788,487.37	515,801.66
Total	136,105,898.48	110,843,864.44	33,450,035.70	26,931,065.13

As mentioned above a significant effect in this line led to the exchange rate USD / EURO. Specifically, the effect reached to € 3.5 million.

The growth of 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 abroad in South East Asia worth \$ 63 million in 2011.

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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Cash on hand	10,357,458.46	10,978,017.36	1,474,214.67	1,253,563.53
Cash at bank	125,144,092.64	122,787,647.82	19,367,132.76	11,331,835.27
Total	135,501,551.10	133,765,665.18	20,841,347.43	12,585,398.80

12. Other financial Assets at fair value

Other financial assets at fairvalue through profit	The Group			The Company		
	Shares of listed companies	Mutual Funds	Total	Shares of listed companies	Mutual Funds	Total
Balance at 1.1.2010	509,380.12	0.00	388,228.08	509,380.12	0.00	388,228.08
Additions	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
Impairments	0.00	0.00	0.00	0.00	0.00	0.00
Valuation	-127,251.92	0.00	121,152.04	-127,251.92	0.00	121,152.04
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2010	382,128.20	0.00	509,380.12	382,128.20	0.00	509,380.12
Balance at 1.1.2011	382,128.20	0.00	382,128.20	382,128.20	0.00	509,380.12
Additions	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Adjustment	0.00	0.00	0.00	0.00	0.00	0.00
Impairments	0.00	0.00	0.00	0.00	0.00	0.00
Valuation	-315,700.07	0.00	-315,700.07	-315,700.07	0.00	-315,700.07
Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00
Balance at 31.12.2011	66,428.13	0.00	66,428.13	66,428.13	0.00	193,680.05

13. Equity shareholders and parent company

Equity of shareholders of the parent company	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Share capital	20,084,463.00	18,176,463.00	20,084,463.00	18,176,463.00
Share Premium	145,211,731.47	62,531,731.47	145,211,731.47	62,531,731.47
Own shares	-13,384,633.73	-8,992,342.92	-13,384,633.73	-8,992,342.92
Other reserves	-9,542,642.86	-3,930,283.49	-13,277,409.67	-8,212,617.67
Currency translated differences	-8,694,652.64	-37,113,966.81	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	674,731,561.73	585,529,812.67	51,996,203.74	61,958,587.29
Total	721,377,972.11	529,173,559.06	105,075,988.33	39,907,454.69

With the decision of May 26th 2011 of the Extraordinary General Meeting of shareholders the company's share capital was increased by € 1,908,000.00 in cash and issued of 6,360,000 new ordinary shares at par value € 0.30 each, price of € 13.30 and the abolition of the preferential right of existing shareholders. The difference between nominal value and issue price resulting to the amount of € 82,680,000 was brought to the credit of the Reserve from issuing shares above par. Following the above the Company's share capital amounted to € 20,084,463 divided into 66.948 million and two hundred ten (66,948,210) common registered voting shares of a nominal value of € 0.30 each and are fully paid.

14. Borrowings

	The Group		The Company	
Borrowings	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Borrowed funds				
Bond Loans	584,272,007.39	606,750,639.59	519,070,516.17	541,708,718.99
Bank Loans	89,993,079.70	120,202,074.43	58,976,477.60	72,197,640.44
Leases	57,645,226.11	59,098,481.42	47,094,699.29	47,838,175.09
Total	731,910,313.20	786,051,195.43	625,141,693.06	661,744,534.52
Long-term borrowings	314,665,406.03	649,430,022.20	242,204,098.29	555,501,410.00
Short-term borrowings	417,244,907.17	136,621,173.23	382,937,594.77	106,243,124.52
Total	731,910,313.20	786,051,195.43	625,141,693.06	661,744,534.52
Bond Loans				
More than 5 years	407,945.77	13,693,619.89	0.00	12,500,000.00
From 1 to 5 years	255,403,638.02	560,345,044.44	197,931,626.17	497,916,670.00
Up to 1 year	328,460,423.60	32,711,975.26	321,138,890.00	31,292,048.99
Total	584,272,007.39	606,750,639.59	519,070,516.17	541,708,718.99
Bank Loans				
More than 5 years	0.00	15,600,780.42	0.00	0.00
From 1 to 5 years	6,116,085.20	4,495,144.71	0.00	0.00
Up to 1 year	83,876,994.50	100,106,149.30	58,976,477.60	72,197,640.44
Total	89,993,079.70	120,202,074.43	58,976,477.60	72,197,640.44
Leases				
More than 5 years	31,857,813.75	34,207,200.07	31,852,802.97	33,597,404.00
From 1 to 5 years	20,879,923.29	21,088,232.67	12,419,669.15	11,487,336.00
Up to 1 year	4,907,489.07	3,803,048.68	2,822,227.17	2,753,435.09
Total	57,645,226.11	59,098,481.42	47,094,699.29	47,838,175.09

In the current period, the parent company signed a new Bond Loan of € 20 million for three years (Euribor+spread).

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

The Group	01.01. - 31.12.2011	01.01. - 31.12.2010
Amounts recognized in income statement		
Current service cost	757,100.13	623,407.00
Interest on obligation	456,196.82	472,001.00
Recognition of actuarial loss / (profit)	-13,747.00	-37,832.00
Recognition of past service cost	301,312.28	287,745.00
Cost cuts / settlement / termination of service	793,273.00	854,214.00
Total expense in the income statement	2,294,135.23	2,199,535.00
Changes in net liability recognized in balance sheet		
Net liability at beginning of year	9,426,821.71	9,307,366.00
Benefits paid by the employer	-1,566,553.18	-1,314,677.82
Total expense recognized in income statement	1,271,376.41	1,519,121.88
Exchange differences	222,752.29	-84,988.30
Net liability at end of year	9,354,397.23	9,426,821.76
Adjustment	0.00	0.00
Net liability at end of year	9,354,397.23	9,426,821.76
The Company		
	01.01. - 31.12.2011	01.01. - 31.12.2010
Present value of unfunded obligations	7,997,010.00	9,332,030.00
Unrecognised actuarial gains / (losses)	1,788,821.00	1,061,534.00
Unrecognised past service cost	-1,920,148.00	-2,213,024.00
Net liability recognized in balance sheet	7,865,683.00	8,180,540.00
Amounts recognized in income statement		
Current service cost	375,847.00	573,471.00
Interest on obligation	396,073.00	455,416.00
Recognition of actuarial loss / (profit)	-13,747.00	0.00
Recognition of past service cost	275,927.00	282,420.00
Normal output in the income statement	1,034,100.00	1,311,307.00
Cost cuts / settlement / termination of service	447,533.00	538,054.00
Total expense in the income statement	1,481,633.00	1,849,361.00
Changes in net liability recognized in balance sheet		
Net liability at beginning of year	8,180,540.00	8,014,427.00
Benefits paid by the employer	-1,796,490.00	-1,683,248.00
Total expense recognized in income statement	1,481,633.00	1,849,361.00
Net liability at end of year	7,865,683.00	8,180,540.00
Adjustment	0.00	0.00
Net liability at end of year	7,865,683.00	8,180,540.00
Change in present value of obligation		
Present value of obligation at beginning of period	9,332,030.00	10,246,762.00
Current service cost	375,847.00	573,471.00
Interest on obligation	396,073.00	455,416.00
Benefits paid by the employer	-1,796,490.00	-1,683,248.00
Additional payments or expenses / (income)	459,178.00	493,821.00
Cost of service during the period	0.00	0.00
Actuarial loss / (gain)	-769,628.00	-754,192.00
Present value of obligation at end of period	7,997,010.00	9,332,030.00
Actuarial assumptions		
Discount rate	4.35%	4.65%
Future salary increases	0.00%	1.80%
Expected remaining working lives	16.61	12.35

