

FOLLI FOLLIE A.B.E.E.



INTERIM FINANCIAL REPORT

PERIOD FROM 01/01/2010 UNTIL 30/09/2010

According to IAS 34

The attached interim financial statements for the period of 01/01/2010 – 30/09/2010 are those that were approved by the board of directors of FOLLI FOLLIE ABEE on 24/11/2010 and have been posted on the company's web site www.follifollie.com

| STATEMENT OF FINANCIAL POSITION | | | | | |
|--|--------|-------------------------|-------------------------|-----------------------|-----------------------|
| | | The Group | | The Company | |
| ASSETS | Note | 30/9/2010 | 31/12/2009 | 30/6/2010 | 31/12/2009 |
| Tangible Assets | (3.1) | 229.496.004,14 | 227.525.975,57 | 20.010.063,87 | 20.408.877,37 |
| Investments in PPE | (3.1) | 75.062.557,75 | 75.539.833,43 | 16.068.355,74 | 16.068.355,74 |
| Goodwill | (3.2) | 253.081.046,76 | 253.052.516,22 | 0,00 | 0,00 |
| Intangible Assets | (3.2) | 107.630.956,73 | 107.623.140,23 | 507.973,86 | 521.465,47 |
| Investments in associates | (3.3) | 0,00 | 0,00 | 418.079.679,15 | 418.079.679,15 |
| Deferred income tax assets | (3.17) | 11.232.316,93 | 11.561.019,76 | 7.085.744,97 | 6.497.594,78 |
| Investments available for sale | (3.4) | 518.692,58 | 686.945,20 | 0,00 | 0,00 |
| Other long term receivables | (3.4) | 17.124.373,94 | 14.529.582,97 | 369.555,83 | 417.828,62 |
| Total non-current assets (a) | | 694.145.948,83 | 690.519.013,38 | 462.121.373,42 | 461.993.801,13 |
| Inventories | (3.5) | 315.528.096,08 | 266.355.588,80 | 14.296.714,51 | 14.691.379,51 |
| Trade Receivables | (3.6) | 294.491.013,96 | 276.672.307,49 | 16.009.532,71 | 15.527.981,44 |
| Other Receivables | (3.6) | 94.989.316,67 | 83.196.269,19 | 5.813.441,33 | 4.811.805,77 |
| Other financial assets at fair value through profit or loss | (3.8) | 382.493,22 | 509.380,12 | 382.493,22 | 509.380,12 |
| Cash and cash equivalents | (3.7) | 159.507.944,65 | 119.476.328,10 | 6.212.382,13 | 4.889.945,10 |
| Total current assets (b) | | 864.898.864,58 | 746.209.873,70 | 42.714.563,90 | 40.430.491,94 |
| TOTAL ASSETS (a) + (b) | | 1.559.044.813,41 | 1.436.728.887,08 | 504.835.937,32 | 502.424.293,07 |
| EQUITY & LIABILITIES | | | | | |
| Share capital | (3.9) | 9.884.062,50 | 9.884.062,50 | 9.884.062,50 | 9.884.062,50 |
| Share premium | (3.9) | 62.531.731,47 | 62.531.731,47 | 62.531.731,47 | 62.531.731,47 |
| Other reserves | (3.10) | 12.727.018,64 | 8.119.006,08 | 1.316.422,33 | -7.885.515,09 |
| Own Stock | (3.10) | -12.433.767,60 | -14.602.091,47 | -108.572,68 | -2.942.003,47 |
| Retained earnings | (3.10) | 458.140.227,58 | 405.258.014,78 | 4.921.013,62 | 43.942.778,60 |
| Exchange differences | (3.10) | -38.503.821,04 | -59.715.791,52 | 0,00 | 0,00 |
| Other components of equity | (3.10) | -88.927.927,73 | -88.927.927,73 | 0 | 0 |
| Total equity attributable to owners of the Parent (a) | | 403.417.523,82 | 322.547.004,11 | 78.544.657,24 | 105.531.054,01 |
| Non controlling interests (b) | (3.10) | 133.494.817,46 | 118.549.022,44 | 0,00 | 0,00 |
| Total Equity (c) = (a)+(b) | | 536.912.341,28 | 441.096.026,55 | 78.544.657,24 | 105.531.054,01 |
| Long-term borrowings | (3.13) | 570.379.234,62 | 330.431.457,62 | 256.337.134,97 | 60.130.736,19 |
| Retirement benefit obligations | (3.12) | 10.065.729,83 | 9.307.366,20 | 804.604,47 | 719.831,00 |
| Deferred income tax liabilities | (3.17) | 16.870.187,96 | 18.560.458,71 | 1.826.522,27 | 1.752.430,22 |
| Other long Term Provisions | (3.11) | 40.003.898,84 | 36.775.881,30 | 34.756.802,62 | 31.774.606,79 |
| Total non-current liabilities | | 637.319.051,25 | 395.075.163,83 | 293.725.064,33 | 94.377.604,20 |
| Trade and other Liabilities | (3.14) | 155.093.039,46 | 148.107.211,25 | 14.297.078,97 | 12.774.512,93 |
| Short-term Borrowings | (3.13) | 206.418.954,45 | 421.950.057,37 | 117.026.947,26 | 288.168.044,98 |
| Tax Liabilities | (3.14) | 23.221.645,75 | 30.298.323,66 | 1.235.694,30 | 1.567.916,53 |
| Dividends Payable | (3.15) | 79.781,22 | 202.104,42 | 6.495,22 | 5.160,42 |
| Total current liabilities | | 384.813.420,88 | 600.557.696,70 | 132.566.215,75 | 302.515.634,86 |
| Total Liabilities (d) | | 1.022.132.472,13 | 995.632.860,53 | 426.291.280,08 | 396.893.239,06 |
| TOTAL EQUITY AND LIABILITIES (c)+(d) | | 1.559.044.813,41 | 1.436.728.887,08 | 504.835.937,32 | 502.424.293,07 |

