" HELLENIC DUTY FREE SHOPS S.A."

GENERAL COMMERCIAL REGISTER NO.: 006287501000

(COMPANIES REG. NO.: 58597/04/B/05/76)

23RD KM ATHENS – LAMIA NATIONAL ROAD, AGIOS STEFANOS, ATTICA GR-14565

Annual Financial Statements for the fiscal year 1 January – 31 December 2017 prepared in accordance with the International Financial Reporting Standards (IFRS)

It is hereby confirmed that the attached financial statements for the period 1.1.2017-31.12.2017 are those approved by the Company's Board of Directors on 14.06.2018 which were made public by posting them on the internet at www.dutyfreeshops.gr.

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I. Annual Report of the Board of Directors for the year 01.01.2017–31.12.2017

To the Ordinary General Meeting of Shareholders for 2017

Dear Shareholders,

The Board of Directors of Hellenic Duty Free Shops S.A. would like to submit the annual financial statements for the period 1.1.2017 to 31.12.2017 for approval. The Board would also like to report on events during that year.

Major events during the previous year

The tourism sector remained the main pillar of the Greek economy in 2017, with its contribution to GDP increasing significantly. In 2017, Greece recorded an increase in arrivals of permanent residents in other countries by + 9.7% and, unlike in previous years, recorded a small increase of + 2.8% in domestic tourism (SETE Data). The picture for 2017 regarding the choice of means of transport for tourists who choose Greece for their holidays is almost the same as in previous years. In particular, aviation arrivals accounted for 66% of all arrivals, followed by road 30% and sea 4%.

Specifically for HDFS, air passenger traffic amounted to 28,4 million in 2017, an increase of + 8% compared to 2016, while there was also a significant increase in customers of + 14.5%, reaching 6.28 million. Sales of "AIRPORT" sector stood at 198.5 million in 2017, an increase of +10.81%. A major factor contributing to customer and sales growth was the redevelopment and renovation of a 2,000 sqm section of the premises of the commercial shops housed within the Airport of Athens International Airport "EL. VENIZELOS "in the Intra Schengen area.

Continuing refugee flows and the political crisis in Turkey had a negative impact on passenger traffic in ports in 2017, resulting in a decrease in sales in the "PORT" sector by -8% (€ -1m) compared to 2016. Also, strikes of farmers and customs, the bad weather conditions and the political crisis in Turkey had a negative impact on the performance of border stores that experienced a decrease in sales by -1% (-0.8 million). Finally, increases in oil prices led to an increase in sales of + 2% (€ +0.37 million) at border fuel stations.

In the context of the concession of management of the 14 regional airports from the Greek state to FRAPORT Greece, the Company on March 23, 2017, signed a 40-year concession agreement with FRAPORT Greece for the operation and development of the stores at these airports. Based on this agreement, the Company paid to FRAPORT Greece an advance against future lease payments amounting to € 50 million.

On 3 April, the parent company DUFRY issued to "HDFS SA" a new loan of € 90 million of which € 40 million. was used to repay short-term borrowings and the amount of € 50 million was paid to FRAPORT as an advance against future lease payments. The duration of the new loan is 2 years at an interest rate of 5.75%.

Also, in December 2017, the Company, in the context of the Dufry Group's strategy to rationalize operating costs, announced a plan for the voluntary retirement of staff. Under this program, which completed in April 2018, 35 people withdrew to a total cost of € 710k. The program was extremely successful as benefits of € 983k are expected annually.

A. Overview of current year 2017

Consolidated Results

amounts in million €

	1/1-31/12/2017	1/1-31/12/2016
Sales	294	288
EBITDA	86	77
Earnings before tax	56	45
Earnings net of tax and minority interests	38	32

Sales per operating segment

For administrative purposes, the Group has been organised into 4 main business segments: a) airports, b) ports, c) borders and d) wholesales. Group operations which do not meet the criteria for presentation as a separate operating segment are combined and presented in the 'Other' category.

Group results per segment can be broken down as follows:

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.17

(Amounts in € '000) 1/1-31/12/2017	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Sales	189.959	12.030	86.443	3.531	5.416	297.379
Intra-group sales				(3.223)		(3.223)
Marketing revenues	8.584	79	787	-	3	9.453
Turnover	**198.543**	**12.109**	**87.230**	**308**	**5.419**	**303.609**
Cost of Goods Sold	(90.225)	(4.985)	(35.843)	(3.615)	(3.388)	(138.056)
Intra-group cost of goods sold	-	-	-	3.213	-	3.213
Gross profit	**108.318**	**7.124**	**51.387**	**(94)**	**2.031**	**168.766**
Earnings before taxes, financial and investment results and depreciation (EBITDA)	**50.461**	**3.897**	**41.712**	**(403)**	**(10.008)**	**85.659**
Depreciation	(2.133)	(402)	(1.417)	(21)	(12.396)	(16.369)
Other operating results	(3.888)	(72)	(16)	(38)	(169)	(4.183)
Earnings before interest and financial results (EBIT)	**44.440**	**3.423**	**40.279**	**(462)**	**(22.573)**	**65.107**

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.16

(Amounts in € '000) 1/1-31/12/2016	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Sales	**170.956**	**13.061**	**86.911**	**15.538**	**5.022**	**291.488**
Intra-group sales				**(3.681)**		**(3.681)**
Marketing revenues	**8.216**	**79**	**783**		**14**	**9.092**
Turnover	**179.172**	**13.140**	**87.694**	**11.857**	**5.036**	**296.899**
Cost of Goods Sold	**(80.806)**	**(5.578)**	**(35.292)**	**(13.994)**	**(2.877)**	**(138.547)**
Intra-group cost of goods sold				**3.670**		**3.670**
Gross profit	**98.366**	**7.562**	**52.402**	**1.533**	**2.159**	**162.022**
Earnings before taxes, financial and investment results and depreciation (EBITDA)	**41.587**	**4.259**	**42.108**	**(2)**	**(10.631)**	**77.321**
Depreciation	**(2.270)**	**(405)**	**(1.377)**	**(34)**	**(12.292)**	**(16.378)**
Other operating results	**(1.886)**	**(195)**	**(688)**	**(194)**	**(1.743)**	**(4.706)**
Earnings before interest and financial results (EBIT)	**37.431**	**3.659**	**40.043**	**(230)**	**(24.666)**	**56.237**

- Group financial position data and ratios

A breakdown of the Group's operations and performance is set out in the ratios shown below.

GROUP					
Ρευστότητα		**31.12.2017**		**31.12.2016**	
Current Liquidity	Current Assets	72.518	**0,38**	59.924	**0,33**
	Short-term liabilities	192.733		179.339	
Quick Liquidity	(Current assets - inventories)	31.622	**0,16**	22.012	**0,12**
	Short-term liabilities	192.733		179.339	
Cash assets	(Cash & Ash equivalents)	12.814	**6,6%**	9.550	**5,3%**
	Short-term liabilities	192.733		179.339	
Working Capital	(Receivables + inventories)	59.674	**13.897**	50.344	**10.957**
	(Suppliers + other short-term liabilities)	45.773		39.387	
Activity ratios					
Current assets turnover ratio	Net Sales	294.156	**4,06**	287.807	**4,80**
	Current Assets	72.518		59.924	
Inventories turnover ratio	Cost of goods sold	134.843	**3,42**	134.878	**3,35**
	Average inventory	39.404		40.246	
Inventory days	Average inventory	39.404	**107**	40.246	**109**
	Cost of goods sold	134.843		134.878	
Financial Leverage Ratios					
Debt-to-Equity ratio	Total Debt	146.959	**0,35**	139.952	**0,37**
	Total Equity	414.471		376.360	
Profitability Ratios					
Gross Profit	Gross Profit	168.766	**57,4%**	162.021	**56,3%**
	Sales	294.156		287.807	
Return on Assets	Net Profits	38.000	**5,5%**	31.595	**4,9%**
	Total Assets	693.749		646.409	
ROE	Net Profits	38.000	**9,2%**	31.595	**8,4%**
	Total Equity	414.471		376.360	

B. Subsequent Events

On 31 May 2018, with Article 22 of Law 4541/18, the prohibition of tax-free sales from the Company's branches located at the border stations was suspended until 30 June 2019.

Also on May 31st, 2018 under the Decision of the Administrator of Independent Authority for Public Revenue with protocol number 1083252 EX2018/31.05.2018 (FEK 2037 / B / 2018), the sale of tax free energy products from the stations of Duty Free Shops SA to the border stations of Kipi Evros, Kakavia and Evzonoi is abolished from 01.07.2018.

C. Key risks and uncertainties

In Management’s opinion, the key risks in the current financial period are as follows:

Macroeconomic conditions in Greece - Capital Controls

The macroeconomic and financial environment in Greece remains volatile. Following the capital controls imposed by the Bank of Greece, in the country in June 2015, domestic transactions and transactions with foreign suppliers and creditors have been affected as a result of restrictions on payments abroad. The Group initially affected, with delays in payments of suppliers but the management proceeded immediately to remedy the situation.

Additionally, as both Company’s and Group's borrowing is entirely related to the parent entity, DUFRY AG International, and in conjunction with the Group’s and the Company’s operations in Greece which depends to a large extent on foreign suppliers, the Group and the Company seek and obtain approval from the competent authorities to use cash, which held in Greece, in order to serve payments abroad. In this uncertain economic environment, management continually assesses the situation and likely future implications, to ensure that all necessary actions and initiatives are being undertaken to minimize any impact on the domestic activities of the Group.

Market Risk

i) Interest rate risk: This risk derives from the loan, which HDFS received from its parent company DUFRY A.G., and in particular from the fact that the agreement relates to a floating interest rate tied with the EURIBOR rate. Consequently, the Group is exposed to the risk of interest rate changes. However, the Company **does not run a major risk of interest rate fluctuations** since financial risks, and interest rates in particular, are managed centrally by the DUFRY Group’s Treasury Division.

ii) Exchange rate risk:

The risk arising from the fact that the consumer behaviour of customers is affected by the revaluation and devaluation of the home country currency compared to the Euro. The majority of goods purchased are paid for in euro and consequently the Company does not run any major risk of exchange rates fluctuations. The commercial divisions take into account the risk of a change in exchange rates when setting the sale price of their merchandise.

iii) Price – inflation risk:
In Management’s view, the Group does not run any risk of price fluctuations since it does not hold a major portfolio and prices of tradable products do not fluctuate significantly. The rise in inflationary pressures internationally, coupled with the volatility in the international financial system, could modify consumer behavior thereby affecting the Group’s sales and profits.

Credit Risk

This is the risk that a counterparty will breach its contractual obligations. The Group does not run any major credit risk since 90% of its turnover relates to retail sales while marketing revenues (estimated of 3% of

turnover) come from customers who also happen to be suppliers. To deal with credit risk from wholesales, the Group ensures that in the majority of cases most wholesale operations relate to selected customers.
Cash and cash equivalents are also considered assets with high credit risk, as current macroeconomic conditions in Greece exert considerable pressure on domestic banks.

Liquidity risk

Despite the unprecedented financial crisis and the restricted amount of liquidity worldwide, the Group has maintained high liquidity thanks to the fact that most of its sales are retail and it has further improved liquidity by keeping costs down

Inventory risk

This risk arises from retaining obsolete inventory and being unable to sell off those inventories or having to sell them at prices below their valuation. The Group has valued its old inventories at net realisable value, assessed in line with the DUFRY Group's international policy and actual market data. Management considers that this valuation method (which in fact realizes provisions about inventory valuation) fully ensures against inventory risk.

D. Labor and Environmental Issues

Diversification and equal opportunities policy

The core value of the DUFRY Group and, by extension, the HDFS SA is respect for humans. HDFS SA and its subsidiaries are non-discriminatory on the basis of "protected features". Protected characteristics include gender, disability, race, colour, ethnicity, national or ethnic origin, religion or belief, marital status, age, pregnancy and maternity. This policy applies equally to the treatment of our visitors, customers, customers and suppliers by our employees and to the treatment of our employees by these third parties. The company respects the diversity of employees and manages any matter of diversity arising in a fair and sensible manner. Everyone has a duty to act in accordance with this policy and to treat colleagues with dignity at all times. The company does not support any discriminatory practice or behaviour.

Respect for workers' rights and trade union freedom.

Since 1980, the Hellenic Duty-Free Shops' Association has been operating smoothly. The Hellenic Duty Free Shops' Association is the official body for representing employees of the company in which everyone has the right to participate.