16. Long term liabilities

Total long-term provisions	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Provisions for additional taxes	872,565.24	1,673,543.16	571,000.00	1,321,874.00
Provisions for exposure & expenses	2,491,105.18	2,655,300.76	2,150,000.00	2,150,000.00
Total	3,363,670.42	4,328,843.92	2,721,000.00	3,471,874.00

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

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

For the absorbed companies we have the following:

- Folli Follie S.A. has been 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 2008 fiscal year.

The results of the abovesaid audits amounted to EURO 3.5 million and recorded in the results of 2011.

The unaudited fiscal years of the remaining Group companies are analysed in the table below:

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

For the year 2011 the Company has benefited from the tax audit of Chartered Accountants in accordance with the provisions of Article 82 § 5 N. 2238/1994. This monitoring is ongoing and the related tax certificate to be granted after the publication of financial statements year 2011. (If at the completion of tax audits result in additional tax liabilities that we estimate will not have a material effect on financial statements).

In addition to provisions for additional taxes from future tax audits, the Group companies 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 the 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 in 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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Other long-term liabilities	110,050.96	38,000.00	0.00	0.00
Valuation from financial hedging instruments	37,109,184.40	34,329,737.19	37,109,184.40	34,329,737.19
Special contribution tax	0.00	0.00	0.00	0.00
Total	37,219,235.36	34,367,737.19	37,109,184.40	34,329,737.19

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 90% of the debt. The total contract expires after 2015. The fair values of derivative financial products 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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Suppliers	97,917,038.18	103,356,005.38	50,305,340.99	42,546,707.92
Cheques / promissory notes payables	10,728,350.84	12,207,183.62	4,483,811.54	5,666,206.55
Advances from customers	5,435,888.02	14,677,004.59	4,128,472.17	13,472,386.24
Personnel payroll payable	1,428,077.09	1,037,471.04	933,791.71	817,579.94
Other creditors payable	4,829,126.07	2,103,268.40	13,578.26	54,601.30
Social security contribution	4,572,690.02	4,114,696.65	2,850,455.28	2,494,310.62
Other liabilities	15,080,704.64	19,531,624.88	2,523,910.51	1,998,116.56
Accrued expenses	14,025,928.98	5,909,656.85	22,266.43	931,366.47
Deferred revenue	3,768.50	309,217.85	1,828.35	2,674.25
Total	154,021,572.34	163,246,129.25	65,263,455.24	67,983,949.85

19. Current income tax and current tax liabilities

Current Income tax	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Income tax	8,549,141.78	7,828,328.16	-2,989,133.06	313,683.39
Taxes from tax audits	0.00	102,349.00	0.00	0.00
Special contribution tax	2,276.45	5,126,237.31	2,276.45	4,703,858.31
Total	8,551,418.23	13,056,914.47	-2,986,856.61	5,017,541.70

Current tax liabilities	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
V.A.T.	5,219,171.94	2,377,393.36	206,917.48	0.00
Other taxes	3,525,374.66	4,297,028.91	2,800,664.11	988,300.35
Total	8,744,546.60	6,674,422.27	3,007,581.59	988,300.35

20. Deferred Income Tax

Deferred tax Claims-liabilities	The Group				The Company			
	31.12.2011		31.12.2010		31.12.2011		31.12.2010	
	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation
Current assets								
Tangible fixed assets	0.00	4,421,561.10	791,402.50	5,536,941.18	0.00	4,367,422.99	519,373.25	5,093,725.88
Intangible assets	0.00	12,792,118.31	-181,771.71	12,692,790.88	0.00	11,768,893.44	-181,771.71	11,732,902.88
Leases	0.00	1,815,869.62	0.00	1,134,536.43	0.00	1,691,624.20	0.00	1,009,628.43
Long Term receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Valuations	0.00	35,819.66	52,163.78	0.00	52,163.78	0.00	52,163.78	0.00
Non-current assets								
Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	2,381,433.07	0.00	2,699,113.70	0.00	1,757,893.45	0.00	2,196,24.30	0.00
Def.Tax recognised in Equity	7,421,836.89	0.00	6,865,947.44	0.00	7,421,836.89	0.00	6,865,947.44	0.00
Losses	3,099,012.28	0.00	3,281,534.92	0.00	0.00	0.00	0.00	0.00
Long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employee benefit liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accruals	0.00	2,483,918.51	-175,508.96	1,229,899.97	0.00	2,745,414.45	-175,508.96	1,252,848.49
Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	12,902,282.24	21,549,287.20	13,332,881.67	21,628,564.44	9,231,894.12	20,573,355.08	9,276,444.10	20,123,501.66
Offsetting	9,368,993.67	9,368,993.67	-791,446.48	-791,446.48	9,108,774.59	9,108,774.59	-610,021.00	-610,021.00
Total	22,271,275.91	30,918,280.87	12,541,435.19	20,837,117.96	18,340,668.71	29,682,129.67	8,666,423.10	19,513,480.66

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 to the Greek tax legislation, 20% rate was used