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

| | | The Group | | The Company | | The Group | | The Company | |
|---|--------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | | 1/1-30/09/2010 | 1/1-30/09/2009 | 1/1-30/09/2010 | 1/1-30/09/2009 | 01/07-30/09/2010 | 01/07-30/09/2009 | 01/07-30/09/2010 | 01/07-30/09/2009 |
| Sales Revenue | (3.18) | 737.632.340,90 | 731.565.603,32 | 23.996.878,64 | 23.200.902,61 | 272.951.804,49 | 278.878.173,27 | 7.916.212,41 | 8.636.825,45 |
| Cost of goods sold | | -357.689.993,91 | -362.141.093,03 | -10.851.092,45 | -9.771.253,68 | -131.306.068,87 | -146.621.372,38 | -3.772.989,35 | -3.592.105,73 |
| Gross profit | | 379.942.346,99 | 369.424.510,29 | 13.145.786,19 | 13.429.648,93 | 141.645.735,62 | 132.256.800,89 | 4.143.223,06 | 5.044.719,72 |
| Other Operating income | (3.18) | 24.149.635,61 | 23.891.719,91 | 4.769.799,41 | 2.820.445,34 | 7.580.024,92 | 4.842.497,67 | 798.613,66 | 673.811,13 |
| Administrative expenses | (3.18) | -37.390.790,59 | -41.583.269,71 | -4.211.860,79 | -4.300.618,12 | -12.653.778,45 | -12.833.242,06 | -1.447.968,64 | -1.132.631,47 |
| Selling and marketing costs | (3.18) | -210.723.021,77 | -198.022.867,74 | -9.950.618,77 | -10.569.452,55 | -76.195.089,42 | -70.315.346,50 | -3.259.975,75 | -3.567.809,74 |
| Other expenses | (3.18) | -4.051.687,25 | -8.620.942,57 | -1.032.261,18 | -446.611,30 | -727.339,89 | -497.740,44 | -53.139,06 | 32.506,74 |
| Earnings (profit) before taxes, financing and investing results (EBIT) | | 151.926.482,99 | 145.089.150,18 | 2.720.844,86 | 933.412,30 | 59.649.552,78 | 53.452.969,56 | 180.753,27 | 1.050.596,38 |
| Finance costs - profit | (3.18) | 11.585.863,71 | 11.500.770,77 | 9.732.384,79 | 25.303.349,29 | 5.693.641,28 | 3.675.562,85 | 4.905.489,90 | 3.639.451,52 |
| Finance costs - expenses | (3.18) | -50.442.497,76 | -27.437.569,76 | -35.581.329,19 | -11.926.372,00 | -17.045.815,86 | -8.271.809,74 | -11.971.412,72 | -4.086.283,48 |
| Profit/Loss before taxes (EBT) | | 113.069.848,94 | 129.152.351,19 | -23.128.099,54 | 14.310.389,59 | 48.297.378,20 | 48.856.722,67 | -6.885.169,55 | 603.764,42 |
| Income tax expense | (3.19) | -34.351.832,78 | -29.239.522,04 | -1.537.280,69 | -718.766,15 | -13.245.226,66 | -11.706.607,83 | 319.030,04 | -386.047,82 |