Environmental issues

The Company, supported by a specialized consultant, has developed and implemented a system of procedures in accordance with the international standard ISO 14001. The certification process of the Environmental Management System has already commenced by the selected company TUV Austria Hellas. In this context, a number of inspections will be carried out at the local stores of the company in order to ascertain the proper system implementation and compliance with legislation.

Trends – Prospects

The prospects for incoming tourism in Greece for 2018 are extremely positive, although there are a number of unpredictable factors that can reverse prospects. Indicatively, we mention (a) economic factors such as the evolution of the exchange rate of international currencies such as the pound, ruble, yuan and the euro, as well as the fluctuation of oil prices, and b) geopolitical factors such as refugee-migrant, developments in the Middle East, international terrorism and the political crisis in Turkey.

For the year 2018, the Company proceeds with the implementation of an important growth plan, through the expansion and renovation of stores and new marketing activities under the new commercial policy, as well as a wide diversification into the mix of products and a thorough and more integrated presentation of Greek products.

As far as the Company's investment plan is concerned, in October 2017, the project for the extension of the terminal building and the relocation and extension of the Duty-Free Shops to the State Airport of Heraklion (KAHK) was started, with exclusive financing from "Duty Free Shops SA" and with a total budget of € 10 million.

In addition to the above project, the Company plans to renovate in cooperation with FRAPORT Greece the shops at the regional airports of Chania, Kavala, Zakynthos, Rhodes and Samos. It will also renovate the Satellite area to Athens International Airport in the form of a "walkthrough" and the remodeling of the areas in the Extra Schengen area of AIA. The above investments amount to € 9,18 million.

In this context, the Group and the Company will make as always, every effort to achieve the economic targets for 2018.

The Chief Executive Officer

Georgios Velentzas

II. Audit Report prepared by Independent Certified Public Accountant

This report has been translated from the original version in Greek Independent Auditors Report

To the Shareholders of Hellenic Duty Free Shops S.A.

Report on the Audit of the separate and consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Hellenic Duty Free Shops S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2017, the separate and consolidated income statement, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.
In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Hellenic Duty Free Shops S.A. and its subsidiaries (the Group) as at December 31, 2017 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements" section of our report. We remained independent of the Company and Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 13 of the financial statements, which describes the tax treatment of liabilities arose in prior years from the acquisition of the retail sector. Our opinion is not qualified in respect of this matter.

Other information

Management is responsible for the other information. The other information includes the Board of Directors Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the [separate and consolidated] financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the [separate and consolidated] financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the separate and consolidated Financial Statements

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

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a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, of the Codified Law 2190/1920 and the content of the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2017.

b) Based on the knowledge and understanding concerning Hellenic Duty Free Shops S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, July 16 2018

The Certified Auditor Accountant

Konstantinos Tsekas

S.O.E.L. R.N. 19421
Ernst & Young (Hellas) Certified Auditors Accountants S.A.

8B Chimarras St., Maroussi

151 25, Greece

Company SOEL R.N. 107

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III. Annual Financial Statements

1. Statement of financial position (Consolidated and Separate)

(Amounts in € '000)	Notes	GROUP 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2017	COMPANY 31/12/2016
Assets					
Non-current assets					
Tangible assets	4	27.882	26.427	27.627	26.063
Intangible assets	5	362.421	374.371	362.421	374.357
Goodwill	5	181.100	181.100	181.100	181.100
Investments in subsidiaries		-	-	6.296	6.296
Deferred tax assets	16	-	-	-	-
Other long-term assets	6	49.828	4.587	48.928	3.569
		621.231	586.485	626.372	591.385
Current assets	7	40.896	37.912	38.793	34.856
Inventories	8	5.216	5.378	2.014	1.725
Customers & other trade receivables	8	13.562	7.054	11.161	4.675
Other receivables		30	30	30	30
Financial assets presented at fair value through P&L	9	12.814	9.550	8.147	6.281
		72.518	**59.924**	**60.145**	**47.567**
Total Assets		**693.749**	**646.409**	**686.517**	**638.952**
Equity & Liabilities					
Equity					
Share Capital		397.535	397.535	397.535	397.535
Other Reserves		5.366	3.314	5.151	3.180
Retained earnings		11.570	(24.489)	7.157	(28.083)
Equity attributed to parent company shareholders		**414.471**	**376.360**	**409.843**	**372.632**
Non-controlling interests					
Equity	10	**414.471**	**376.360**	**409.843**	**372.632**
Long-term liabilities					
Long-term loan obligations	11	-	-	-	-
Deferred tax liabilities	16	80.345	83.705	80.564	83.926
Staff termination liabilities	12	5.392	5.389	4.932	5.006
Other long-term provisions	13	808	1.616	808	1.616
Other long-term liabilities		-	-	-	-
Long-term liabilities		**86.545**	**90.710**	**86.304**	**90.548**
Short-term liabilities					
Short-term loan liabilities	11	13.959	39.471	13.959	39.471
Suppliers and other liabilities	14	19.735	20.466	18.646	18.710
Current tax liabilities	15	3.888	1.890	3.880	1.514
Long-term liabilities payable next year	11	133.000	100.481	133.000	100.481
Other short-term liabilities	14	22.151	17.031	20.885	15.596
Short-term liabilities		**192.733**	**179.339**	**190.370**	**175.772**
Total liabilities		**279.278**	**270.049**	**276.674**	**266.320**
Equity and Liabilities		**693.749**	**646.409**	**686.517**	**638.952**

1.1 Statement of Comprehesive Income (Consolidated and Separate)

(Amounts in € '000)	Notes.	GROUP 1/1-31/12/2017	GROUP 1/1-31/12/2016	COMPANY 1/1-31/12/2017	COMPANY 1/1-31/12/2016
Sales	3, 17	**294.156**	**287.807**	**277.979**	**268.637**
Marketing revenues	3	9.453	9.092	5.656	5.225
Turnover		**303.609**	**296.899**	**283.635**	**273.862**
Cost of Goods Sold	3, 18	(134.843)	(134.878)	(123.707)	(121.428)
Gross profit		**168.766**	**162.021**	**159.928**	**152.434**
Selling expenses	19	(34.047)	(34.376)	(32.535)	(32.250)
Staff expenses	20	(38.082)	(39.485)	(32.764)	(33.972)
Overheads	21	(10.978)	(10.839)	(10.584)	(10.391)
Earnings before taxes, financial and investment results and depreciation (EBITDA)		**85.659**	**77.321**	**84.045**	**75.821**
Depreciation	3, 22,4,5	(16.369)	(16.378)	(16.268)	(16.268)
Other operating results	23	(4.183)	(4.706)	(4.128)	(4.580)
Earnings before interest and financial results (EBIT)		**65.107**	**56.237**	**63.649**	**54.973**
Financial income	24	86	145	73	126
Financial Expenses	24	(9.552)	(11.228)	(9.551)	(11.226)
Foreign currency differences		(53)	55	(47)	48
Earnings before tax (EBT)		**55.588**	**45.209**	**54.124**	**43.921**
Income tax	15	(17.588)	(13.614)	(17.029)	(13.120)
Earnings net of tax		**38.000**	**31.595**	**37.095**	**30.801**
Other comprehensive income / (losses):					
Actuarial gains/(losses) in equity		156	(206)	163	(201)
Deferred income tax		(45)	60	(47)	58
Other comprehensive income / (loss) after taxes		**111**	**(146)**	**116**	**(143)**
Total comprehensive income / (losses) net of tax		**38.111**	**31.449**	**37.211**	**30.658**
Consolidated comprehensive income attributable to:					
Parent company shareholders		**38.111**	**31.449**	**37.211**	**30.658**
Minority interests		**-**	**-**		
Total		**38.111**	**31.449**	**37.211**	**30.658**
Earnings per share basic and diluted (in €):		**4,7934**	**3,9555**	**4,6802**	**3,8560**

3 Statement of Changes in Equity (Consolidated and Separate)

3.1 Statement of changes in equity (Consolidated)

Group						
	Share capital	**Other reserves**	**Retained earnings**	**Total equity attributable to company shareholders**	**Total equity**	**Share capital**
Balance as at 1η January 2016	**397.535**	**1.880**	**(54.504)**	**344.911**	**-**	**344.911**
Earnings net of tax	-	-	31.595	**31.595**	-	**31.595**
Actuarial gains/(losses) in equity	-	(206)	-	**(206)**	-	**(206)**
Income tax relating to comprehensive income items	-	60	-	**60**	-	**60**
Consolidated comprehensive income net of tax	**-**	**(146)**	**31.595**	**31.449**	**-**	**31.449**
Transfer to reserves	-	1.580	(1.580)	**-**	-	**-**
Other	**-**	**1.580**	**(1.580)**	**-**	**-**	**-**
Balance as at 31η December 2016	**397.535**	**3.314**	**(24.489)**	**376.360**	**-**	**376.360**
Balance as at 1η January 2017	**397.535**	**3.314**	**(24.489)**	**376.360**	**-**	**376.360**
Earnings net of tax	-	-	38.000	**38.000**	-	**38.000**
Actuarial gains/(losses) in equity	-	156	-	**156**	-	**156**
Income tax relating to comprehensive income items	-	(45)	-	**(45)**	-	**(45)**
Consolidated comprehensive income net of tax	**-**	**111**	**38.000**	**38.111**	**-**	**38.111**
Transfer to reserves	-	1.941	(1.941)	**-**	-	**-**
Other	**-**	**1.941**	**(1.941)**	**-**	**-**	**-**
Balance as at 31η December 2017	**397.535**	**5.366**	**11.570**	**414.471**	**-**	**414.471**

3.2 Statement of changes in equity (Separate)

Company						
	Share capital	**Other reserves**	**Retained earnings**	**Total equity attributable to company shareholders**	**Total equity**	**Share capital**
Balance as at 1η January 2016	**397.535**	**1.783**	**(57.344)**	**341.974**	**-**	**341.974**
Earnings net of tax	-	-	30.801	**30.801**	-	**30.801**
Actuarial gains/(losses) in equity	-	(201)	-	**(201)**	-	**(201)**
Income tax relating to comprehensive income items	-	58	-	**58**	-	**58**
Consolidated comprehensive income net of tax	**-**	**(143)**	**30.801**	**30.658**	**-**	**30.658**
Transfer to reserves	-	1.540	(1.540)	**-**		**-**
Other	**-**	**1.540**	**(1.540)**	**-**	**-**	**-**
Balance as at 31η December 2016	**397.535**	**3.180**	**(28.083)**	**372.632**	**-**	**372.632**
Balance as at 1η January 2017	**397.535**	**3.180**	**(28.083)**	**372.632**	**-**	**372.632**
Earnings net of tax	-	-	37.095	**37.095**	-	**37.095**
Actuarial gains/(losses) in equity	-	163	-	**163**	-	**163**
Income tax relating to comprehensive income items	-	(47)	-	**(47)**	-	**(47)**
Consolidated comprehensive income net of tax	**-**	**116**	**37.095**	**37.211**	**-**	**37.211**
Transfer to reserves		1.855	(1.855)			
Other	**-**	**1.855**	**(1.855)**	**-**		**-**
Balance as at 31η December 2017	**397.535**	**5.151**	**7.157**	**409.843**	**-**	**409.843**

4 Statement of cash flows (consolidated and separate)

(Amounts in € '000)		GROUP		COMPANY	
		1/1-31/12/2017	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Operating activities					
Earnings / (losses) before tax		55.587	45.209	54.124	43.921
Adjustments to reconcile net flows from operating activities:			-		
Depreciation	3,22,4,5	16.368	16.378	16.268	16.268
Staff leaving compensation provisions	12	534	3.508	518	3.310
Provision for bad debt	8	80	(16)	80	-
Reversal of risk provisions	13	1.303	(544)	1.303	(544)
Reversal of inventory obsolescence provisions	7	40	224	-	-
Depreciation of loan expenses	11	619	619	619	619
Financial income	24	(86)	(145)	(73)	(126)
Financial expenses	24	8.933	10.609	8.932	10.607
Losses from impairment of holdings		-	-	-	-
Losses/(gains) from impairment/sale of assets		676	540	651	540
Losses/(gains) from foreign exchange differences		47	(55)	47	(48)
Operating profit before changes in working capital		**84.101**	**76.327**	**82.469**	**74.547**
Increase) / Decrease in:					
Inventories	7	(2.338)	4.479	(3.937)	3.890
Customers and other receivables	8	(8.428)	(571)	(8.959)	325
Increase / (Decrease) in:					
Suppliers	14	(1.685)	4.936	(64)	5.877
Accrued and other short-term liabilities	14	6.591	(348)	6.590	(40)
Changes in Working Capital		**(5.860)**	**8.496**	**(6.370)**	**10.052**
Taxes paid		(18.999)	(15.507)	(18.075)	(15.094)
Payments for staff compensation	12	(447)	(3.624)	(447)	(3.431)
Interest paid	24	(10.267)	(8.745)	(10.266)	(8.743)
(Increase)/decrease in other long-term receivables	6	(45.189)	(138)	(45.359)	11
Total inflows from operating activities		**3.340**	**56.809**	**1.952**	**57.342**
Investing Activities					
Purchases of tangible assets	4	(6.337)	(3.502)	(6.299)	(3.480)
Additions of intangible assets	5	(248)	(79)	(248)	(79)
Interest and related income collected	24	86	145	73	126
Total net outflows from investing activities		**(6.463)**	**(3.436)**	**(6.474)**	**(3.433)**
Financing Activities					
Short- and long-term loan payments		(83.612)	(65.500)	(83.612)	(65.500)
Proceeds from loans	11	90.000	9.357	90.000	9.357
Total inflows from financing activities		**6.388**	**(56.143)**	**6.388**	**(56.143)**
				-	**-**
Net (decrease) / increase in cash assets		**3.265**	**(2.770)**	**1.866**	**(2.234)**
Cash and cash equivalents – Opening Balance		**9.550**	**12.320**	**6.281**	**8.515**
Cash and cash equivalents – Closing Balance		**12.815**	**9.550**	**8.147**	**6.281**

IV. Notes to the Annual Financial Statements

1. General Information

Hellenic Duty Free Shops S.A. (hereinafter HDFS S.A.) is a Greek company with its registered offices in Agios Stefanos, Attica, entered in the Companies Register (General Commercial Reg. No. 006287501000). The company operates in the travel retail trade sector.