21. Revenues

Turnover	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Sales of Merchandise	999,285,030.73	965,978,729.42	385,642,132.85	352,898,077.93
Sales of Products	7,784,864.10	9,556,748.87	7,555,310.82	9,226,360.71
Sales of other goods	3,033,282.08	413,606.92	3,013,629.25	412,979.83
Sales of services	11,314,039.74	13,651,832.17	10,281,968.13	16,471,464.42
Total	1,021,417,216.65	989,600,917.39	406,493,041.05	379,008,882.89

22. Other Income

Other operating income	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Income from Marketing	7,820,328.73	8,163,849.97	7,927,210.15	7,563,849.97
Income from Promoters & Merch.	7,907,371.53	8,284,597.93	2,199,679.61	2,836,973.81
Other income	5,273,398.96	7,793,219.77	1,221,661.24	2,372,991.70
Received grants	746,732.17	33,776.88	174,313.24	22,375.00
Rental income	269,450.84	116,033.80	244,129.95	0.00
Foreign exchange gains	3,676,283.54	4,937,178.86	1,341,974.30	1,924,408.56
Other operating & extraordinary income	410,677.55	3,727,699.77	418,279.96	3,483,704.54
Prior year income	316,207.57	0.00	180,103.29	0.00
Total	26,420,450.89	33,056,356.97	13,707,351.74	18,204,303.58

The funds titled "Income from Marketing / Promoters and Merchandising" and "Other income" includes income related to advertisement and promotional actions, as well as income coming from subsidiary companies and refers 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. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Total Fees & staff	26,235,491.09	26,592,712.29	10,960,217.89	11,101,828.80
Legal-professional-other fees	6,433,077.79	6,188,576.57	2,751,944.94	2,927,546.14
Credit card commissions	17,087.70	7.04	0.00	0.00
Postage & telecommunication	763,915.05	886,150.43	239,272.47	261,717.48
Rent expenses	3,503,765.58	3,617,801.99	307,642.33	355,443.00
Car rentals & car leases	207,294.83	202,295.91	190,838.46	197,955.70
Insurance	468,160.44	456,862.97	245,415.81	180,605.03
Repairs & Maintenance	642,295.87	1,234,286.99	299,821.11	155,715.24
Utilities & cleaning	656,772.28	861,934.51	488,037.30	455,411.87
Other taxes (not income tax)	945,455.18	564,775.26	300,315.35	361,385.95
Transportation expenses	1,258,499.45	977,375.50	309,590.40	296,122.61
Advertising & promotional expenses	3,668,138.63	3,987,633.86	132,340.30	479,928.85
Fairs & exhibition expenses	377,295.31	355,788.68	0.00	0.00
Stationery & consumables	537,915.90	474,295.56	128,274.90	152,246.99
Other expenses	2,706,443.87	2,780,823.13	825,070.78	670,464.81
Depreciation & amortization	6,917,704.89	6,248,834.05	5,115,615.45	4,659,338.78
Provision for retirement	551,323.02	95,722.13	199,407.93	72,854.65
Other Provisions	727,501.07	0.00	0.00	0.00
Total	56,618,137.96	55,525,876.87	22,493,805.42	22,328,565.90

Selling expenses	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Total Fees & staff	120,352,031.96	117,234,239.05	57,527,965.38	55,639,154.96
Legal-professional-other fees	19,605,817.22	22,904,653.59	4,660,523.65	8,157,064.83
Credit card commissions	4,646,373.32	3,483,216.72	2,013,581.65	933,191.12
Postage & telecommunication	1,974,411.63	2,001,064.50	798,636.42	912,731.43
Rent expenses	89,695,387.08	84,846,112.80	35,913,076.83	35,269,135.53
Car rentals & car leases	429,137.86	385,378.83	344,003.85	304,614.83
Insurance	1,758,219.73	1,753,439.83	1,115,521.73	1,183,844.19
Repairs & Maintenance	3,942,147.38	3,824,288.12	1,064,821.75	1,216,436.53
Utilities & cleaning	7,452,948.56	7,802,197.43	3,506,207.38	2,102,586.94
Other taxes (not income tax)	2,525,450.34	1,786,013.47	1,347,492.26	711,622.18
Transportation expenses	5,786,972.81	5,107,921.85	2,999,320.58	3,145,605.82
Advertising & promotional expenses	16,629,901.23	14,497,202.66	5,804,054.36	4,372,469.32
Fairs & exhibition expenses	120,387.95	186,670.58	74,926.39	87,222.17
Stationery & consumables	2,173,392.74	2,675,715.62	286,261.85	954,360.53
Other expenses	9,576,283.25	14,493,861.63	2,728,248.98	3,004,463.18
Depreciation & amortization	17,829,128.90	14,466,471.77	7,006,807.41	5,314,187.94
Depreciation & amortization	821,041.69	362,820.35	589,749.29	259,287.65
Other Provisions	356,577.58	0.00	0.00	0.00
Total	305,675,611.22	297,811,268.79	127,781,199.76	123,567,979.15

24. Other expenses

Other operating expenses	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Penalties & fines	171,633.90	182,524.87	161,458.17	48,873.47
Duties and taxes on deficits	20,297.63	372.01	0.00	372.01
Impairment of assets	171,037.56	0.00	0.00	0.00
Stock loss & damage	684,612.30	128,700.06	0.00	0.00
Loss from claims not susceptible of collection	598,894.23	147,453.65	0.00	135,443.73
Provisions for exposure & expenses	705,477.96	933,205.28	701,587.05	766,852.00
Foreign exchange losses	2,785,099.30	3,578,170.77	922,242.73	2,243,264.25
Prior years' expenses	291,729.41	0.00	284,278.12	0.00
Other expenses	1,239,093.14	1,581,577.89	6,335,026.85	4,974,928.03
Total	6,667,875.43	6,552,004.53	8,404,592.92	8,169,733.49

25. Financial Income-Expenses

Financial income	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Gains from forex instruments	8,954,355.82	9,825,277.58	8,276,428.17	9,825,277.58
Gains from derivatives	2,691,925.46	11,743,014.12	2,691,925.46	11,113,266.86
Dividends from other investments	57.01	91,208.00	0.00	90,604.00
Interest on reserves	2,863,478.54	1,349,270.88	1,498,670.98	381,898.40
Other interests	246,939.41	89,638.64	89,309.15	36,243.58
Profits from sale of assets	165,467.69	122,929.79	11,311.34	47,228.47
Other financial income	651,811.64	354,053.00	598,046.29	349,062.00
Total	15,574,035.57	23,575,392.01	13,165,691.39	21,843,580.89