| Profit for the period after taxes (A) | | 78.718.016,16 | 99.912.829,15 | -24.665.380,23 | 13.591.623,44 | 35.052.151,54 | 37.150.114,84 | -6.566.139,51 | 217.716,60 |
| <u>Attributable to:</u> | | | | | | | | | |
| Equity holders of the Company | | 63.955.747,66 | 83.977.548,61 | | | 25.697.339,51 | 29.297.839,63 | | |
| Minority interest | | 14.762.268,50 | 15.935.280,54 | | | 9.354.812,03 | 7.852.275,21 | | |
| Earnings (after taxes) per share - basic (expressed in €) | (3.20) | 1,9496 | 2,5675 | -0,7519 | 0,4155 | 0,7801 | 0,8894 | -0,2025 | 0,0067 |
| Amortisation - Depreciation | | 16.766.030,00 | 16.077.946,38 | 728.378,47 | 945.048,24 | 5.693.253,26 | 6.202.227,49 | 239.197,15 | 311.436,33 |
| Earnings (profit) before taxes, financing and investing results and depreciation - amortisation (EBITDA) | | 168.692.512,99 | 161.167.096,56 | 3.449.223,33 | 1.878.460,54 | 65.342.806,04 | 59.655.197,05 | 419.950,42 | 1.362.032,71 |
| Other comprehensive income for the period , net of tax (B) | | 17.850.467,35 | -36.473.670,47 | -2.325.355,30 | -14.802.687,63 | -56.909.657,12 | -16.003.784,70 | -2.972.736,09 | -1.740.840,74 |
| Total comprehensive income for the period, net of tax (A) + (B) | | 96.568.483,51 | 63.439.158,68 | -26.990.735,53 | -1.211.064,19 | -21.857.505,58 | 21.146.330,14 | -9.538.875,60 | -1.523.124,14 |
| -Owners of the parent Company | | 81.853.176,18 | 47.677.906,67 | | | -30.707.411,77 | 13.720.993,83 | | |
| -Non controlling interests | | 14.715.307,33 | 15.761.252,01 | | | 8.849.906,19 | 7.425.336,31 | | |
| OTHER COMPREHENSIVE INCOME | | | | | | | | | |
| Exchange differences on translating foreign operations | | 20.570.629,27 | -20.939.290,01 | | | -53.694.360,83 | -13.511.457,42 | | |
| Revaluation of Assets | | 0,00 | 0,00 | 0,00 | 750.692,83 | 0,00 | 0,00 | 0,00 | 750.692,83 |
| Revaluation of financial instruments | | -3.373.044,75 | -20.171.462,31 | -2.906.694,13 | -20.190.462,31 | -4.030.024,32 | -3.303.268,77 | -3.715.920,12 | -3.302.475,06 |
| Income tax relating to components of other comprehensive income | | 652.882,83 | 4.637.081,85 | 581.338,83 | 4.637.081,85 | 814.728,03 | 810.941,49 | 743.184,03 | 810.941,49 |
| Total comprehensive income for the period | | 17.850.467,35 | -36.473.670,47 | -2.325.355,30 | -14.802.687,63 | -56.909.657,12 | -16.003.784,70 | -2.972.736,09 | -1.740.840,74 |