These financial statements which cover the period from 1η January 2017 till 31η December 2017, include the financial statements of Hellenic Duty Free Shops S.A. and its subsidiaries (referred to collectively as the Group) and were approved by the Company's Board of Directors on 14 June 2018.

1.1 Major events during the previous year

In the context of the concession of management of the 14 regional airports from the Greek state to FRAPORT Greece, the Company on March 23, 2017, signed a 40-year concession agreement with FRAPORT Greece for the operation and development of the stores at these airports. Based on this agreement, the Company paid to FRAPORT Greece an advance against future lease payments amounting to € 50 million.

On 3 April, the parent company DUFRY issued to "HDFS SA" a new loan of € 90 million of which € 40 million. was used to repay short-term borrowings and the amount of € 50 million was paid to FRAPORT as an advance against future lease payments. The duration of the new loan is 2 years at an interest rate of 5.75%.

Also, in December 2017, the Company, in the context of the Dufry Group's strategy to rationalize operating costs, announced a plan for the voluntary retirement of staff. Under this program, which completed in April 2018, 35 people withdrew to a total cost of € 710k. The program was extremely successful as benefits of € 983k are expected annually.

Finally, regarding the tax-free sales from the Company's branches located at the border stations, the following should be noted. Based on article 85 of Law 3842/10 (PD 58 A / 23-4-2010) the above right ceased on 1 January 2017. However, on 23 December 2016, Article 55 of Law 4447/16 suspended the application of the provision until 30 June 2017. On 23 June 2017, Article 88 of Law 4478/17 suspended the application of the provision until 30 June 2018. It should be noted that on 31 May 2018, with Article 22 of Law 4541/18, the prohibition of tax-free sales from the Company's branches located at the border stations was suspended until 30 June 2019.

1.2 Group Structure

"Duty Free Shops" and its subsidiaries are 100% directly owned by DUFRY INTERNATIONAL AG. The consolidated financial statements include the financial statements of the parent Company and its wholly-owned subsidiary, "Hellenic Distributions SA", which is consolidated using the consolidation method.

2. Important accounting policies used by Group.

2.1 Basis of preparation of the Financial statement.

Hellenic Duty Free Shops S.A.'s consolidated financial statements dated 31.12.2017 which cover the entire 2017 accounting period have been prepared on the basis of the historical cost principle modified by adjusting specific assets and liabilities to current values, the going concern principle and are in line with the International Financial Reporting Standards (IFRS) issued by the IASB and their interpretations issued by the IASB's IFRIC. The specific financial statements which are attached have been prepared in line with the requirements in Codified Law 2190/1920 as in force. The fact that current assets fall short of short-term liabilities by € 130m. is not a problem in the application of the principle of continuity of activity, as it is mentioned in Note. 11 of the financial statements, most of the short-term borrowing relates to an intragroup loan and the company has received confirmation from the parent company Dufry AG for its financial support by extending the repayment

of the instalments of this loan if and when deemed necessary.
Preparation of the financial statements in line with the IFRS requires, use of accounting assessments and the exercise of judgement in implementing Group accounting policies. Major assumptions made by Management in applying the company's accounting methods are pointed out where it is considered necessary.

The currency of presentation is in euro (the currency of the country in which the Group's parent company has its registered offices) and all amounts are shown as thousands of euro unless otherwise stated.

2.2 New standards & interpretations

A) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those adopted in the previous financial year except for the following standards that the Group and the Company adopted on 1 January 2017**.**

- **IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)**
  The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment. The Amendments were not applicable for the Group and the Company.

- **IAS 7: Disclosure Initiative (Amendments)**
  The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. The Amendments were not applicable for the Group and the Company.

- The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU. This improvement did not have an effect on the Company's financial statements.

  - ***IFRS 12 Disclosure of Interests in Other Entities:*** The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

B) Standards issued but not yet effective and not early adopted [REMEMBER EACH COMPANY/GROUP MUST ADD ITS ESTIMATE OF EXPECTED EFFECT ON FS FROM ADOPTION OF THE STANDARD]

- **IFRS 9 Financial Instruments: Classification and Measurement**
  The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Amendments were not applicable for the Group and the Company.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. Based on the above analysis, no significant differences were found current accounting policies. Therefore, the new standard is not expected to have a significant impact on the consolidated financial statements of the Group and the Company in its application.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**
  The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The Amendments were not applicable for the Group and the Company

- **IFRS 16: Leases**
  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The Company / Group Management estimates that the Standard will mainly affect the accounting for the Group's operating leases. However, the Group has not yet determined to what extent these commitments will lead to the recognition of an asset and a liability for future payments, and how this will affect the Group's profit and the cash flow classification. This is due to the fact that some of the leases can be covered by the exception for short and low value leases and some leases may concern arrangements that will not be considered as leases under IFRS 16. The Group expects to complete the Impact Assessment by the implementation of the new standard in the coming months

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

- **IAS 19: Changes, Cuts or Settlement of a Defined Benefit Scheme (Amendments)**
  The amendments are effective for annual periods beginning on or after January 1, 2019, while earlier application is permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a change, curtailment or settlement of the defined benefit plan is made. The amendments also clarify how the application of asset asset ceiling requirements is affected by the accounting treatment of a change, curtailment or settlement of the defined benefit plan. The amendments have not yet been adopted by the European Union. The Company's Management will assess the effect of these changes in the financial statements.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company

- **IAS 40: Transfers to Investment Property (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**
  The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. These Amendments have not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**
  The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

  The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

  - ***IFRS 1 First-time Adoption of International Financial Reporting Standards:*** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
  - ***IAS 28 Investments in Associates and Joint Ventures:*** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

  The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. The Amendments were not applicable for the Group and the Company.

- ***IFRS 3 Business Combinations and IFRS 11 Joint Arrangements*:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- ***IAS 12 Income Taxes*:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- ***IAS 23 Borrowing Costs*:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

2.3 Consolidation

2.3.1 Subsidiaries

The consolidated financial statements include the financial statements of the Company and all the undertakings controlled by it (subsidiaries). There is control when the Company can determine the financial and operational activities of an entity in order to gain benefits. The results, assets and liabilities of subsidiaries are incorporated into the financial statements using the total consolidation method. The financial statements of subsidiaries are prepared using the same accounting policies as those followed by the Company. Intragroup transactions, intragroup balances and intragroup income and expenses are eliminated during consolidation. Goodwill arising from the acquisition of undertakings, if positive, is recognised as a non-depreciable asset, which is tested each year for impairment. If negative, it is recognised as income in the Group's income statement. Goodwill is the difference between the price paid to acquire the company and the fair value of the individual assets, liabilities and contingent liabilities of the acquired company.

A change in the ownership regime of a subsidiary, without entailing a loss of control, is treated as an equity transaction. If the Group loses control of a subsidiary then:

- It deletes the assets (and goodwill) and liabilities of the subsidiary
- It deletes the book value of any non-controlling interests
- It deletes the accumulated conversion differences posted in equity
- It recognises the fair value of the consideration received
- It recognises the fair value of the residual investment
- It recognises any surplus or deficit in the results and
- It reclassifies the parent company's interest in the assets which had previously been recognised in other comprehensive income, in P&L or retained earnings, as appropriate.

2.3.2 Foreign Exchange Conversion

(a) Functional and presentation currency

The assets of companies presented in the Group and Company's financial statements are presented in euro, which is the currency of the economic environment in which they operate (the functional currency).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Profits and losses from foreign exchange differences arising from the settlement of such transactions during the period and from conversion of currency units expressed in foreign currency during the period and on the balance sheet date at current exchange rates are posted to the results. Foreign exchange differences from non-currency units valued at fair value are considered part of the fair value and thus are recognised wherever fair value differences are recognised. The assets presented in the financial statements of the Group's companies are measured using the currency of the economic environment of each country in which each company in the Group operates. The separate financial statements of the companies included in the consolidation, which were initially presented in a currency other than the Group's presentation currency, are then converted into euro. Assets and liabilities are converted to euro at the exchange rate on the date the balance sheet is closed. Gains and losses are converted into the Group presentation currency based on the average exchange rates prevailing during the financial year. Any differences arising from that process are carried forward to the reverse used for converting the balance sheets of subsidiaries into a foreign currency, at net worth via OCI.

2.4 Summary of main accounting policies

2.4.1 Business combinations and goodwill

All business combinations are accounted for using the acquisition method. The cost of acquisition is calculated as the total consideration transferred computed on the date of acquisition at fair value and the size of any non-controlling interests in the acquired entity. For each business combination, the acquirer calculates the non-controlling interests in the acquired entity at fair value or as a proportion of the net recognized assets of the acquired entity. Expenses on acquisition recognized in income statement.

On the date of acquisition, the Group values the acquired assets and outstanding liabilities to classify them in the appropriate way, and to identify them in line with contractual terms, economic circumstances and the relevant conditions on the date of acquisition. That includes the purchaser segregating embedded derivatives from the main contracts.

In a business combination which takes place over time, the Group re-calculates its equity interests previously held in the acquired entity at fair value on the date of acquisition, and the difference is transferred to the results.

Any contingent consideration to be transferred by the acquirer will be presented at fair value on the date of acquisition. Any subsequent changes in fair value of any contingent consideration payable, which will be treated as assets or liabilities, will be presented in line with IAS 39 in the results or as a change to OCI. If the contingent consideration is classified as an equity item, no new re-calculation will take place until the subsequent settlement is accounted for in equity.

Goodwill is initially valued at cost, meaning the difference between the total amount of the price transferred and the amount recognised for non-controlling interests in the net recognised assets and outstanding liabilities. If that price is below the fair value of the net assets in the subsidiary acquired, the different is presented in the results.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the date of purchase to each cash generating unit expected to benefit from the combination, irrespective of whether other receivables or liabilities in the acquired entity are assigned to those units.

When the goodwill is part of a cash generating unit and a part of the units operations are sold off, the goodwill associated with the operations sold-off is included in the book value of the operations when the gains or losses from sale of the operation are calculated. The goodwill in this case is measured based on the relevant value of the operations sold and the percentage of the cash generating unit which is retained.

2.4.2 Participation in associates

Group investments in other legal entities over which the Company exerts significant influence without them being subsidiaries or joint ventures, are accounted for using the equity method. In this method, holdings in associates are recorded at acquisition cost and subsequently that figure is increased or decreased when the investor's interest in the associate's results is recognised, when other changes in the associate's equity are recognized or when dividends received (less provisions for impairment) are recognized. The consolidated income statement expresses the Group's share in the results of the operations of its associates. When there is a change recognized directly in an associate's equity, the Group recognizes its share in that change in its statement of changes in equity. Unrealized gains and losses from transactions between the Group and associates are crossed out to the extent of the holding in the associate. The associate's financial statements are prepared for the same reporting period as the Group's. Whenever needed, adjustment entries are made so that the associate's accounting policies are identical to those of the Group. After the equity method has been used, the Group determines whether it is necessary to recognize impairment losses for its investment in the associate. On the date of the statement of financial position, the Group determines whether there are objective indications that the investment in the associate has become impaired. When significant influence over the associate is lost, the Group calculates the residual value at fair value and recognizes it in its financial statements.