Financial expenses	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Losses from sale of investments	1,474.74	855,487.08	0.00	410,449.87
Losses from foreign exchange products	8,150,508.26	24,058,816.09	8,148,510.89	24,058,816.09
Loss on valuation of investment at fair value	315,700.07	1,194,287.28	315,700.07	802,259.92
Losses on derivatives	16,037,277.59	7,811,974.87	15,269,385.87	7,060,567.00
Losses from the disposal of assets	932,080.17	174,905.85	287,214.88	42,195.38
Assets Valuation	152,674.96	0.00	0.00	0.00
Other financial expenses	373,323.05	1,238,678.61	265,790.29	1,057,133.35
Impairment of investments	0.00	0.00	1,193,334.80	0.00
Interest expenses (Loans)	37,935,431.60	31,428,582.60	34,129,950.47	28,461,869.72
Interest expenses (Leases)	2,058,712.28	1,805,622.05	1,976,282.46	1,755,947.33
Other interests	20,365.94	73,022.62	0.00	4,166.80
Bank commission & taxes	1,635,504.75	1,894,979.27	864,845.50	1,280,903.23
Total	67,613,053.41	70,536,356.33	62,451,015.23	64,934,308.69

26. Income Tax

	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Profit/Loss (before the tax)	121,937,756.64	124,712,039.87	-1,614,407.88	2,523,717.35
Current tax rate	20.00%	24.00%	20.00%	24.00%
Tax related	24,387,551.33	29,930,889.57	-322,881.58	605,692.16
Irreversible deviations from tax basis	1,253,864.63	0.00	1,253,864.63	2,632,167.83
Tax effect of funds not subject to tax	4,491,998.55	1,840,540.88	3,825,702.91	0.00
Absorbed companies' Losses 30/06/2010 (law.2166)	0.00	6,744,156.50	0.00	6,744,156.50
Deleted deferred taxes	38,884.29	2,016,067.00	38,884.29	2,016,067.00
Effect of different subsidiaries' tax rate	-3,336,092.20	-5,770,865.37	0.00	0.00
Other Taxes	18,030.29	1,075.84	18,030.29	1,075.84
Additional to prior years' taxes	3,794,637.56	0.00	3,534,375.12	0.00
Provisions for additional taxes	0.00	170,000.00	0.00	170,000.00
Windfall tax law.3808/2009	0.00	4,675,667.40	0.00	4,675,667.40
Total	30,648,874.45	39,607,531.82	8,347,975.67	16,844,826.73

27. Earnings per share

Earnings per Share	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Net profit for the period	91,288,882.19	85,104,508.05	-9,962,383.55	-14,321,109.38
Attributable to :				
Shareholders of the parent company	89,518,910.34	83,279,446.42	-9,962,383.55	-14,321,109.38
Non controlling interests	1,769,971.85	1,825,061.62	0.00	0.00
Weighted average number of shares	66,015,129.00	59,636,302.00	66,015,129.00	59,636,302.00
Basic earnings per share	1.3560	1.3965	-0.1509	-0.2401

28. Related party transactions (according IAS 24)

Transactions between parent and subsidiary		
	1.1- 31.12.2011	1.1- 31.12.2010
Sales of goods	43,674,799.33	41,041,890.11
Sales Services	827,341.42	4,953,487.26
RENTALS - OTHER	0.00	0.00
Purchases	10,076,439.38	7,645,896.90
Reception - OTHER	7,104,391.35	4,623,333.56
Parent transactions with other related parties		
	1.1- 31.12.2011	1.1- 31.12.2010
Sales of goods	0.00	0.00
Sales Services OTHER RENTALS	0.00	0.00
Purchases	0.00	0.00
Reception - OTHER	0.00	336,651.10

Transactions and Fees with managers		
	01.01. - 31.12.2011	01.01. - 31.12.2010
The Company	3,749,965.62	4,869,433.00
The Group	4,698,218.02	5,361,223.00
Group's transactions with other related parties		
	1.1- 31.12.2011	1.1- 31.12.2010
Sales of goods	0.00	0.00
Sales Services OTHER RENTALS	0.00	0.00
Purchases	0.00	45,085.00
Reception - OTHER	0.00	336,651.10
Balance at end of period		
	1.1- 31.12.2011	1.1- 31.12.2010
The Company		
From subsidiaries		
Requirements	43,734,685.87	23,103,966.21
Obligations	9,470,917.96	6,902,417.11
From other related parties		
Requirements	0.00	0.00
Obligations	355,000.24	355,000.24
By executives		
Requirements	0.00	3,100.00
Obligations	0.00	0.00
The Group		
From other related parties		
Requirements	0.00	0.00
Obligations	355,000.24	365,369.79
By executives		
Requirements	0.00	3,100.00
Obligations	72,698.00	0.00

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 € 80 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 31.12.2011 the Group employed 5,816 employees versus 5,969 employees on 31.12.2010. The according figures for the Company are 2,138 versus 2,160 employees.

Total Fees & staff The Group	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 1.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Wages and salaries	119,872,092.30	116,282,028.89	53,615,267.14	52,375,219.00
Employer contributions	24,571,731.10	24,328,793.76	14,025,613.64	13,421,667.57
Released for reimbursement	1,012,460.04	4,027,846.62	781,084.71	1,594,088.81
Other benefits	2,539,057.66	1,065,710.63	897,962.10	1,065,710.63
Total	147,995,341.10	145,704,379.90	69,319,927.59	68,456,686.01

31. Post Balance Sheet events

There are no other events that occurred after December 31st, 2011 which could have a significant influence on the financial position and results of the Group as of December 31st, 2011

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
31.12.2011	1.2939	0.8353	100.2000
1.1-31.12.2011	1.3920	0.8679	110.9586
31.12.2010	1.3362	0.8608	108.6500
1.1-31.12.2010	1.3257	0.8578	116.2386

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.