Statement of changes in the Group's equity

| | Share Capital | Share Premium | Other Reserves | Own Shares | Retained earnings | Currency exchange differences | Other capital and reserves attributable to equity holders of the company | Total | Minority interest | Total net equity |
|---|---------------------|----------------------|----------------------|-----------------------|-----------------------|-------------------------------|--|-----------------------|-----------------------|-----------------------|
| Balance at 1.1.2009 | 9.884.062,50 | 62.531.731,47 | 28.713.434,37 | -13.559.552,05 | 308.621.575,00 | -46.463.425,24 | -88.927.927,73 | 260.799.898,32 | 115.422.340,20 | 376.222.238,52 |
| <i>Movements from 1/1 to 30/09/2009</i> | | | | | | | | | | |
| Dividends | | | | | -3.294.687,50 | | | -3.294.687,50 | -11.230.570,69 | -14.525.258,19 |
| Minority interest due to new subsidiaries | | | 0,00 | | 0,00 | | | 0,00 | -307.918,15 | -307.918,15 |
| Reduction of acquisition cost of subsidiary | | | | | 1.006.537,42 | | | 1.006.537,42 | | 1.006.537,42 |
| Total comprehensive income for the period | | | -14.783.687,63 | | 84.151.577,14 | -21.689.982,83 | | 47.677.906,68 | 15.761.252,01 | 63.439.158,69 |
| Share buyback | | | | -577.276,53 | | | | -577.276,53 | | -577.276,53 |
| Other changes / Adjustments | | | -1.173.919,72 | | -1.079.501,95 | 1.377.053,43 | | -876.368,24 | 876.368,24 | 0,00 |
| Balance at 30th of September 2009 | 9.884.062,50 | 62.531.731,47 | 12.755.827,02 | -14.136.828,58 | 389.405.500,11 | -66.776.354,64 | -88.927.927,73 | 304.736.010,15 | 120.521.471,61 | 425.257.481,76 |
| Balance at 1.1.2010 | 9.884.062,50 | 62.531.731,47 | 8.119.006,08 | -14.602.091,47 | 405.258.014,78 | -59.715.791,52 | -88.927.927,73 | 322.547.004,11 | 118.549.022,44 | 441.096.026,55 |
| <i>Movements from 1/1 to 30/09/2010</i> | | | | | | | | | | |
| Dividends | | | | | -3.953.623,22 | | | -3.953.623,22 | | -3.953.623,22 |
| Capital returning to Minorities | | | | | | | | 0,00 | | 0,00 |
| Reduction of acquisition cost of subsidiary | | | | | | | | 0,00 | | 0,00 |
| Minority interest due to new subsidiaries | | | | | | | | 0,00 | -91.400,64 | -91.400,64 |
| Total comprehensive income for the period | | | -2.720.161,92 | | 64.002.708,83 | 20.570.629,27 | | 81.853.176,18 | 14.715.307,33 | 96.568.483,51 |
| Share buyback | | | | 2.168.323,87 | 1.124.531,21 | | | 3.292.855,08 | | 3.292.855,08 |
| Other changes / Adjustments | | | 7.328.174,48 | | -8.291.404,02 | 641.341,21 | | -321.888,33 | 321.888,33 | 0,00 |
| Balance at 30th of September 2010 | 9.884.062,50 | 62.531.731,47 | 12.727.018,64 | -12.433.767,60 | 458.140.227,58 | -38.503.821,04 | -88.927.927,73 | 403.417.523,82 | 133.494.817,46 | 536.912.341,28 |

Statement of changes in the Company's equity

| | Share Capital | Share Premium | Other Reserves | Own Shares | Retained earnings | Total |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Balance at 1.1.2009 | 9.884.062,50 | 62.531.731,47 | 9.407.579,68 | -2.942.003,47 | 36.582.396,23 | 115.463.766,41 |
| <i>Movements from 1/1 to 30/09/2009</i> | | | | | | |
| Dividends | | | -3.294.687,50 | | | -3.294.687,50 |
| Total comprehensive income for the period | | | -14.802.687,63 | | 13.591.623,44 | -1.211.064,19 |
| Share buyback | | | | | | 0,00 |
| Other changes | | | -526.579,79 | | 526.579,79 | 0,00 |
| Balance at 30th of September 2009 | 9.884.062,50 | 62.531.731,47 | -9.216.375,24 | -2.942.003,47 | 50.700.599,46 | 110.958.014,72 |
| Balance at 1.1.2010 | 9.884.062,50 | 62.531.731,47 | -7.885.515,09 | -2.942.003,47 | 43.942.778,60 | 105.531.054,01 |
| <i>Movements from 1/1 to 30/09/2010</i> | | | | | | |
| Dividends | | | | | -3.953.623,22 | -3.953.623,22 |
| Total comprehensive income for the period | | | -2.325.355,30 | | -24.665.380,23 | -26.990.735,53 |
| Share buyback | | | | 2.833.430,79 | 1.124.531,21 | 3.957.962,00 |
| Other changes | | | 11.527.292,72 | | -11.527.292,74 | -0,02 |
| Balance at 30th of September 2010 | 9.884.062,50 | 62.531.731,47 | 1.316.422,33 | -108.572,68 | 4.921.013,62 | 78.544.657,24 |