2.4.3 Property, plant and equipment

Property, plant and equipment are presented in the financial statements at acquisition value or presumed cost determined based on fair value on the transition date, less accumulated depreciation and any fixed asset obsolescence. The cost of acquisition includes all directly payable expenses for acquiring assets.

Subsequent costs are included in the fixed asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of repair and maintenance works is recognised in the results when the said works are carried out.

Depreciation of tangible assets (other than lots which are not depreciated) is calculated using the straight line method over their useful life as follows:

Fixed asset category	**Useful life (in years)**
-Buildings & technical installations on third party property	10
-furniture & mechanical equipment	4-10
-cars – vehicles	8-10
-computers	5

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date. When the book value of tangible assets exceeds the recoverable value the differences (impairment) are posted as expenses to the results.

When the tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement. Repairs and maintenance costs are expensed in the period to which they relate.

Tangible assets used by the company itself (PPE) entail an addition to the acquisition cost of fixed assets at values which include direct pay rolling costs for staff involved in construction (the corresponding employer contributions), the cost of materials used and other general costs.

2.4.4 Intangible assets

2.4.4.1 Trademarks and licences

Trademarks and licenses which are acquired are initially recognised at historical cost. Licenses have a limited useful life and are presented at cost less accumulated depreciation. Depreciation is calculated using the useful life method to allocate the cost of trademarks and licenses over their estimate useful life.

Exclusive right to operate duty free shops: Article 120 of Law 2533/1997 conferred an exclusive right to operate duty free shops on the company. This is shown in the financial statements at fair value, that fair value being calculated by an independent assessor using the discounted cash flow method on the date that the travel retail sector was absorbed. Depreciation is recorded using the straight line method over the useful life of the assets which is 35 years until 2048.

2.4.5 Other Intangible Assets

This category includes the Group's leasing rights, which are initially recognized at acquisition cost. After initial recognition, intangible assets are measured at cost less accumulated depreciation and any impairment losses incurred. This category also includes software which has been acquired and is being used in production or administrative processes. The licenses acquired for such software are capitalized based on the costs incurred to acquire and install the specific software.

The expenditure associated with software maintenance is recognized as an expense in the period in which the expenditure is incurred. Expenditure which is capitalized is depreciated using the straight line method over the estimated useful life of the assets.

2.4.6 Asset impairment

Intangible assets that have an indefinite useful life are not subject to depreciation and are tested annually –at the very least- for impairment. Assets subject to depreciation are tested for impairment, when there are indications that their book value cannot be recovered. The recoverable value is either the fair value less the amount required for the cost of sale or the usage value of the asset whichever is higher. The usage value is determined using discounted future cash flows with a suitable discount rate. If the recoverable value is less than the carried value, then the carried value is reduced to the level of the recoverable value

Impairment losses are recognised as expenses in the results for the period in which they arose unless the asset has been adjusted in value in which case the impairment losses reduce the relevant adjustment reserve. When the impairment loss in a later period has to be reversed, the carried value of the asset is increased up to the level of the revised assessment of recoverable value to the extent that the new carried value does not exceed the carried value which would have been determined had the impairment loss not been posted in previous periods. Reversing of impairment losses is posted to income unless the asset has been adjusted in value in which case the reversing of impairment losses increases the relevant adjustment reserve.

For the purposes of assessing impairment losses , assets are grouped at the lowest cash generating units.

2.5 Financial Assets

2.5.1 Initial recognition

Financial assets are recognized in the balance sheet of the Group, since the Group becomes a party to the contractual provisions of the financial instrument.

The Group classifies financial assets in the following categories:

- Loans and receivables, trade receivables
- Sight and time deposits
- Financial assets at fair value through profit and loss
- Financial assets available for sale, and
- Held-to-maturity investments..

Financial assets are divided into different categories by management depending on their features, and the purpose for which they are acquired.

The category in which each financial instrument is classified differs from each other since for every category in which financial instruments are classified different rules apply in valuing each instrument and recognising revaluation results in the income statement or directly in Equity. Financial assets are recognised in the accounts on the date of the commercial transaction.

2.5.2 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss include financial assets primarily acquired for commercial reasons which the Group determines are to be valued at fair value through profit and loss upon initial recognition. Moreover, dividends which do not meet the criteria for hedge accounting are classified in this category.

The financial assets included in this category are valued at fair value through profit and loss and cannot be moved to another category. Financial assets which the Group has classified in this category include shares listed on ATHEX.

2.6 Inventories

Stocks/inventory measured at the lower of acquisition cost and net realizable value. Cost is determined using the weighted average method . Net realizable value is estimated based on the current selling price in the ordinary course of business, less any selling expenses where applicable.

2.7 Loans, trade receivables and other receivables

Loans and receivables are non-derivative financial assets with fees, specified payments, which do not have a market price on any active market. They are generated when the Group provides money, products or services directly to a debtor without any intention to commercially exploit them. They are valued at carried cost using the effective interest rate method, less any impairment provisions. Each change in the value of loans and receivables is recognized in the income statement when loans and receivables are written off or are subject to impairment as well as using the effective interest rate method.

Trade receivables are initially recognised at fair value and are subsequently measured at carried cost using the effective interest rate method. Suitable provisions for amounts considered to be non-recoverable are recognised in the income statement when there are objective indications that assets have become impaired. The provision recognised is measured as the difference between the book value of the asset and the present value of estimated future cash flows discounted using the effective interest rate which applied at the time of initial recognition. Impairment testing is carried out for certain types of receivables on individual receivables (for example for each customer individually) in cases where on the date of the financial statements the receivable has not yet been collected, or in cases where objective data indicate a need for impairment to be recorded. Other receivables are grouped and tested for impairment overall. The level of impairment loss is the difference between the book value of receivables and the estimated future cash flows. The amount of impairment loss is recognised in the income statement as an expense.

Receivables and loans are classed as current assets, apart from those which expire more than 12 months from the date of the balance sheet. These are classed as non-current assets. Receivables and loans, which are the majority of the Group's financial assets, are classified as trade and other receivables in the balance sheet.

2.8 Cash Equivalents

Cash and cash equivalents include cash in the bank and on-hand, and also short-term, highly liquid investments such as repos and bank deposits maturing within less than 3 months.

For the purpose of preparing the cash flow statement, cash and cash equivalents are comprised of cash and cash equivalents as defined above but do not include the outstanding balances of bank overdrafts.

2.9 Share Capital

Ordinary shares are posted as equity. Direct costs for the issuing of shares are presented after deducting the income tax applied to reduce the proceeds of the issue. Direct costs related to the issuing of shares to acquire businesses are included in the cost of acquiring the business acquired. The cost of acquiring own shares less income tax (if applicable) is presented as reducing Group equity until the own shares are sold or cancelled. Any profits or loss from sale of own shares net of direct other costs from the transaction and income tax, if applicable, are presented in equity as a reserve.

2.10 Financial liabilities

2.10.1 Initial recognition

Financial liabilities are posted in the Group's balance sheet when the Group becomes one of the contracting parties to a financial instrument. Group financial liabilities include bank loans and overdrafts, trade and other types of liabilities, as well as finance leases.

The Group classifies financial liabilities in the following categories:

- Financial liabilities at fair value through profit and loss
- Financial liabilities recognised at amortised cost

2.10.2 Financial liabilities (excluding loans)

Financial liabilities are recognised when the Group has a holding in a financial instrument and are deleted when the Group is released from that liability or it is cancelled or matures. Liabilities from finance leases are valued at their initial value less the amount for financial repayments, and interest is recognised as an expense in the 'Financial Expenses' account in the income statement. Trade liabilities are initially recognised at their face value and subsequently valued at carried cost. Gains and losses are recognised in the income statement when liabilities are deleted and when using the effective interest rate method. Dividends to shareholders are recognised in the 'Dividends Payable' account when approved by the General Meeting of Shareholders. Liabilities from trading activities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

2.10.3 Bank loans

All loans are initially recognized at cost which is the fair value of the consideration received less the cost of issuing the loans. After initial recognition, loans are valued at carried cost using the effective interest rate method, and any difference is recognized in the results during the borrowing period.

2.11 Income taxation

2.11.1 Current income taxation

Current tax assets/liabilities include those liabilities or assets from tax authorities which are related to the current or previous reporting periods which have not been paid by the balance sheet date. They are calculated using the tax rates in line with the tax laws which apply, based on the taxable profits each year. All changes to current tax assets or liabilities are recognized as tax expenses in the results.

2.11.2 Deferred income tax

Deferred income tax is calculated using the liability method which focuses on interim differences. This includes a comparison of the book value of receivables and liabilities in the consolidated financial statement and their corresponding tax bases.
Deferred tax assets are admitted to the extent that it is likely that they will offset against future income tax.
The Group certifies a previously unrecognised deferred tax asset to the extent that it is likely a future taxable profit.
The deferred tax asset is re-considered on each balance sheet date and is reduced to the extent that it is no longer likely that an adequate taxable profit will be available to permit use of the beneficial part or all of the deferred tax asset.
Deferred tax liabilities are recognised for all taxable interim adjustments. Tax losses which can be carried forward to subsequent periods are recognised as deferred tax assets.
Deferred tax assets and liabilities are measured in accordance with the tax rates set to be in effect in the financial year during which an asset or a liability shall be settled, taking into account tax rates (and tax laws) which have been and effectively are in force until the Balance Sheet date.
Changes in deferred tax assets or liabilities are recognised as part of the income tax in the income statement unless they arise from specific changes in assets or liabilities, which are recognised directly in the Group's equity, and result in a relevant change in the deferred tax assets or liabilities being debited/credited to the relevant equity account.

2.12 Pension benefits and short-term employee benefits

2.12.1 Short-term benefits

Short-term benefits to personnel (except for termination of employment benefits) in cash and kind are recognized as an expense when considered accrued. Any unpaid amount is accepted as a liability, whereas in case the amount already paid exceeds the benefit amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a future payment reduction or refund.

2.12.2 Post-employment benefits

The Group has designated both defined benefit and defined contribution plans.

2.12.2.1 Defined contribution plans

Group staff are primarily covered by the main public sector social security provider which relates to the private sector (IKA) which provides pension and Medicare benefits. Each employee is obliged to contribute part of his monthly salary to the fund and part of the overall contribution is covered by the Group. Upon retirement, the pension fund is responsible for paying retirement benefits to employees. Consequently, the Group has no legal or presumed obligation to pay future benefits based on this scheme.

Based on the fixed contribution plan, the Group's obligation (whether legal or presumed) is limited to the amount which it has agreed to contribute to the fund which manages contributions and provides benefits. Consequently, the amount of benefits which the employee will receive is determined by the amount the Group (and/or the employee) pays and the investments on those contributions payable. The contribution payable by the Group towards a defined contributions plan is recognised as a liability after deducting the contribution paid as the corresponding expense.

2.12.2.2 Defined benefit plans: Staff termination liabilities

Obligations to pay retirement compensation are calculated on the discounted value of future benefits which have accumulated at the end of the year based on recognition of an employee's right to benefits during his expected working life. These obligations are calculated based on the financial and actuarial assumptions which are explained in Note 12 and are specified using the actuarial valuation method called the projected unit method. The net cost of retirement in the period includes the cost of payrolling in the attached financial statements.

The obligation to compensate for retirement is recognised in the statement of financial position and is the present value of future cash flows using the interest rates of high quality corporate bonds or treasury bonds whose duration is similar to that of the obligation, as the discount rate.

The cost of past service is recognised in the income statement on which of the following dates falls first:
-The date on which it is amended or cut and
-The date the company and Group recognise restructuring-related costs.

The financial cost is determined using the discount rate used to measure the defined benefit liability (or asset). The Company and Group recognise the following changes in the defined benefit obligation in payrolling costs and financial expenses:
-The cost of service which consists of the current cost of service and the cost of past service, gains and losses from cuts and extraordinary changes in the defined benefits plan
- Net financial expenses or revenues.

Re-assessments to actuarial gains or losses are directly recognised in the statement of financial position by debiting or crediting the retained earnings account accordingly, through other comprehensive income for the period in which those gains or losses are incurred. The re-assessments are not reclassified in the income statement in subsequent periods.