The Group

Liquidity Analysis					
31.12.11	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Sum
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
		540,999,490.99	321,926,719.11	38,860,212.84	901,786,422.93
31.12.10	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Sum
Floating rate loans	4.50%	137,001,895.48	634,739,162.56	35,226,516.37	806,967,574.41
Liabilities & Financial leases	3.30%	3,865,798.98	22,828,011.87	39,851,388.08	66,545,198.93
Suppliers etc. free liabilities		115,563,189.00	0.00	0.00	115,563,189.00
		256,430,883.46	657,567,174.42	75,077,904.45	989,075,962.33

The Company

Liquidity Analysis					
31.12.11	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Sum
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
		452,259,113.93	241,228,672.85	38,350,774.78	731,838,561.56
31.12.10	Average Interest Rate	Up to 1 year	From 1 to 5 years	More than 5 years	Sum
Floating rate loans	4.33%	106,626,461.92	557,206,097.48	14,935,625.00	678,768,184.40
Liabilities & Financial leases	3.30%	2,798,866.77	12,435,041.22	39,140,975.66	54,374,883.65
Suppliers etc. free liabilities		48,212,914.47	0.00	0.00	48,212,914.47
		157,638,243.16	569,641,138.70	54,076,600.66	781,355,982.52

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:

Levera Ratio	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Borrowed funds	731,910,313.20	786,051,195.43	625,141,693.06	661,744,534.52
Less: Cash	135,501,551.10	133,765,665.18	20,841,347.43	12,585,398.80
Net Debt	596,408,762.10	652,285,530.25	604,300,345.63	649,159,135.72
Equity	739,750,807.53	544,461,016.33	105,075,988.33	39,907,454.69
	44.6%	54.5%	85.2%	94.2%

Agios Stefanos, March 28th 2012

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

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
4/1/11	Announcement
4/1/11	RELEASE OF THE INFORMATION MEMORANDUM OF ARTICLE 4 OF LAW 3401/2005
7/1/11	Share Capital of the Company according to L.3556/2007
7/1/11	Reopening of duty free distribution of petroleum products
13/1/11	Announcement of significant change to the voting rights
13/1/11	Re-opening of Duty-Free Diesel Fuel Stations by HELLENIC DUTY FREE SHOPS S.A.
20/1/11	Announcement of significant change to the voting rights - CORRECTION
21/1/11	Replacement of BoD members
3/2/11	Management executives
24/2/11	Fractional shares settlement
24/3/11	Announcement date of the 12M financial results
31/3/11	Full Year 2010 Financial Results
31/3/11	Financial Calendar 2011
4/4/11	Announcement
4/5/11	Invitation to an Extraordinary General Assembly
4/5/11	Announcement
26/5/11	First Quarter 2011 financial results - correction
26/5/11	First Quarter 2011 financial results
27/5/11	Extraordinary General Meeting of May 26th,2011
1/6/11	Invitation to AGM
2/6/11	The new Board of Directors convened and was constituted as a body
15/6/11	Payment approval of euro 84.588.000 with regard to the share capital increase
24/6/11	Availability of the Prospectus
24/6/11	AGM resolutions 24.06.2011
30/6/11	Share capital increase with cash with the preference right of the existing shareholders cancelled and private placement
4/7/11	Share buyback announcement
4/7/11	Share Capital of the Company according to L.3556/2007
6/7/11	Announcement of significant change to the voting rights
22/7/11	Purchase of own shares
29/7/11	Purchase of own shares
3/8/11	Purchase of own shares
4/8/11	Purchase of own shares
5/8/11	Purchase of own shares
8/8/11	Purchase of own shares
9/8/11	Purchase of own shares
10/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
10/8/11	Purchase of own shares

11/8/11	Change in shares and voting rights
11/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
11/8/11	Purchase of own shares
12/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
12/8/11	Purchase of own shares
16/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
17/8/11	Purchase of own shares
18/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
19/8/11	Purchase of own shares
19/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
22/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
22/8/11	Purchase of own shares
23/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
23/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
23/8/11	Purchase of own shares
24/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
24/8/11	Purchase of own shares
25/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
26/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
29/8/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
29/8/11	Purchase of own shares
30/8/11	Press Release 6m 2011
30/8/11	Purchase of own shares
1/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
1/9/11	Purchase of own shares
2/9/11	Announcement
2/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
2/9/11	Purchase of own shares
5/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
5/9/11	Purchase of own shares
6/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
6/9/11	Purchase of own shares
7/9/11	Announcement
7/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
7/9/11	Purchase of own shares
8/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
8/9/11	Purchase of own shares
9/9/11	Purchase of own shares
9/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
12/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
12/9/11	Purchase of own shares
13/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
13/9/11	Purchase of own shares
14/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
14/9/11	Purchase of own shares
15/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
15/9/11	Purchase of own shares

16/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
16/9/11	Purchase of own shares
19/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
19/9/11	Purchase of own shares
20/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
20/9/11	Purchase of own shares
21/9/11	Significant change in shares and voting rights
21/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
21/9/11	Purchase of own shares
22/9/11	Purchase of own shares
22/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
23/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
23/9/11	Purchase of own shares
26/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
26/9/11	Purchase of own shares
27/9/11	Purchase of own shares
27/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
28/9/11	Purchase of own shares
28/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
29/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
29/9/11	Purchase of own shares
30/9/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
30/9/11	Purchase of own shares
3/10/11	Purchase of own shares
3/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
4/10/11	Purchase of own shares
4/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
5/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
5/10/11	Purchase of own shares
6/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
7/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
7/10/11	Purchase of own shares
10/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
10/10/11	Purchase of own shares
11/10/11	Purchase of own shares
11/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
12/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
12/10/11	Purchase of own shares
13/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
13/10/11	Purchase of own shares
14/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
14/10/11	Purchase of own shares

17/10/11	Purchase of own shares
18/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
18/10/11	Purchase of own shares
19/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
19/10/11	Purchase of own shares
20/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
10/10/11	Purchase of own shares
21/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
25/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
25/10/11	Purchase of own shares
26/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
26/10/11	Purchase of own shares
27/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
27/10/11	Purchase of own shares
31/10/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
1/11/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
2/11/11	Purchase of own shares
2/11/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
3/11/11	Purchase of own shares
4/11/11	Purchase of own shares
7/11/11	Purchase of own shares
8/11/11	RELEASE OF REGULATED INFORMATION, Law 3556/ 2007
8/11/11	Purchase of own shares
9/11/11	Purchase of own shares
10/11/11	Purchase of own shares
11/11/11	Purchase of own shares
14/11/11	Purchase of own shares
15/11/11	Purchase of own shares
16/11/11	Purchase of own shares
29/11/11	Announcement of 9M 2011 financial results