CASH FLOW STATEMENT 2η alternative: Indirect Method

| | The Group | | The Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 1/1-30/09/2010 | 1/1-30/09/2009 | 1/1-30/09/2010 | 1/1-30/09/2009 |
| Cash Flows related to Operating Activities | | | | |
| Net Profit before taxes | 113.069.848,94 | 129.152.351,19 | -23.128.099,54 | 14.310.389,59 |
| <i>Adjustments in respect of non-cash transactions:</i> | | | | |
| Depreciation and Amortisation | 16.766.030,00 | 16.077.946,38 | 728.378,47 | 945.048,24 |
| Provisions | 943.814,84 | 5.111.882,33 | 161.983,92 | 913.993,15 |
| Exchange differences | 20.011.243,20 | 1.333.989,83 | | |
| Cash flows from investing activities | 12.016.407,28 | -10.921.293,63 | 11.317.491,37 | -23.727.352,94 |
| Debit interest and similar expenses | 27.080.319,75 | 26.016.215,56 | 14.486.463,55 | 9.813.563,61 |
| Adjustments related to working capital or other operating activities | | | | |
| Decrease/(increase) of Inventories | -50.120.047,13 | -54.539.225,72 | 394.665,00 | -186.291,96 |
| Decrease/(increase) of Receivables | -31.776.338,00 | -34.320.042,40 | -1.557.746,28 | -3.335.199,19 |
| Increase/(decrease) of payable accounts (except Banks) | -8.653.802,15 | 829.977,63 | 995.962,80 | 769.504,69 |
| Minus | | | | |
| Interest paid and similar expenses | -21.642.477,97 | -25.770.771,87 | -9.862.610,29 | -8.524.119,92 |
| Income Tax paid | -25.107.118,55 | -16.666.099,66 | -1.414.300,42 | 0,00 |
| Net cash inflows/(outflows) from Operating Activities (a) | 52.587.880,21 | 36.304.929,64 | -7.877.811,42 | -9.020.464,73 |
| Cash Flows related to Investing Activities | | | | |
| Purchases of subsidiaries, associates and other investments | | -200.931,89 | | -27.931,89 |
| Purchases of tangible and intangible assets | -21.027.556,67 | -18.144.460,14 | -370.821,76 | -541.236,68 |
| Proceeds from sale of tangible and intangible assets | 4.008.580,58 | 3.074.089,07 | 30.000,00 | 5.877,80 |
| Proceeds from sale of financial assets | -12.224.208,96 | 9.198.541,92 | -11.173.428,96 | 8.529.541,92 |
| Interest received | 764.287,96 | 467.320,04 | 7.572,87 | 1.732,81 |
| Decrease/(increase) of other long-term receivables | -1.812.296,23 | -2.458.151,90 | 48.272,79 | -7.942,52 |
| Net cash inflows/(outflows) from Investing Activities (b) | -30.200.589,32 | -7.972.592,90 | -11.458.405,06 | 23.122.247,75 |
| Cash Flows related to Financing Activities | | | | |
| Capital returning to Minorities | | | | |
| Own Stock | 3.292.855,08 | -577.276,45 | 3.957.962,00 | |
| Proceeds from Loans | 43.307.660,95 | 86.990.366,11 | 26.700.000,00 | 33.600.000,00 |
| Repayment of Loans | -22.692.825,05 | -68.247.099,96 | -6.398.781,17 | -44.432.356,84 |
| Payments for leases | -2.582.781,22 | -1.378.008,25 | -43.601,22 | -25.008,25 |
| Dividends paid | -3.680.584,10 | -13.481.683,35 | -3.556.926,10 | -2.250.889,66 |
| Net cash inflows/(outflows) from Financing Activities (c) | 17.644.325,66 | 3.306.298,10 | 20.658.653,51 | -13.108.254,75 |
| Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c) | 40.031.616,55 | 31.638.634,84 | 1.322.437,03 | 993.528,27 |
| Cash and cash equivalents at the beginning of the period | 119.476.328,10 | 73.064.483,75 | 4.889.945,10 | 3.983.042,61 |
| Cash and cash equivalents at the end of the period | 159.507.944,65 | 104.703.118,59 | 6.212.382,13 | 4.976.570,88 |

1 General Information about the Group

1.1 Structure of the Group

The companies of the Group, which are included in the consolidated financial statements, are as follows:

| COMPANY | REGISTER OFFICE | PARTICIPATION | RELATION THAT COMMANDED CONSOLIDATION | UNAUDITED TAX YEARS |
|--|------------------|---------------|---|------------------------|
| FOLLI FOLLIE SA | GREECE | - | - | 2009 |
| FOLLI FOLLIE UK LTD | GREAT BRITAIN | 99,99% | Direct | 2005-2009 |
| FOLLI FOLLIE FRANCE SA | FRANCE | 100% | Direct | 2006-2009 |
| FOLLI FOLLIE SPAIN SA | SPAIN | 100% | Direct | 2002-2009 |
| FOLLI FOLLIE POLAND SZOO | POLAND | 100% | Direct | 2001-2009 |
| FOLLI FOLLIE SLOVAKIA SRO | SLOVAKIA | 100% | Direct | 2001-2009 |
| FOLLI FOLLIE GERMANY Gmbh | GERMANY | 100% | Direct | 2005-2009 |
| MFK FASHION | CYPRUS | 100% | Direct | 2002-2009 |
| PLANACO SA | GREECE | 100% | Direct | 2007-2009 |
| FOLLI FOLLIE JAPAN LTD | JAPAN | 100% | Direct | 2006-2009 |
| FOLLI FOLLIE HONG KONG LTD | HONG KONG | 99,99% | Direct | 2002-2009 |
| FOLLI FOLLIE ASIA LTD | HONG KONG | 99,99% | Indirect | 2002-2009 |
| FOLLI FOLLIE TAIWAN LTD | TAIWAN | 99,99% | Indirect | 2006-2009 |
| FOLLI FOLLIE KOREA LTD | S. KOREA | 99,99% | Indirect | 2006-2009 |
| FOLLI FOLLIE SINGAPORE LTD | SINGAPORE | 99,99% | Indirect | 2004-2009 |
| FOLLI FOLLIE MACAOU LTD | MACAOU | 99,99% | Indirect | 2008-2009 |
| BLUEFOL GUAM LTD | GUAM | 99,99% | Indirect | 2002-2009 |
| BLUEFOL HAWAII LTD | HAWAI | 99,99% | Indirect | 2002-2009 |
| BLUEFOL HONG KONG LTD | HONK KONG | 99,99% | Indirect | 2002-2009 |
| FOLLI FOLLIE MALAYSIA LTD | MALAYSIA | 99,99% | Indirect | 2004-2009 |
| FOLLI FOLLIE THAILAND LTD | THAILAND | 99,99% | Indirect | 2002-2009 |
| FOLLI FOLLIE CHINA (PILION) LTD | CHINA | 85,00% | Indirect | 2006-2009 |
| LAPFOL (JOINT VENTURE) | HONG KONG | 75,00% | Indirect | 2009 |
| HELLENIC DUTY FREE SHOPS SA | GREECE | 56,78% | Direct | 2005-2009 |
| HELLENIC DISTRIBUTION SA | GREECE | 56,03% | Indirect | 2006-2009 |
| LINKS (LONDON) LIMITED | GREAT BRITAIN | 56,03% | Indirect | 2006-2009 |
| LINKS OF LONDON (INTERNATIONAL) LTD | GREAT BRITAIN | 56,03% | Indirect | 2006-2009 |
| LINKS OF LONDON COM LTD (UK) | GREAT BRITAIN | 56,03% | Indirect | 2006-2009 |
| LINKS OF LONDON ASIA LTD | HONG KONG | 56,03% | Indirect | 2006-2009 |
| LINKS OF LONDON INC (USA) | USA | 56,03% | Indirect | 2006-2009 |
| LINKS OF LONDON (FRANCE) | FRANCE | 56,03% | Indirect | 2006-2009 |
| LINKS OF LONDON INC (MACAU) LTD | MACAOU | 56,03% | Indirect | 2008-2009 |
| LINKS OF LONDON JAPAN Co LTD | JAPAN | 56,03% | Indirect | 2008-2009 |
| HDFS SKOPJE DOO (FYROM) | FYROM | 56,78% | Indirect | 2006-2009 |
| HELLENIC TOURIST BUREAU SA | GREECE | 56,77% | Indirect | 2006-2009 |
| ELMEC SPORT SA | GREECE | 54,28% | Indirect | 2009 |
| ELMEC ROMANIA SRL | ROMANIA | 54,28% | Indirect | 2007-2009 |
| ELMEC SPORT BULGARIA EOOD | BULGARIA | 54,28% | Indirect | 2005-2009 |
| MOUSTAKIS SA | GREECE | 54,28% | Indirect | 2007-2009 |
| LOGISTICS EXPRESS SA | GREECE | 54,28% | Indirect | 2007-2009 |
| ATTIKA DEP. STORES SA | GREECE | 27,58% | Indirect | 2007-2009 |
| NORTH LANDMARK AE | GREECE | 19,00% | Indirect | 2009 |
| ICS ELMEC SPORT SRL | MOLDOVA | 54,28% | Indirect | 2008-2009 |
| ICE CUBE SA | GREECE | 13,57% | Indirect | Established 2010 |
| COLLECTIVE PATRAS SA | GREECE | 43,43% | Indirect | Established 2010 |

The Full consolidation method has been used for all subsidiaries.

-The Board of FOLLI - FOLLIE SA and its subsidiaries, DUTY FREE SHOPS SA (HDFs) and ELMEC SPORT ABETE decided on 24.06.2010 meetings to propose to the General Meetings of shareholders the merger by absorption of DUTY FREE SHOPS SA (Absorbing) of FOLLI - FOLLIE SA (absorbed, owns 56.78% of the absorbing company) and ELMEC SPORT ABETE (B and absorbed 95.6% subsidiary of the absorbing), in accordance with the provisions of Law 2190 / 1920, Articles 1-5 of Law 2166/1993 and general commercial law and existing capital law as they stand, with date of the merger process and transformation balance sheet as of 30/06/2010.