2.13 Other provisions

Provisions are certificated when a present commitment is likely to lead to an outflow of financial resources for the Group and that can be reliably assessed. The timing and size of the outflow may be uncertain. A present commitment arises from the presence of a legal or presumed obligation arising from past events. Every provision formed is only used for the expenses for which it had initially been formed. Provisions are re-examined on each balance sheet date and are adjusted in order to present the current best estimate.
Provisions are valued at the expected cost required to settle the current commitment based on the most reliable presumptions which are available on the balance sheet date including the risks and uncertainties relating to the current commitment. When the impact on the value of money over time is significant, the amount of the provisions is the current value of the expenses expected to be required in order to settle the liability.
When the discounting method is used, the book value of a provision is increased in each period so as to reflect the passage of time. This increase is recognised as a financial expense in the income statement. When there are a number of similar commitments, the likelihood that an outflow will be required to settle them is determined taking into account the category of commitments overall. A provision is also recognised when the likelihood of an outflow for an asset including in a pool of commitments is small. If it is no longer likely that an outflow of resources which reflect economic benefits will be required to settle the liability, the provision is reversed.

2.14 Contingent liabilities

Provisions are recognised when the Group or Company have a current legal or statutory obligation deriving from past events, which is likely to require an outflow of resources reflecting economic benefits to settle the obligation and the size of the obligation (the liability) can be reliably estimated. Provisions are revised on the date of each statement of financial position and adjusted to reflect the present value of the expenses expected to be required to settle the liability.

If the impact of the value of money over time is significant, the provisions are calculated by discounting expected future cash flows using a pre-tax rate which expresses current market estimates about the value of money over time, and where necessary, the risks specifically associated with the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless there the likelihood of a resource outflow incorporating financial benefits is minimal. Contingent assets are not recognised in the financial statements but are disclosed where the inflow of financial gains is likely.

2.15 Contingent assets

Possible inflow from economic benefits for the Group which do not meet the criteria of an asset are considered to be contingent assets and are disclosed when the inflow of economic benefits is likely.

2.16 Leases

The assessment of to what extent an agreement contains a lease is done at the start of the arrangement taking into account all particulars and conditions which prevail.

2.16.1 A company in the Group as lessee

2.16.1.1 Finance Leases

Ownership of a leased asset is transferred to the lessee if in effect all risks and rewards associated with the leased asset are transferred to him, notwithstanding the legal format of the contract. When the lease starts, the assets is recognised at its fair value or if lower, the present value of minimum lease payments including additional payments covered by the lessee, if there are any. A similar amount is recognised as a liability under a finance lease regardless of whether some of the rent payments are payable in advance at the start of the lease.

Subsequent accounting for assets acquired under finance leases (such as the depreciation method use and determination of the useful life) is the same as that used for comparable assets not acquired under leases. The corresponding liability is accounted for by gradually writing it down based on the minimum rent payments, less financial charges, which are recognised as an expense in the financial expenses account. Financial charges are allocated over the duration of the lease and represent a fixed periodic interest rate on the outstanding balance of the liability.

2.16.1.2 Operating Leases

All other leases are treated as operating leases. Payments under operating leases are recognised as expenses in the income statement using the straight line method (income for the year matched to expenses). The relevant expenses such as maintenance and insurance are recognised as expenses when incurred.

2.16.2 A company in the Group as lessor

2.16.2.1 Operating Leases

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

2.17 Revenue recognition

Revenue is recognized to the extent that it is likely that the financial benefits will accrue to the Group and the relevant amounts can be reliably quantified. Revenues are net of VAT, discounts and refunds. Revenues generated in transactions between companies in the Group consolidated using the total consolidation method are fully eliminated. Revenue is recognized as follows:

- Sales of goods: Revenue is recognized when the material risks and rewards deriving from ownership of the goods have been transferred to the purchaser and collection of the receivable is reasonably secured. Goods sold on a wholesale basis are primarily sold on credit.
- Provision of services: Revenues from fixed rate services agreements are recognized based on the stage of completion of the service on the balance sheet date. Using this method, revenues are recognized based on the proportion of the service provided up to the date of the financial statements compared to the total services to be provided. When the result of the transaction relating to service provision cannot be firmly estimated, the revenue is only recognized to the extent that the recognized expenses are recoverable. In cases where the relevant revenue estimates, the expenses or degree of completion change, those changes can lead to increases or decreases in the estimated revenues or expenses and are presented in the revenues for the period.
- Dividends: Dividends are recognized as income when the right to receive payment is established.
- Interest income: Interest income is recognized on a time proportion basis using the effective interest method.
- Income from rents: Income from building rents is accounted for on an accrued basis, in line with the points contained in the relevant contracts / agreements.

3. Segmental Reporting

For administrative purposes, the Group has organised into 4 main business segments: a) airports, b) ports, c) borders and d) wholesales. IFRS 8 (Operating Segments) states that Management must monitor the operating result of business segments separately in order to take decisions about the distribution of resources and to evaluate performance. A segment's performance is evaluated based on operating results which are corrected to eliminate intra-group transactions.

Group operations which do not meet the quantitative thresholds in IFRS 8 for presentation as a separate operating segment are combined and presented in the 'Other' category. This category includes the head office expenses. Group results per segment can be broken down as follows:

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.17

(Amounts in € '000) 1/1-31/12/2017	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Sales	189.959	12.030	86.443	3.531	5.416	297.379
Intra-group sales				(3.223)		(3.223)
Marketing revenues	8.584	79	787	-	3	9.453
Turnover	**198.543**	**12.109**	**87.230**	**308**	**5.419**	**303.609**
Cost of Goods Sold	(90.225)	(4.985)	(35.843)	(3.615)	(3.388)	(138.056)
Intra-group cost of goods sold	-	-	-	3.213	-	3.213
Gross profit	**108.318**	**7.124**	**51.387**	**(94)**	**2.031**	**168.766**
Earnings before taxes, financial and investment results and depreciation (EBITDA)	**50.461**	**3.897**	**41.712**	**(403)**	**(10.008)**	**85.659**
Depreciation	(2.133)	(402)	(1.417)	(21)	(12.396)	(16.369)
Other operating results	(3.888)	(72)	(16)	(38)	(169)	(4.183)
Earnings before interest and financial results (EBIT)	**44.440**	**3.423**	**40.279**	**(462)**	**(22.573)**	**65.107**

BREAKDOWN OF GROUP OPERATING RESULTS PER OPERATION SEGMENT AS AT 31.12.16

(Amounts in € '000) 1/1-31/12/2016	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Sales	**170.956**	**13.061**	**86.911**	**15.538**	**5.022**	**291.488**
Intra-group sales				**(3.681)**		**(3.681)**
Marketing revenues	**8.216**	**79**	**783**		**14**	**9.092**
Turnover	**179.172**	**13.140**	**87.694**	**11.857**	**5.036**	**296.899**
Cost of Goods Sold	**(80.806)**	**(5.578)**	**(35.292)**	**(13.994)**	**(2.877)**	**(138.547)**
Intra-group cost of goods sold				**3.670**		**3.670**
Gross profit	**98.366**	**7.562**	**52.402**	**1.533**	**2.159**	**162.022**
Earnings before taxes, financial and investment results and depreciation (EBITDA)	**41.587**	**4.259**	**42.108**	**(2)**	**(10.631)**	**77.321**
Depreciation	**(2.270)**	**(405)**	**(1.377)**	**(34)**	**(12.292)**	**(16.378)**
Other operating results	**(1.886)**	**(195)**	**(688)**	**(194)**	**(1.743)**	**(4.706)**
Earnings before interest and financial results (EBIT)	**37.431**	**3.659**	**40.043**	**(230)**	**(24.666)**	**56.237**

BREAKDOWN OF GROUP ASSETS – LIABILITIES PER OPERATING SEGMENT AS AT 31.12.17

(Amounts in € '000) 1/1-31/12/2017	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Tangible and intangible assets	17.742	2.034	7.088	121	544.418	571.403
Other long-term assets	-	-	-	-	49.828	49.828
Inventories	21.113	2.339	5.567	11.383	494	40.896
Customers and other receivables				5.216	13.592	18.808
Cash and cash equivalents	496	39	634	-	11.645	12.814
Σύνολο	**39.351**	**4.412**	**13.289**	**16.720**	**619.977**	**693.749**
Suppliers	10.188	1.129	2.686	5.493	239	19.735
Other non-allocated liabilities						674.014
Σύνολο	**10.188**	**1.129**	**2.686**	**5.493**	**239**	**693.749**

ΑΝΑΛΥΣΗ ΠΕΡΙΟΥΣΙΑΚΩΝ ΣΤΟΙΧΕΙΩΝ-ΥΠΟΧΡΕΩΣΕΩΝ ΟΜΙΛΟΥ ΑΝΑ ΛΕΙΤΟΥΡΓΙΚΟ ΤΟΜΕΑ 31.12.16

(Amounts in € '000) 1/1-31/12/2016	AIRPORTS	PORTS	BORDERS	WHOLESALE	OTHER	GROUP
Tangible and intangible assets	314.561	20.642	64.716	2.256	179.723	581.898
Other long-term assets					4.587	4.587
Inventories	21.782	2.183	5.539	7.857	551	37.912
Customers and other receivables				5.378	7.084	12.462
Cash and cash equivalents	292	77	539	-	8.642	9.550
Total	**336.635**	**22.902**	**70.794**	**15.491**	**200.587**	**646.409**
Suppliers	11.759	1.179	2.990	4.242	296	20.466
Other non-allocated liabilities						625.943
Total	**11.759**	**1.179**	**2.990**	**4.242**	**296**	**646.409**

4. Property, plant and equipment – Investment properties (consolidated and separate)

The changes in Group and Company tangible assets (PPE) and investment property are outlined below

Group							
	Land	Buildings – facilities	Machinery - mechanical equipment	Transportation Equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition cost							
Opening balance as at 01.01.2016	**92**	**26.346**	**1.618**	**648**	**9.730**	**67**	**38.501**
Additions	2	196	326	18	1.230	1.717	**3.489**
Sales – Decreases	-	(956)	(10)	(3)	(30)	-	**(999)**
Transport	-	(38)	-	-	38	-	**-**
Balance on 31.12.2016	**94**	**25.548**	**1.934**	**663**	**10.968**	**1.784**	**40.991**
Opening balance as at 01.01.2017	**94**	**25.548**	**1.934**	**663**	**10.968**	**1.784**	**40.991**
Additions	-	175	130	-	610	5.422	**6.337**
Sales – Decreases	-	(1.097)	(8)	(5)	(154)	-	**(1.264)**
Transport	-	1.741	4	-	2.186	(3.931)	**-**
Balance on 31.12.2017	**94**	**26.367**	**2.060**	**658**	**13.610**	**3.275**	**46.064**
Accumulated depreciation							
Opening balance as at 01.01.2016	**-**	**7.085**	**451**	**80**	**3.135**	**-**	**10.751**
Depreciation for the year	-	2.632	182	77	1.319	-	**4.210**
Transport	-	(384)	(3)	-	(10)	-	**(397)**
Balance on 31.12.2016	**-**	**9.333**	**630**	**157**	**4.444**	**-**	**14.564**
Opening balance as at 01.01.2017	**-**	**9.333**	**630**	**157**	**4.444**	**-**	**14.564**
Depreciation for the year	-	2.547	210	77	1.335	-	**4.169**
Decreases in depreciation	-	(496)	(3)	(2)	(50)	-	**(551)**
Balance on 31.12.2017	**-**	**11.384**	**837**	**232**	**5.729**	**-**	**18.182**
Carried value on 31.12.2016	**94**	**16.215**	**1.304**	**506**	**6.524**	**1.784**	**26.427**
Carried value on 31.12.2017	**94**	**14.983**	**1.223**	**426**	**7.881**	**3.275**	**27.882**