G

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
23RD 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 Prototypes 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 31/12/2011, as follows:

A/A	METHOD OF DISPOSAL OF FUNDS RAISED	FUNDS RAISED TO SUPPLY	METHOD OF DISPOSAL OF FUNDS RAISED				TOTAL	TOTAL DISBURSEMENTS UNTIL 31.12.11	REMAINING FOR DISTRIBUTION 31.12.11
			JUNE 2011 - AUGUST 2011	JUNE 2011- DECEMBER 2011	JUNE 2011 - DECEMBER 2012	JUNE 2011 JUNE 2013			
1.	REDUCTION OF BANK LOANS	35,000,000.00	35,000,000.00	0.00	0.00	0.00	35,000,000.00	35,000,000.00	0.00
2.	EXPANSIONS OF STORE NETWORK OF THE COMPANY IN GREECE	11,000,000.00	0.00	0.00	0.00	11,000,000.00	11,000,000.00	5,316,000.00	5,684,000.00
3.	IMPROVEMENT-BUILDING RENOVATION IN ROMANIA	3,000,000.00	0.00	0.00	0.00	3,000,000.0	3,000,000.0	0.00	3,000,000.00
4.	EXPANSIONS OF STORE NETWORK IN ASIA AND EUROPE	6,000,000.00	0.00	0.00	6,000,000.00	0.00	6,000,000.00	6,000,000.00	0.00
5.	WORKING CAPITAL	27,000,000.00	0.00	0.00	27,000,000.00	0.00	27,000,000.00	27,000,000.00	0.00
6.	ISSUE EXPENSES	2,588,000.00	0.00	2,588,000.00	0.00	0.00	2,588,000.00	283,618.00	2,304,382.00
	TOTAL	84,588,000.00	35,000,000.00	2,588,000.00	33,000,000.00	14,000,000.00	84,588,000.00	73,599,618.00	10,988,382.00

Note:

1. The above table distribution of the disbursements until 31/12/2011, amounted to EUR 73,599,618.
2. The remainder to be disposed of 31/12/2011 EUR 10,988,382 shall be deposited in short term deposits and included in the item "Cash and cash equivalents"

Agios Stefanos, March 28th 2012

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

THE FINANCE MANAGER

VASILEIOS KALAMATIANOS

ID Card No. AE-011034

H 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 01/01/2011 until 31/12/2011 for which we issued separate audit report.

BAKER TILLY HELLAS

Athens, 29/03/2012

The auditor

George Varthalitis

ID 1025

I Condensed Financial Statements of 2011

DUTY FREE SHOPS SA

 Registration No:14216/06/B/86/06
 23rd Km Athens - Lamia 145 65 Ag.Stefanos
 Financial Data and Information for the period
 January 1st, 2011 - December 31st, 2011

(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 HDF'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.

Company Information

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

 MINISTRY OF DEVELOPMENT/General Secretariat of Commerce,
www.dutyfreeshops.gr & www.lallifallegroup.com
 28 March 2012
 Georgios Varthalitis
 BAKER TILLY HELLAS A.E
 Unqualified opinion

Members of the Board Directors:

 Chairman - Executive Member
 Managing Director - Executive member
 Vice President - Executive Member
 A' Deputy Managing Director & General Manager, Executive Member
 B' Deputy Managing Director & General Manager, Executive Member
 Executive Member
 Non-Executive Member
 Non-Executive Member
 Non-Executive Member
 Non-Executive Member
 Non-Executive Member
 Independent non-Executive Member
 Independent non-Executive Member

 Dimitris koutsolioutsos
 George koutsolioutsos
 Kaiti koutsolioutsos
 George Valentzas
 Emmanouil Zachariou
 Eirini Nioti
 Jiannong Qian
 Elias Koukoutsas
 Elias Koulokounitis
 Zacharias Mantzavinos
 Elias Betsis
 Epaminondas Dafermos
 George Aronis

DATA FROM STATEMENT OF FINANCIAL POSITION
 (consolidated and non consolidated) amounts in €

	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
ASSETS				
Property, Plants and Equipment	233,187,374.37	232,028,033.67	110,037,890.54	108,317,089.63
Investment Property	73,804,104.99	74,851,786.86	73,804,104.99	74,851,786.86
Intangible assets	356,561,881.01	358,293,560.98	293,019,386.14	296,388,153.25
Participations	0.00	0.00	132,264,028.84	131,045,186.98
Other non-current assets	49,996,275.02	40,298,374.71	34,978,307.25	25,297,961.44
Inventories	339,169,114.36	296,954,560.36	99,959,887.22	97,242,586.17
Trade Receivables	399,457,535.52	335,068,910.51	74,538,337.92	68,231,554.52
Other current assets	271,737,851.99	245,277,109.90	54,357,811.26	40,085,232.13
TOTAL ASSETS	1,723,914,137.26	1,582,772,336.99	872,959,754.16	841,459,550.98
EQUITY AND LIABILITIES				
Share capital	20,084,463.00	18,176,463.00	20,084,463.00	18,176,463.00
Other components of equity	701,293,509.11	510,997,096.06	84,991,525.33	21,730,991.69
Total equity attributable to owners of the Parent (a)	721,377,972.11	529,173,559.06	105,075,988.33	39,907,454.69
Non controlling interests (b)	18,372,835.42	15,287,457.27	0.00	0.00
Total Equity (c) = (a)+(b)	739,750,807.53	544,461,016.33	105,075,988.33	39,907,454.69
Long-term borrowings	314,665,406.03	649,430,022.20	242,204,098.29	555,501,410.00
Provisions / Other long terms liabilities	80,855,583.88	68,960,520.83	77,377,997.07	65,495,631.46
Βραχυπρόθεσμες δανειακές υποχρεώσεις	417,244,907.17	136,621,173.23	382,937,594.77	106,243,124.52
Short-term borrowings	171,397,432.65	183,299,604.40	65,364,075.70	74,311,930.31
Total liabilities (d)	984,163,329.73	1,038,311,320.66	767,883,765.83	801,552,096.29
TOTAL EQUITY AND LIABILITIES (c) + (d)	1,723,914,137.26	1,582,772,336.99	872,959,754.16	841,459,550.98

DATA FROM STATEMENT OF COMPREHENSIVE INCOME
 (consolidated and non consolidated) amounts in €