-The financial statements of the Group no longer include Chronosport SA due to final winding-up. Since the liquidation of Chronosport no further damage has occurred except for the recognized in the financial statements of December 31, 2009. The Chronosport had entered into liquidation in June 2009 due to the discontinuation of production of watches by Nike, the wholesale business of which was the sole object of the company.

-On June 30, 2010, with the 5390/2010 decision, the merger of Ipirotiki SA with "Greek Distribution SA has been complete. After the merger the shareholding composition of "Greek Distribution SA" capital is a 70% stake in "Duty Free Shops SA" and 30% in the «Elmec Sport SA.

- The accompanying financial statements include financial data for the companies ICE CUBE SA and COLLECTIVE Patras SA which were not included in the financial statements of corresponding period of previous year. The consolidation of these companies did not alter the financial results more than 25%.

1.2 The Company

The FOLLI FOLLIE Company has the legal entity of society anonym and is the mother company of the FOLLI FOLLIE. The Company's seat is registered at 23rd Km ATHENS-LAMIA HIGHWAY, in Greece, where the company's headquarters are located.

The Company's shares are listed in the Securities Market of the Athens Stock Exchange, under the classification of Big Capitalization. Each share provides the right of one vote.

The Group's primary activities are: a) the construction of Jewellery, Watches, and accessories, b) The representation of foreign Brands and the sales of clothing, c) the retail travel sector.

2 Basis of Preparation of Financial Statements

2.1 Applicable Period

The present financial statements comprise the financial statements of the Company and its subsidiaries, which are jointly referred to as the Group and are applicable over the period from 1 January 2010 until 30 September 2010 and have been approved by the Board of Directors on 24/11/2010

2.2 Presentation of Financial Statements

These financial statements are presented in €, which is the functional currency of the Group, meaning that it is the currency of the primary economic environment, in which the mother company operates, as well as most of its subsidiaries.

2.3 Accounting policies

2.3.1 Basis of preparation of financial statements

The simple and consolidated financial statements (the «Financial Statements») have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards board and Interpretations issued by the Standing Interpretations Committee, which have been adopted by the European Union.

These Interim Financial Statements have been prepared under IAS 34 «Interim Financial Reporting» and therefore should be considered in conjunction with the audited financial statements of December 31, 2009, available at the company's Internet address.

The accounting policies, estimates and the methodologies adopted and followed in the preparation of these interim financial statements attached, are identical to those followed in the preparation of the Annual Financial Statements for the year ended 31.12.2009. The preparation of financial statements in accordance with IFRS,

requires management to make estimates and assumptions adopted, which may affect the accounting balances of assets and liabilities, the disclosure requirements for contingent assets and liabilities at the date of the Financial Statements as well as the amounts of revenues and expenses recognized during the accounting period. The use of the available information and application judgmental are integral components for assessments. Actual future results may differ from those estimates, and any differences may have significant impact on the financial statements.

2.3.2 New standards, interpretations and amendments to existing Standards and Interpretations

New IFRS, amendments and interpretations have been issued that are mandatory for accounting periods beginning after January 1, 2009. The estimation of the Group and the Company regarding the impact of these new standards and interpretations is as follows:

"IFRS 9 Financial Information" issued in November 2009 with effect for annual periods beginning on or after 01/01/2013. The new standard is the first step towards the replacement of IAS 39 and states that financial assets are classified based on the business model for managing and measured either at fair value or the depreciated cost. It is not expected to have substantial influence in the group and company.

Replacement of IAS 24 "Related Party Disclosures". Issued in November 2009 with effect for annual periods beginning on or after 01/01/2011. The new model has simplified the definition of related parties and gave some exceptions disclosures for entities associated with the state. It is not expected to have substantial impact on the financial statements of the company and the group.

Amendment to IFRS A "limited exception to the comparative disclosures of IFRS 7 for those who apply IFRS for the first time", issued in January 2010 and is effective for annual periods beginning on or after 07/01/2010. This amendment does not apply to the group and company.

"Amendment of Interpretation 14 Prepayment of Minimum Funding Requirements" adopted in November 2009 with effect for annual periods beginning on or after 01/01/2011. This amendment does not apply to the group and company

IFRIC (INTERPRETATION 19) "Replacement of financial liabilities and equity" adopted in November 2009 with effect for annual periods beginning on or after 1.7.2010, which determines the accounting treatment for the replacement of an entity's liabilities with equity. Under this Interpretation, the difference between the book value of the obligation and the fair value of equity instruments is recognized in profit or loss in the related statements. This interpretation would not apply to the group and company.

Amendment to IAS 32 'Order Rights "adopted in October 2009 with effect for annual periods beginning on or after 02/01/2010. Under this amendment, rights, options or warrants, to purchase a fixed number of own shares of an entity to a fixed amount of any currency, is an equity instrument if the entity provides equal share to all existing owners of the same class of Non-equity derivative securities. This amendment should not apply to the group and company.