Company							
	Land	Buildings – facilities	Machinery - mechanical equipment	Transportation Equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition cost							
Opening balance as at 01.01.2016	**92**	**26.147**	**1.584**	**591**	**9.254**	**67**	**37.735**
Additions	2	190	326	18	1.227	1.717	**3.480**
Sales – Decreases	-	(939)	(10)	(3)	(30)	-	**(982)**
Transport	-	-	-	-	-	-	**-**
Balance on 31.12.2016	**94**	**25.398**	**1.900**	**606**	**10.451**	**1.784**	**40.233**
Opening Balance as at 01.01.2017	**94**	**25.398**	**1.900**	**606**	**10.451**	**1.784**	**40.233**
Additions	-	167	130	-	591	5.411	**6.299**
Sales – Decreases	-	(1.096)	(6)	-	(66)	-	**(1.168)**
Transport	-	1.741	4	-	2.186	(3.931)	**-**
Balance on 31.12.2017	**94**	**26.210**	**2.028**	**606**	**13.162**	**3.264**	**45.364**
Accumulated depreciation							
Opening balance as at 01.01.2016	**-**	**7.035**	**441**	**70**	**2.884**	**-**	**10.430**
Depreciation for the year	-	2.618	179	71	1.267	-	**4.135**
Decreases in depreciation	-	(382)	(3)	-	(10)	-	**(395)**
Balance on 31.12.2016	**-**	**9.271**	**617**	**141**	**4.141**	**-**	**14.170**
Opening balance as at 01.01.2017	**-**	**9.271**	**617**	**141**	**4.141**	**-**	**14.170**
Depreciation for the year	-	2.525	207	72	1.280	-	**4.084**
Decreases in depreciation	-	(496)	(2)	-	(19)	-	**(517)**
Balance on 31.12.2017	**-**	**11.300**	**822**	**213**	**5.402**	**-**	**17.737**
Carried value on 31.12.2016	**94**	**16.127**	**1.283**	**465**	**6.310**	**1.784**	**26.063**
Carried value on 31.12.2017	**94**	**14.910**	**1.206**	**393**	**7.760**	**3.264**	**27.627**

The depreciation charged to the results is presented in Note 22. There are no mortgages or mortgage liens or other encumbrances registered in respect of the assets to cover loa

5. Intangible assets (consolidated and separate)

Group					
	Software Applications	**Leases**	**Concessions and industrial property rights**	**Total**	**Goodwill**
Acquisition cost					
Opening balance as at 01.01.2016	**904**	**-**	**418.600**	**419.504**	**181.100**
Additions	79	-	-	**79**	-
Additions due to acquisition of subsidiary	-	-	-	**-**	264.000
Impairment loss	-	-	-	**-**	(264.000)
Balance on 31.12.2016	**983**	**-**	**418.600**	**419.583**	**181.100**
Opening balance as at 01.01.2017	**983**	**-**	**418.600**	**419.583**	**181.100**
Additions	125	123	-	**248**	-
Balance on 31.12.2017	**1.108**	**123**	**418.600**	**419.831**	**181.100**
Accumulated depreciation					
Opening balance as at 01.01.2016	**534**	**-**	**32.524**	**33.058**	**-**
Depreciation for the year	182	-	11.972	**12.154**	-
Balance on 31.12.2016	**716**	**-**	**44.496**	**45.212**	**-**
Opening balance as at 01.01.2017	**716**	**-**	**44.496**	**45.212**	**-**
Depreciation for the year	208	18	11.972	**12.198**	-
Balance on 31.12.2017	**924**	**18**	**56.468**	**57.410**	**-**
Carried value on 31.12.2016	**267**	**-**	**374.104**	**374.371**	**181.100**
Carried value on 31.12.2017	**184**	**105**	**362.132**	**362.421**	**181.100**

Company					
	Software Applicatio ns	Leases	Concessions and industrial property rights	Total	Goodwill
Acquisition cost					
Opening balance as at 01.01.2016	**801**	**-**	**418.600**	**419.401**	**181.100**
Additions	79	-	-	**79**	-
Balance on 31.12.2016	**880**	**-**	**418.600**	**419.480**	**181.100**
Opening balance as at 01.01.2017	**880**	**-**	**418.600**	**419.480**	**181.100**
Additions	125	123	-	**248**	-
Balance on 31.12.2017	**1.005**	**123**	**418.600**	**419.728**	**181.100**
Accumulated depreciation					
Opening balance as at 01.01.2016	**466**	**-**	**32.524**	**32.990**	**-**
Depreciation for the year	161	-	11.972	**12.133**	-
Balance on 31.12.2016	**627**	**-**	**44.496**	**45.123**	**-**
Opening balance as at 01.01.2017	**627**	**-**	**44.496**	**45.123**	**-**
Depreciation for the year	194	18	11.972	**12.184**	-
Balance on 31.12.2017	**821**	**18**	**56.468**	**57.307**	**-**
Carried value on 31.12.2016	**253**	**-**	**374.104**	**374.357**	**181.100**
Carried value on 31.12.2017	**184**	**105**	**362.132**	**362.421**	**181.100**

The depreciation charged to the results is presented in Note 22.

6. Other long-term financial receivables

(Amounts in € '000)	**GROUP**		**COMPANY**	
Other long-term assets	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Guarantees for Rents	3.947	4.171	3.588	3.472
Long-term receivable for staff leaving provision of outsourced staff on loan	541	312	-	-
Advances-Prepayments	45.340	104	45.340	97
Σύνολο	**49.828**	**4.587**	**48.928**	**3.569**

7. Inventories

Inventories are measured at either acquisition value or net realizable value whichever is lower, as specified in IAS 2.

(Amounts in € '000)	**GROUP**		**COMPANY**	
Inventories	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Merchandise	44.543	41.652	42.116	38.178
Less: *Provisions for financially obsolete and damaged merchandise*	(3.647)	(3.740)	(3.323)	(3.322)
Total	**40.896**	**37.912**	**38.793**	**34.856**

8. Trade receivables and other current assets

(Amounts in € '000)	**GROUP**		**COMPANY**	
Trade receivables	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Trade receivables (customers)	3.970	5.616	1.641	840
Trade receivables (related parties)	404	-	404	707
Trade receivables (credit cards)	2	234	2	233
Cheques receivable (post-dated)	1.281	1	-	-
Provision for bad debt	(441)	(473)	(33)	(55)
Total	**5.216**	**5.378**	**2.014**	**1.725**

(Amounts in € '000)	**GROUP**		**COMPANY**	
Other current assets	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Receivables from marketing services	3.108	5.474	3.094	3.334
Prepayments for stocks	919	445	919	445
Prepaid expenses	477	278	444	275
Advances to staff	78	186	69	174
Receivables from the State	29	30	28	19
Other receivables	3.566	641	1.224	428
Prepaid Rents	5.056		5.056	-
Accrued Income	329	-	327	-
Total	**13.562**	**7.054**	**11.161**	**4.675**

A provision for bad debt was formed after examining each customer / debtor's ability to pay its balance, taking into account the age of that debt. The trade receivables of the company and most of the Group come from marketing and advertising service revenues.

The trade receivables and other receivables ageing is presented below:

GROUP

	Receivables due but not impaired						
		0 - 3 months	3 - 6 months	6-12 months	> year	Receivables not due & not impaired	**Totatl**
	Trade receivables turnover ratio (Amounts in € '000)						
	2017	5.834	665	162	895	11.222	18.778
	2016	1.309	437	667	687	9.332	12.432

COMPANY

	Receivables due but not impaired						
		0 - 3 months	3 - 6 months	6-12 months	> year	Receivables not due & not impaired	**Total**
	Trade receivables turnover ratio (Amounts in € '000)						
	2017	2.920	399	60	522	9.274	13.175
	2016	231	71	35	500	5.563	6.400

9. Cash and Cash equivalents

(Amounts in € '000)	GROUP		COMPANY	
Cash and cash equivalents	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash on hand	1.179	1.087	1.127	1.022
Cash at Bank and time deposits	11.635	8.463	7.020	5.259
Total	**12.814**	**9.550**	**8.147**	**6.281**

10. Equity attributable to Group – Company shareholders

The Company's share capital thus stood at € 500,000 divided into 10,000 shares with a nominal value of € 50 each.

On 15.11.2012 the Company's Extraordinary General Meeting of Shareholders decided to increase the Company's share capital by € 11,000,000 by issuing 220,000 new shares with a nominal value of € 50 each.

The Board of Directors decision of 24.1.2013 confirmed that part of the share capital increase decided on by the Extraordinary General Meeting of 15.11.2012 had been paid (namely € 6,500,000) and 130,000 new ordinary registered shares with a nominal value of € 50 each were issued.

The Company's Extraordinary General Meeting decided on 19.3.2013 to increase the share capital by a contribution in kind of the travel retail sector of the company with the corporate name Folli-Follie Trading, Manufacturing and Construction Co. S.A., trading as Folli-Follie Group in accordance with the provisions of Legislative Decree 1297/1972, which sector was worth € 390,534,600 plus a payment of € 400 in cash, bring the Company's share capital to € 397,535,000 divided into 7,950,700 registered shares with a nominal value of € 50 each.

The 'Other reserves' relate to the Group and Company and primarily involve capital gains tax of € 3,965 thousand for the Group and € 3,901 thousand for the Company, which is presented as reducing equity but also involve the formation of a statutory reserve for 2014 and 2015.

11. Borrowings

Borrowings can be broken down as follows:

	GROUP		COMPANY	
Borrowings	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Borrowings				
Intercompany loan	133.000	101.100	133.000	101.100
Less: Loan arrangement fees	-	(619)	-	(619)
Short-term bank loans	13.959	39.471	13.959	39.471
Total	**146.959**	**139.952**	**146.959**	**139.952**
Long-term loan obligations	-	-	-	-
Short-term loan obligations	146.959	139.952	146.959	139.952
Total	**146.959**	**139.952**	**146.959**	**139.952**
Bank Loans				
Over 5 years				
From 1 to 5 years	-	-	-	-
Up to 1 year	146.959	139.952	146.959	139.952
Total	**146.959**	**139.952**	**146.959**	**139.952**

On 11.4.2013 when the travel retail sector of Folli-Follie S.A. was absorbed, the Company assumed loans of € 335,000,000 but on 22.4.2013 these were substituted by a corporate bond for the same amount. On 12.12.2013 when the Company's entire share capital was acquired by DUFRY, the parent company issued a new loan of € 287,508,000 to HDFS S.A., € 285,000.000 of which was used to repay the balance of the corporate bond and € 2,508,000 relates to the parent company's expenses for issuing the loan. The new loan is for 4 years at the Euribor rate + a 575 BP margin. During the year, instalments are being repaid of total amount € 0,1 million and the interest incurred during the use amounted to € 5,6 million.

In 2015 , after the imposition of restrictions on movement of capital (Capital controls) the Company received short-term lending through overdraft bank account, so to be able to meet its financial obligations to suppliers . That borrowing amounted on 31 Δεκεμβρίου 2017 σε € 13,9 million with rate 2%. The interest of this short-term loan that burdened the income statement amounted to € 347 thousand.

On 3.4.2016 the parent company issued a new loan of €90 million to HDFS S.A, € 40 million of which was used to repay short-term loan obligations and € 50 ,millions of which was used to pay in advance to FRAPORT ως προκαταβολή due to future leases. The new loan is for 2 years. This rate is 5,75%. For all related party borrowings, the company received confirmation from parent company Dufry AG for its financial support through prolongation of repayment of intra-group loan installments if and when deemed necessary.
During the year, repaid € 58 million, while repaid the corresponding interest on the year amounted to € 2.5 million.