	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
	Continuing operations	Continuing operations	Continuing operations	Continuing operations
Sales Revenue	1,021,417,216.65	989,600,917.39	406,493,041.05	379,008,882.89
Gross Profit	516,517,948.20	498,505,797.40	192,643,162.32	181,476,420.11
Profit before tax, financial and investing results (EBIT)	173,976,774.48	171,673,004.18	47,670,915.96	45,614,445.15
Profit/Loss (before the tax)	121,937,756.64	124,712,039.87	-1,614,407.88	2,523,717.35
Profit / Loss after tax (A)	91,288,882.19	85,104,508.05	-9,962,383.55	-14,321,109.38
Attributable to :				
Shareholders of the parent company	89,518,910.34	83,279,446.42	-9,962,383.55	-14,321,109.38
Non controlling interests	1,769,971.85	1,825,061.62	0.00	0.00
Other comprehensive income / expenses net of tax (B)	25,197,289.19	15,966,996.25	-2,474,445.64	-7,255,564.96
Total comprehensive income net of tax (A) + (B)	116,486,171.38	101,071,504.30	-12,436,829.19	-21,576,674.34
Attributable to :				
Shareholders of the parent company	114,716,081.50	99,246,442.66	-12,436,829.19	-21,576,674.34
Non controlling interests	1,770,089.88	1,825,061.63	0.00	0.00
Basic Earnings/losses (after tax) per share(expressed in €)	1.35604	1.39646	-0.15091	-0.24014
Profit before taxes, financing and investing results , depreciation and amortisation (EBITDA)	198,748,243.74	193,347,983.71	59,795,052.27	56,383,539.31

CASH FLOW STATEMENT (consolidated and non consolidated) amounts in €				
2nd Alternate: Indirect method	The Group		The Company	
	01.01. - 31.12.2011	01.01. - 31.12.2010	01.01. - 31.12.2011	01.01. - 31.12.2010
Cash Flows related to Operating Activities				
Net Profit before taxes (Continuing operations)	121,937,756.64	124,712,039.87	-1,614,407.88	2,523,717.35
Adjustments				
Depreciation and Amortisation	24,771,469.26	21,674,979.54	12,124,136.31	10,769,094.16
Provisions	2,456,443.36	1,376,205.55	1,490,744.27	1,114,140.13
Exchange differences	-10,032,741.42	15,022,444.82	0.00	0.00
Results (income, expenses, gains and losses) from investing activities	10,914,488.28	7,410,376.23	12,574,645.13	5,812,306.70
Interest and related expenses	42,064,170.30	34,005,036.00	39,020,738.92	31,467,372.44
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-31,202,308.68	-28,146,832.02	-1,565,338.37	-5,920,980.70
Decrease/(increase) of Receivables	-59,199,200.95	-83,525,552.35	-13,333,361.38	-14,703,959.48
Increase/(decrease) of payable accounts (except Banks)	-27,736,375.05	16,885,115.20	-7,928,220.33	11,605,729.20
Minus				
Interest paid and similar expenses	-40,014,509.82	-33,307,227.27	-36,971,078.44	-30,769,563.71
Income Tax paid	-33,822,436.50	-46,161,070.27	-15,044,589.71	-19,232,954.70
Net cash inflows/(outflows) from Operating Activities (a)	136,755.42	29,945,515.29	-11,246,731.48	-7,335,098.61
Investing Activities				
Purchases of subsidiaries, associates and other investments	-4,824,357.46	-83,154.00	-2,640,357.46	-83,154.00
Acquisition of minorities	0.00	0.00	0.00	0.00
Purchases of tangible and intangible assets	-23,037,405.68	-23,198,894.61	-9,796,574.51	-9,372,838.61
Proceeds from sale of tangible and intangible assets	1,155,733.39	437,397.77	107,686.55	278,944.13
Interest received	2,863,478.54	1,349,270.88	1,587,980.13	381,898.40
Dividends received	0.00	90,604.00	0.00	90,604.00
Proceeds from sale of financial assets	-12,541,504.57	-18,576,576.91	-12,393,190.67	-18,576,576.91
Decrease/(increase) of other long-term receivables	786,078.85	-2,405,646.84	-90,058.43	373,423.27
Net cash inflows/(outflows) from Investing Activities (b)	-35,597,976.93	-42,386,999.71	-23,224,514.39	-26,907,699.72
Financing Activities				
Capital increase	90,477,000.00	0.00	84,588,000.00	0.00
Proceeds from Loans	77,042,477.01	87,937,835.62	67,500,000.00	64,922,934.00
Proceeds from leases	3,365,298.17	5,002,503.70	2,787,823.81	5,000,000.00
Payment of Loans	-122,534,110.64	-62,731,046.48	-103,910,219.99	-48,771,876.08
Payments for leases	-6,395,881.52	-2,795,686.34	-3,533,102.78	-2,614,570.10
Own Stock	-4,392,290.81	3,394,320.22	-4,392,290.81	3,394,320.22
Expenses related to capital increase	-365,384.78	0.00	-313,015.73	0.00
Dividends paid	0.00	-4,077,105.22	0.00	-4,077,105.22
Net cash inflows/(outflows) from Financing Activities (c)	37,197,107.43	26,730,821.50	42,727,194.50	17,853,702.82
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	1,735,885.92	14,289,337.08	8,255,948.63	-16,389,095.51
Cash and cash equivalents at beginning of period	133,765,665.18	119,476,328.10	12,585,398.80	28,974,494.31
Cash and cash equivalents at end of period	135,501,551.10	133,765,665.18	20,841,347.43	12,585,398.80

DATA FROM STATEMENT OF CHANGES IN EQUITY (consolidated and non consolidated) amounts in €				
	The Group		The Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Equity Opening Balance (01.01.2011 and 01.01.2010 respectively)	544,461,016.33	441,096,026.55	39,907,454.69	59,672,437.69
Total comprehensive income net of tax (continuing operations)	116,486,171.38	101,071,504.30	-12,436,829.19	-21,576,674.35
Minority interest resulted from Subsidiaries' rates change	0.00	0.00	0.00	0.00
Dividends payable	0.00	-3,953,623.22	0.00	-3,953,623.22
Other Movements	83,195,910.64	593,043.39	81,997,653.64	0.00
Purchase of own shares	-4,392,290.81	5,654,065.31	-4,392,290.81	5,765,314.57
Equity Closing Balance (31.12.2011 and 31.12.2010 respectively)	739,750,807.53	544,461,016.33	105,075,988.33	39,907,454.69

Additional notes and information:

1. The name and the registered office of each company of the consolidated Financial Statements for the year 01.01.2011 - 31.12.2011, along with the respective participation percentage of the Company, direct or indirect, in each of their share capital and b) the consolidation method, which was applied, for each company included in the consolidated Financial Statements for the year 01.01.2011 - 31.12.2011, are mentioned in note E.1 of the Financial Statements. 2. The un-audited tax fiscal years of the parent Company and its subsidiaries are mentioned in note E.15 of the Financial Statements. 3. The personnel employed by the Group as of 31.12.2011 stood at 5,816 and for the parent Company 2,138. For the period ended 31.12.2010 the Group personnel amounted to 5,969 and for the parent Company 2,160. 4. The Financial Statements include the following provisions: a) For the Group's condensed disposes € 2.150th., provisions for un-audited tax fiscal years € 873 th., provisions for employees compensations € 9.354 th. other provisions € 341 th. b) For the Company condensed disposes € 2.150 th., provisions for un-audited tax fiscal years € 571th. and provisions for employees compensations € 7.866 th. 5. The total number of owned shares held by the Company amounted to 933,081 of values € 13,385 th. 6. The amounts mentioned in "Other comprehensive income", net of tax was for the Company €251 th. for valuation losses on sale of financial assets, amount € 2.779 th concerning gains from evaluation of financial instruments, amount of € 556 th. income from differed taxes non participating in the net profit, for the Group, € 251 th. for valuation gains on sale of financial assets, € 3.527 th. concerning losses from evaluation of financial instruments, € 556 th income from differed taxes non participating in the net profit while € 28.419 th. gains on translation differences. 7. As of 26-5-2011, the Extraordinary General Meeting decided the increase of share capital by € 1,908,000.00, with cash and issue of new shares 6,360,000 of nominal value, € 0.30 each at price € 13.30 with right of the existing shareholders ceased. The difference between the nominal value and the exercising value, € 82,680,000 credited to the retained earnings for the year. Consequently, the share capital stood at € 20,084,463 divided to 66,948,210 new shares with voting rights of nominal value € 0.30 fully deposited. The above mentioned share capital increase was approved by the K2-5027/27.05.11 decision of the Ministry of Development. 8. In the Financial Statements of the year 01.01.2011 - 31.12.2011, are included the financial data of the companies "Northern Greece Department Stores S.A." and "Folli Follie Shenzhen Ltd". The consolidation of the said companies do not alter the financial figures of the Group by percentage greater than 25%. 9. All transactions (inflows and outflows) from the beginning of the year, cumulative, as well as the balances of assets and liabilities of the Company and the Group at the end of the period, arising from transactions with related parties as defined in IAS 24 are as follows:

Amounts in thousands.000	The Group	The Company
A) Income	0.00	44,502.14
B) Expenses	0.00	17,180.83
C) Receivables	0.00	43,734.69
D) Payables	355.00	9,825.92
E) Directors' and members' of the Board of the Directors transactions and fees	4,698.22	3,749.97
F) Receivables from the Directors' and the members' of the BoD	0.00	0.00
G) Payables to the Directors' and the members' of the BoD	72.70	0.00

Agios Stefanos, March 28th, 2012

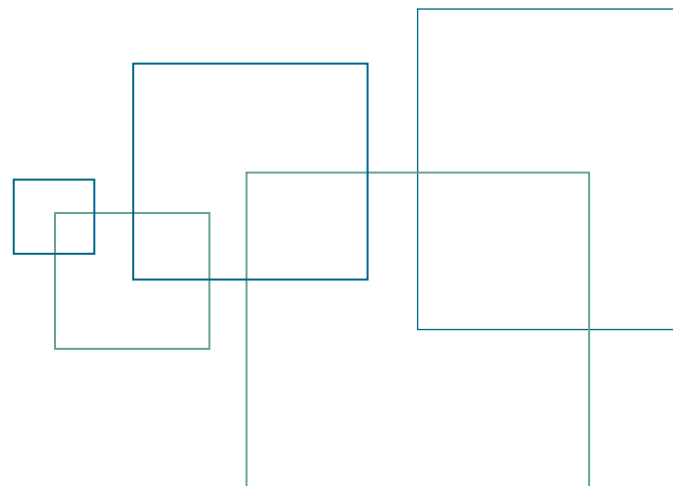
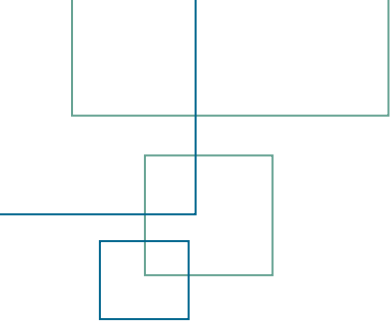
The Chairman of the BoD
KOUTSOLIOUTOS DIMITRIS
ID AK 031337

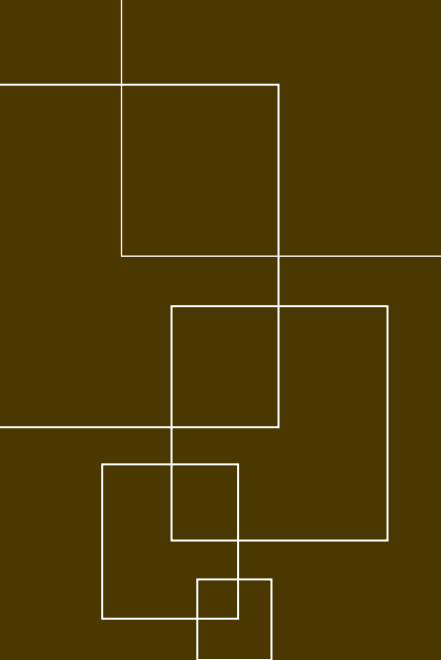
The Managing Director
KOUTSOLIOUTOS GEORGE
ID AB 593469

The Deputy Managing Director
& General Manager
VELENTZAS GEORGE
ID AB 285760

The Chief Financial Officer
KALAMATIANOS VASILIS
ID AE 011034

The Chief Accountant
ALAVANOS GEORGE
ID AI 518859
Lic.No 0008211 A' Class





FF
GROUP

DUTY FREE SHOPS S.A.

23rd km Athens - Lamia Highway
145 65, Ag. Stefanos, Attica, Greece
T: +30 210 6241 000
F: +30 210 6241 100

www.follifolliegroup.com