12. Staff retirement liabilities

	GROUP		COMPANY	
	01.01. - 31.12.2017	01.01. - 31.12.2016	01.01. - 31.12.2017	01.01. - 31.12.2016
Amounts recognised in the balance sheet				
Present value of liabilities	5.392	5.389	4.932	5.006
Fair value of plan assets	-	-	-	-
Net liability recognised in balance sheet	**5.392**	**5.389**	**4.932**	**5.006**
Amounts recognised in income statement			-	-
Cost of current employment	244	162	208	127
Net interest on liability / (assets)	87	89	80	81
Recognition of past service cost	8	816	-	816
Cost of cutbacks / settlements / termination of service	379	2.441	310	2.286
Total expenses in income statement	**718**	**3.508**	**598**	**3.310**
Present value of liability at start of period				
Present value of liability from absorption of sector	5.389	5.273	5.005	4.926
Cost of current employment	-	-	-	-
Cost of interest	244	162	208	127
Benefits paid by employer	87	89	80	81
Cost of cutbacks / settlements / termination of service	(536)	(3.624)	(447)	(3.431)
Cost of past service during the period	379	2.441	310	2.286
Present value of liability at start of period	8	816	-	816
Present value of liability from absorption of sector	39	168	32	129
Actuarial losses / (gains) – demographic assumptions	(266)	-	(285)	-
Actuarial losses / (gains) – experience from period	48	64	29	72
Net liability at the end of the year	**5.392**	**5.389**	**4.932**	**5.006**
Adjustments				
Adjustments to liabilities from changes in hypotheses	227	(168)	253	(129)
Empirical adjustments to liabilities	(48)	(64)	(29)	(72)
Total Actuarial gains/(losses) in equity	**179**	**(232)**	**224**	**(201)**
Other adjustments in equity	-	-		
Total amount recognised in equity	**179**	**(232)**	**224**	**(201)**
Changes in net liability recognised in the balance sheet				
Net liability at beginning of period	5.389	5.273	5.005	4.926
Benefits paid by employer	(536)	(3.624)	(447)	(3.431)
Total expense recognised in income statement	718	3.508	598	3.310
Total amount recognised in equity	(179)	232	(224)	201
Net liability at end of period	**5.392**	**5.389**	**4.932**	**5.006**
Cash flows				
Expected benefits from plan over next year	77	143	72	100
Actuarial assumptions				
Discount Rate	1,44%	1,61%		
Future salary increases	0,00%	0,00%		
Duration of liabilities	10,00	10,00		

13. Other long-term provisions

(Amounts in € '000)	GROUP		COMPANY	
Other long-term provisions	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Provision for additional taxes & duties	745	1.553	745	1.553
Provisions for contingencies & expenses	63	63	63	63
Total	**808**	**1.616**	**808**	**1.616**

Provision for additional taxes & duties

A) Provisions for pending customs cases

I. Petitions for stays of proceedings filed by the Company and its executives before the Thessaloniki Administrative Court of First Instance / Court of Appeal against decisions of the Thessaloniki Airport 5th Customs Office concerning retail sale receipts for duty-free items which were purported to have been wrongly issued by the company's shop at the Macedonia Airport in the period from July 2001 to June 2005 are pending. The contested decisions have imposed tax liabilities (excise duty and VAT) on the Company and the natural persons cited therein (as estimated by the authority which issued them) as well as duties which are 3 times the tax charges (multiplier fines) as well as duties payable to the Special Fund for the Quality Control and Production of Alcohol and Alcoholic Drinks (ETEPPAA) and stamp duty, in accordance with the law. The total amount involved is € 9.608 thou.

Exercising its lawful rights the Company sought to an order staying the collection of 70% of those multiplier duties and 50% of the tax charges imposed and paid the Greek State a total of € 4.666 thou. in relation to those decisions, and has formed a provision of € 4.980 thou. to cover any potential loss arising from those decisions.

Moreover, having audited the months of February, March and May 2001 the Thessaloniki Airport 5th Customs Office entirely accepted the Company's views and imposed significantly lower tax charges than those specified in the audit reports prepared by the Thessaloniki Customs Audit Unit.

Note that it was not considered necessary to file additional petitions for stays of proceedings due (a) to the publication of Law 3900/2010 and (b) the fact that the Company is clearly able to pay the suspended multiplier fines and tax charges imposed by law or otherwise.

Finally, it is noted that in 2014, were heard 18 of the 48 cases in which the courts have confirmed that there was at the time, right to make tax-free sales to passengers with direct destination within EU and a final destination outside the EU and in one of these cases the court upheld the company's appeal. Following the above, the Management of the Company believes that it will be successful in its bid to annul the detriment of issued imputation acts and considers ultimately that the amount that should be paid by the Company will not exceed the 30% of the total expected amounts charged. Allocated for the therefore, the company reversed in the income statement the provision of € 2.882 thou.. Two decisions of the Administrative Court of Appeal of Thessaloniki were issued in 2016, which rejected two of the company's appeals respectively. As a result, the company paid € 544,372.93 in favour of Thessaloniki Airport Customs. Subsequently, fifteen (14) decisions of the Administrative Court of Appeal of Thessaloniki were issued in 2017, whereby the company's appeals were dismissed and a decision was adopted which upheld the company's appeal. As a result, the company proceeded with the payment of € 2.607 thousand. in favor of Thessaloniki Airport Customs. Subsequently, in January 2018, eight (8) decisions were taken by the Administrative Court of Appeals of Thessaloniki, which rejected the company's appeals respectively. As a result, the company paid € 977 thousand in favor of Thessaloniki Airport Customs. This amount has been burdened by the results of 2017 with the formation of the necessary provision.

B) Provisions for contingent tax liabilities.

The Company has settled old tax affairs up to 2009. The year 2010 has not yet been audited by the tax authorities.

From 2011 onwards, pursuant to Article 82(5) of Law 2238/1994 companies in the Group whose financial statements must be audited by a statutory auditor or auditing firm in line with the provisions of Law 2190/1920 undergo a tax audit by the statutory auditor or auditing firm and receive an annual Tax Certificate. The provisions of Article 6 (1a) of Ministerial Decision 1159/2011 have to apply for that year to be considered settled.

Within the years 2014, 2015 and 2016 unqualified Tax Certificates were issued in line with Article 82(5) of Law 2238/94 for the tax audits carried out on the company for fiscal years 2013,2014 and 2015 . In 2014 the Tax Certificate was issued regarding the fiscal year 2013 with unqualified audit opinion with emphasis of a matter. This opinion (matter that do not affect auditor's opinion) states that in terms of the spin-off in travel retail sector from Folli Follie SA (the contributor) and contribution thereby to the Company (the absorbing company), the assets were valued in compliance with the relevant provisions of Law 1297/1972 and Article 9 of Codified Law 2190/1920. The valuation report prepared by the certified public accountants included, inter alia, the staff compensation provision account (worth around € 5.7 million) and the deferred tax liability account (worth around € 7.1 million) which did not pre-date the spin-off and contribution of the sector in the tax records kept by the contributor. Those accounts were included in the absorbing company's tax records but were not valued on 31.12.2013, 31.12.2014, 31.12.2015, and 2016 since the Company considers that that is not required by any provision of tax law and secondly any valuation would not give rise to any present or future contingent tax liability.The same unqualified Tax Certificate issued in 2014 also adopted in 2015..

In 2016 the Company and its subsidiary underwent a tax audit by certified public accountants as required by the provisions of Article 82(5) of Law 2238/1994. That audit is under way and the relevant tax certificate is expected to be issued after the 2016 financial statements are published. Upon completion of the tax audit, the management of both the Company and the subsidiary are not expecting major tax liabilities to arise other than those recorded and disclosed in the financial statements.

Provisions for contingencies & expenses

The company has formed a provision of € 63 thousand for various pending cases.

14. Trade and other liabilities

(Amounts in € '000)	**GROUP**		**COMPANY**	
Trade and other liabilities	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Trade liabilities	19.623	20.355	18.646	18.710
Cheques payable – notes & promissory notes payable	112	111	-	-
Trade liabilities	**19.735**	**20.466**	**18.646**	**18.710**
Rent liabilities	7.716	4.892	7.576	4.677
Other liabilities	8.136	6.160	7.670	5.554
Staff expenditure liabilities	3.553	3.867	3.171	3.510
Other tax liabilities	2.746	2.112	2.468	1.855
Other liabilities	**22.151**	**17.031**	**20.885**	**15.596**

15. Income tax

The income tax expense/(income) shown in the attached consolidated and separate financial statements can be broken down as follows:

	GROUP		COMPANY	
	31 December		31 December	
	2017	2016	2017	2016
Continuing Operations				
Cost of current income tax	20.994	16.968	20.439	16.427
Deferred income tax cost/(gain)	(3.406)	(3.354)	(3.409)	(3.307)
Total provision for income tax shown in the financial statements	**17.588**	**13.614**	**17.029**	**13.120**

The provision for income tax (calculated by applying the Greek tax rate application to earnings before tax) can be summarized as follows:

	GROUP		COMPANY	
	31-Dec		31-Dec	
	2017	**2016**	**2017**	**2016**
Earnings / (losses) before tax	**55.588**	**45.209**	**54.124**	**43.921**
Income tax cost/(gain) calculated at current tax rate 29%	16.121	13.111	15.696	12.737
Tax effect of reversal provision for unaudited tax years as unused (Note. 13)	787	-	787	-
Tax effect of crossing out intra-group profits	3	3	-	-
Tax effect of non taxable income and expenses not deductible for tax purposes	586	415	546	383
Dividends in the form of bonuses to staff on which no tax was calculated but withheld in the liquidation	91	85	-	-
Provision for Income Tax	**17.588**	**13.614**	**17.029**	**13.120**
Effective income tax rate	**29%**	**29%**	**29%**	**29%**

Greek tax legislation and the relevant provisions are interpreted by the tax authorities. Income tax returns are submitted each year but the profits and losses declared for taxation purposes are considered temporary until the tax authorities audit the tax returns and books of the taxpayer at which time the relevant tax obligations will be finalised. Tax losses, to the extent they are recognised by tax authorities, may be used to offset the profits of the five years following the respective financial year.

Tax Compliance Report:

From 2011 onwards, Greek societies anonym and limited liability companies whose annual financial statements must be audited by a statutory auditor or auditing firm in accordance with the provisions of Law 2190/1920 or Law 3190/1955 respectively are obliged to obtain the annual tax certificate specified in Article 82(5) of Law 2238/1994 issued after a tax audit is carried out by the statutory auditor or auditing firm which audits their annual financial statements. After the tax audit is completed, the statutory auditor or auditing firm will provide the company with a tax compliance report and then the statutory auditor or auditing firm will submit it online to the Ministry of Finance within 10 days from the last date for approval of the Company's financial statements by the General Meeting of Shareholders. The Ministry of Finance will then select a sample of companies (around 9%) to be audited by the Ministry's competent auditing authorities. That audit must be completed within a period of no more than 18 months from the date on which the tax compliance report was submitted to the Ministry of Finance.

For the year 2017, the Company and its subsidiary are not subject to tax audit of Certified Auditors, in line with Article 82(5) of Law 2238/1994. Management of the Company and the Subsidiary does not expect to incur significant tax liabilities other than those recorded and presented in the financial statements.

16. Deferred income tax

Deferred taxes relate to temporary differences between the book value and tax basis of assets and liabilities and are calculated using the official tax rates.

	GROUP		COMPANY	
	31-Dec		31-Dec	
	2017	2016	2017	2016
(Amounts in € '000)				
Opening balance (net deferred tax asset/liability	(83.705)	(87.119)	(83.926)	(87.291)
Debit)/credit in consolidated income statement	3.405	3.354	3.409	3.307
Directli recognised in other comprehensive income	(45)	60	(47)	58
Closing balance (net deferred tax asset)	**(80.345)**	**(83.705)**	**(80.564)**	**(83.926)**

The deferred tax assets and liabilities recognized in the attached consolidated and separate statements of financial position and consolidated and separate income statements can be broken down as follows:

Statement of Financial Position				
	GROUP		COMPANY	
	31-Dec		31-Dec	
(Amounts in € '000)	**2016**	**2015**	**2016**	**2015**
Deferred tax liabilities				
- Property, plant and equipment	(-1.095)	(-830)	(-1.084)	(-821)
- Intangible assets	83.732	86.683	83.741	86.694
- Loan expenses	-	180	-	180
- for liabilities	700	687	669	656
Gross deferred tax liabilities	**83.337**	**86.720**	**83.326**	**86.709**
Deferred tax assets				
- Staff leaving compensation	1.460	1.474	1.423	1.445
- Provisions	1.521	1.530	1.328	1.328
- Other	11	11	11	10
Gross deferred tax assets	**2.992**	**3.015**	**2.762**	**2.783**
Net deferred tax liabilities	**80.345**	**83.705**	**80.564**	**83.926**

Income statement				
	GROUP		COMPANY	
	31-Dec		31-Dec	
(Amounts in € '000)	**2017**	**2016**	**2017**	**2016**
Deferred tax liabilities				
- Property, plant and equipment	(265)	(395)	(263)	(393)
- Intangible assets	(2.951)	(2.810)	(2.953)	(2.812)
- Loan expenses	(180)	(179)	(180)	(179)
- for liabilities	13	-	13	-
Deferred tax assets				
- Staff leaving compensation	(31)	45	(25)	34
- Provisions	9	(15)	0	43
- Other	0	-	(1)	-
Deferred income tax cost/(gain) in Income Statement	**(3.405)**	**(3.354)**	**(3.409)**	**(3.307)**
Amounts entered direct in other comprehensive income				
Actuarial gains / (losses)	**(45)**	**60**	**(47)**	**58**

17. Sales

Turnover per operating segment shown in paragraph 3 of the notes to the financial statements can be broken down as follows. The table below shows the breakdown of sales per market category:

(Amounts in € '000)	**GROUP**		**COMPANY**	
Sales	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Duty free sales	170.672	168.724	164.136	160.969
Duty Paid sales	123.484	119.083	113.843	107.668
Total	**294.156**	**287.807**	**277.979**	**268.637**

18. Cost of Goods Sold

(Amounts in € '000)	**GROUP**		**COMPANY**	
Cost of Goods Sold	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Cost of Goods Sold	133.817	133.483	122.809	120.348
Goods Valuation Differences	706	1.165	642	916
Merchandise valuation differences	320	230	256	164
Total	**134.843**	**134.878**	**123.707**	**121.428**

19. Selling expenses

(Amounts in € '000)	GROUP		COMPANY	
Marketing costs	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Concessions	(31.031)	(31.350)	(29.482)	(29.099)
Advertising commission and expenses	(1.556)	(1.697)	(1.497)	(1.631)
Credit card commission	(1.241)	(1.157)	(1.202)	(1.109)
Packaging materials	(507)	(575)	(467)	(505)
Other	(388)	(329)	(377)	(319)
Selling expenses	**(34.723)**	**(35.108)**	**(33.025)**	**(32.663)**
Commission Income	497	426	389	294
Other	179	306	101	119
Sales revenues	**676**	**732**	**490**	**413**
Total	**(34.047)**	**(34.376)**	**(32.535)**	**(32.250)**

20. Personnel expenses

(Amounts in € '000)	GROUP		COMPANY	
Personnel expenses	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Salaries	30.128	31.098	25.872	26.677
Social security contributions	6.680	7.379	5.752	6.409
Retirement compensation	348	222	245	130
Staff benefits and expenses	926	786	895	756
Total	**38.082**	**39.485**	**32.764**	**33.972**

21. General expenses

(Amounts in € '000)	GROUP		COMPANY	
General	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Repairs, maintenance and building utilities	2.371	2.428	2.296	2.342
Electronic equipment costs	487	436	476	423
Building and warehouse rents	3.430	3.319	3.390	3.271
Fees for legal and consulting services	1.223	1.212	1.151	1.145
Travel, car and PR costs	1.263	1.237	1.199	1.176
Advertising costs	18	1	18	1
Bank expenses	253	262	197	191
Insurance	301	296	291	269
Other office expenses	1.135	1.064	1.097	1.021
Taxes & duties	497	584	469	552
Total	**10.978**	**10.839**	**10.584**	**10.391**

22. Depreciation

(Amounts in € '000)	GROUP		COMPANY	
Depreciation	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Depreciation of tangible assets	4.170	4.224	4.084	4.135
Amortization of intangible assets	12.199	12.154	12.184	12.133
Total	**16.369**	**16.378**	**16.268**	**16.268**

23. Other operating results

(Amounts in € '000)	GROUP		COMPANY	
Other operating expenses	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Ancillary income from services to third parties	1	1	1	1
Other extraordinary income	59	40	53	25
Prior period income	40	32	32	32
Total	**100**	**73**	**86**	**58**

(Amounts in € '000)	GROUP		COMPANY	
Other operating expenses	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Losses from sale/impairment of assets	(678)	(540)	(651)	(540)
Other extraordinary expenses	(3.219)	(685)	(3.210)	(636)
Staff restructuring costs	(273)	(3.540)	(273)	(3.454)
Other taxes & duties	-	-	-	-
Writing off of receivables	(113)	(14)	(80)	(8)
Total	**(4.283)**	**(4.779)**	**(4.214)**	**(4.638)**
Other operating results	**(4.183)**	**(4.706)**	**(4.128)**	**(4.580)**

Asset impairment losses arose due to removal and destruction of fixed assets in the Extra Schengen area of the terminal at the El. Venizelos Athens International Airport, due to refurbishment and renovation of facilities there.

24. Financial expenses and income

(Amounts in € '000)	GROUP		COMPANY	
Financial income	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Interest on cash assets	86	145	73	126
Other interest	-	-	-	-
Other financial income	-	-	-	-
Total	**86**	**145**	**73**	**126**

(Amounts in € '000)	GROUP		COMPANY	
Financial Expenses	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Interest and amortization of borrowing costs	(9.471)	(11.145)	(9.471)	(11.145)
Actuarial report finance costs	(81)	(83)	(80)	(81)
Total	**(9.552)**	**(11.228)**	**(9.551)**	**(11.226)**

25. Earnings per share

(Amounts in € '000)	GROUP		COMPANY	
Earnings per share	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Net profits / losses for the period	**38.111**	**31.449**	**37.211**	**30.658**
Allocated to:				
Parent company shareholders	38.111	31.449	37.211	30.658
Minority interests	-	-		
Weighted average number of shares	**7.951**	**7.951**	**7.951**	**7.951**
Total	**4,79**	**3,96**	**4,68**	**3,86**

26. Transactions and balances with related parties

The transactions below are transactions with related parties as defined in IAS 24.

Transactions between the parent company and subsidiaries		
(Amounts in € '000)	**1/1-31/12/2017**	**1/1-31/12/2016**
Sales of goods	4.420	4.210
Sales of services	0	0
Rents – other	107	18
Purchases of goods	268	560
Receipt of services – other expenses	21	4

Parent company transactions with other related parties		
(Amounts in € '000)	**1/1-31/12/2017**	**1/1-31/12/2016**
Sales of goods	0	621
Sale of services – other income	62	34
Purchases of goods	41.203	36.833
Receipt of services – other expenses	8.724	10.037

Group transactions with other related parties		
(Amounts in '000)	**1/1-31/12/2017**	**1/1-31/12/2016**
Sales of goods	76	621
Sale of services – other income	67	34
Purchases of goods	41.203	36.833
Receipt of services – other expenses	8.724	10.037

Closing balance		
	31/12/2017	**31/12/2016**
Parent company		
From subsidiaries		
Receivables	431,00	64,00
Liabilities	0,00	635,00
From other related parties		
Receivables	436,00	643,00
Liabilities	139.811,00	110.420,00
Group		
From other related parties		
Receivables	252,00	970,00
Liabilities	139.811,00	110.420,00

Management fees for the years 2017 and 2016 amounted to: For the Group at € 5.048 thousand and € 5.625 thousand. And for the company at € 4,768 thousand and € 5,381 thousand, respectively.

27. Contingent liabilities and liens

The Group and Company and provided third parties with guarantee letters of € 16,4 million and € 13,3 million respectively to secure contingent liabilities to those parties, which are not shown in the consolidated balance sheet. These are primarily guarantee letters to customs offices to secure excise duty and to lessors of premises where the Group operates its shops..

There are no mortgages or mortgage liens or other encumbrances registered in respect of the assets to cover loans.

28. Number of staff employed

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Permanent staff	1.110	1.133	963	982
Seasonal staff	144	104	137	98
Total	**1.254**	**1.237**	**1.100**	**1.080**

29. Financial risk management

29.1 Liquidity Risk

Prudent management of liquidity risk requires (a) adequate cash collateral and (b) the availability of financing via adequate credit facilities. Due to the dynamic nature of its activities, the Group has flexible financing in place with large un-used credit limits from short-term bank loans. The Treasury prepares expected cash flow statements which are reviewed by Management in order to better plan liquidity management.
Despite the financial crisis and the restricted amount of liquidity worldwide, the Group has maintained high liquidity thanks to the fact that most of its sales are retail and has ensured that liquidity has improved by keeping costs down and by successfully managing inventories.

The borrowings and other liabilities of the Group and Company, classified by maturity date, are presented in the table below:

Group					
Liquidity analysis on 31.12.17	**Means interest rate**	***Until to 1 year***	***From 1 to 5 years***	***Over 5 years***	***Total***
Floating rate loans	5,54%	133.000	-	-	133.000
Constant rate loans	2,00%	13.959			
Suppliers, etc., interest-free liabilities		41.885	-	-	41.885
		188.844	**-**	**-**	**174.885**

Company					
Liquidity analysis on 31.12.17	**Means interest rate**	***Until to 1 year***	***From 1 to 5 years***	***Over 5 years***	***Total***
Floating rate loans	5,54%	133.000	-	-	133.000
Constant rate loans	2,00%	13.959			
Suppliers, etc., interest-free liabilities		39.532	-	-	39.532
		186.491	**-**	**-**	**172.532**

Fair value scale

The Group and Company use the following scale to determine and disclose the fair value of financial instruments for each valuation technique:

- Level 1: Negotiable (non-adjusted) prices on active markets for similar assets or liabilities.
- Level 2: Other techniques for which all data with a major impact on recorded fair value are directly or indirectly observable.
- Level 3: Techniques that use data with a major impact on recorded fair value not based on observable market data.

During the year, there were no transfers between these levels.

Fair value at 31 December 2017								
	Group				**Company**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Cash and cash equivalents and bank deposits	12.814	-	-	12.814	8.147	-	-	8.147
Investments in CretaNet Available for Sale	-	-	30	30	-	-	30	30
Total	**12.814**	-	**30**	**12.844**	**8.147**	-	**30**	**8.177**
Financial liabilities								
Financial liabilities at amortized cost:								
Borrowing	133.000	-	-	133.000	133.000	-	-	133.000
Total	**133.000**	-	-	**133.000**	**133.000**	-	-	**133.000**

The amounts presented in the statement of financial position for cash and cash equivalents, receivables and short-term liabilities approximate their respective fair values due to the short-term maturity of these financial instruments.

Financial assets presented at fair value through P&L:

The financial assets at fair value through profit and loss can be broken down as follows:

	GROUP AND COMPANY	
	31 December	
(Amounts in '000)	2017	2016
Unlisted shares:		
CRETANET:	30	30
Total financial assets presented at fair value through P&L	30	30

Financial assets at fair value through profit and loss consist of investments in ordinary shares. These investments have been classified as financial assets at fair value through profit and loss while the difference in fair values is entered in the income statement. In the year which ended on 31.12.2017 the value of such investments was € 30.

29.2 Capital management

The Group's capital management objective is to ensure uninterrupted operation of its business activities and implementation of its growth plans while also ensuring excellent credit ratings. To manage its capital the Group monitors Net Debt / EBITDA and Net Debt / Total Equity. Group net debt is defined as all interest-bearing loan obligations less total cash assets. As net borrowings, the Group defines all interest bearing debt less all of its cash. The Group manages the indices in such a way that it ensures creditworthiness consistent with its development strategy.

The ratios/indicators for the years ended on 31.12.2016 and 31.12.2017 were as follows:

(Amounts in € '000)	GROUP		COMPANY	
Leverage ratio	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Borrowed funds	146.959	139.952	146.959	139.952
Less: Cash	12.814	9.550	8.147	6.281
Net borrowing	**134.145**	**130.402**	**138.812**	**133.671**
Earnings before taxes, financial and investment results and depreciation (EBITDA)	85.659	77.321	84.045	75.821
Equity	414.471	376.360	409.843	372.632
Net debt / EBITDA	**1,57**	**1,69**	**1,65**	**1,76**
Net debt / equity	**0,32**	**0,35**	**0,34**	**0,36**

30. Events occurring after the balance sheet date

In January 2018, eight (8) decisions were taken by the Administrative Court of Appeals of Thessaloniki, which dismissed the company's appeals respectively. As a result, the company paid € 1 million in favor of Thessaloniki Airport Customs. This amount has been accounted for in the results of 2017 with the recognition of the necessary provision.

On 31 May 2018, with Article 22 of Law 4541/18, the prohibition of tax-free sales from the Company's branches located at the border stations was suspended until 30 June 2019.

Also on May 31st, 2018 under the Decision of the Administrator of Independent Authority for Public Revenue with protocol number 1083252 ΕΞ2018/31.05.2018 (ΦΕΚ 2037 / Β / 2018), the sale of tax free energy products from the stations of Duty Free Shops SA to the border stations of Kipi Evros, Kakavia and Evzonoi is abolished from 01.07.2018. The closure of the company's gas stations will have a negative impact on the results of 2018. For the year 2017, the contribution of gas stations to the company's results was € 17.9 million in Sales, € 9 million at Cost of Sales and € 7.6 million in Profit before Tax. Management examines the future business utilization of the gas stations facilities (Net Asset Value of € 1.1 million) and estimates that no significant impairment in their value will arise.

There are no further subsequent events to the financial statements, of the Group or the Company, that require disclosure by the International Financial Reporting Standards (IFRS).

THE CHAIRMAN OF THE BOARD

GEORGIOS KOUTSOLIOUTSOS
ID CARD No: 593469

THE VICE-CHAIRMAN OF THE BOARD

JULIAN DIAZ GONZALEZ
PAS. No:PAB191985

THE CEO

GEORGIOS VELENTZAS
ID CARD No AB285760

THE CFO

MARIA IOANNIDOU
ID CARD No AB285760

THE FINANCE DIRECTOR

KONDYLIS LASKARIS
ID CARD: No: Σ544454

THE CHIEF ACCOUNTANT
APOSTOLAKIS MANOS
ID CARD No AE604843