Amendment to IFRS 7 "Financial Instruments-Disclosures", effective for annual periods beginning on or after 01.07.2011 and provides a quote in a note disclosure of financial statements relating to transferred financial assets that are not deleted and any continuing involvement in this assets. This amendment will apply from the use of 2011.

Additional changes were made in May 2010 with effect for annual periods beginning on or especially after 01/01/2011, the following standards: IFRS 1 ', IFRS 3 'IFRS 7 'IAS 1 'IAS 27 'IAS 34 "and" interpretation 13, which is not expected to have a significant impact on the group and company.

2.3.3 Exchange rates used for the financial statements translation.

The exchange rates used for the translation of the financial statements of subsidiaries and branches abroad in € are the following:

| | USD | GBP | JPY |
|----------------|--------|--------|--------|
| 30/9/2010 | 1,3648 | 0,8599 | 113,68 |
| 1/1-30/09/2010 | 1,3145 | 0,8573 | 117,66 |
| 31/12/2009 | 1,4406 | 0,8881 | 133,16 |
| 30/9/2009 | 1,4643 | 0,9093 | 131,07 |
| 1/1-30/09/2009 | 1,3665 | 0,8862 | 129,53 |

3 Notes on the intermediate financial statements

3.1 Property, plant and equipment

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

The Group

| | Land | Buildings & Building Installations | Investment Property Buildings | Plant & Machinery | Vehicles | Furniture, fittings & equipment | PPE in course of construction | Total |
|---------------------------------|----------------------|--|----------------------------------|----------------------|----------------------|---------------------------------------|-------------------------------------|-----------------------|
| 01.01.2009 | | | | | | | | |
| Cost | 36.191.261,67 | 135.440.967,96 | 75.956.395,52 | 10.474.295,98 | 3.426.686,25 | 71.117.286,25 | 43.295.858,36 | 375.902.751,99 |
| Additions | | 11.478.783,18 | 965.215,00 | 998.511,27 | 249.093,00 | 8.596.371,98 | 5.136.232,94 | 27.424.207,37 |
| New subsidiary | | | | | | | | 0,00 |
| Disposals | -944.164,90 | -4.467.963,75 | -6.385,00 | -309.350,90 | -373.764,48 | -2.627.641,85 | | -8.729.270,88 |
| Adjustments | | 2.550.242,27 | | | | 937.248,33 | -2.469.589,43 | 1.017.901,17 |
| Balance 31.12.2009 | 35.247.096,77 | 145.002.029,66 | 76.915.225,52 | 11.163.456,35 | 3.302.014,77 | 78.023.264,71 | 45.962.501,87 | 395.615.589,65 |
| Accumulated amortisation | | | | | | | | |
| Balance 01.01.2009 | | -27.683.691,30 | -335.704,52 | -6.915.439,94 | -2.397.189,53 | -41.919.273,18 | | -79.251.298,47 |
| Amortisation charge | | -7.399.879,26 | | -1.278.055,31 | -271.642,77 | -7.352.396,08 | | -16.301.973,42 |
| Fair value impairment | | | -1.043.082,57 | | | | | -1.043.082,57 |
| New subsidiaries depreciation | | | | | | | | 0,00 |
| Decrease of amortisation | | 2.560.085,76 | 3.395,00 | 288.039,06 | 234.214,21 | 2.298.664,34 | | 5.384.398,37 |
| Balance 31.12.2009 | 0,00 | -32.523.484,80 | -1.375.392,09 | -7.905.456,19 | -2.434.618,09 | -46.973.004,92 | 0,00 | -91.211.956,09 |
| Exchange differences | -390.614,59 | -725.830,02 | | 80.476,02 | -10.077,23 | -80.211,74 | -211.567,00 | -1.337.824,56 |
| Net book amount | | | | | | | | |
| 31.12.2009 | 34.856.482,18 | 111.752.714,84 | 75.539.833,43 | 3.338.476,18 | 857.319,45 | 30.970.048,05 | 45.750.934,87 | 303.065.809,00 |
| 01.01 - 30.09.2010 | | | | | | | | |
| Additions | | 4.274.419,54 | 316.308,00 | 544.837,42 | 223.197,57 | 6.064.792,24 | 3.099.856,26 | 14.523.411,03 |
| New subsidiary | | | | | | | | 0,00 |
| Disposals | | -1.637.773,39 | -4.840,00 | -748.640,11 | -349.285,59 | -1.408.524,53 | | -4.149.063,62 |
| Adjustments | | 596.213,08 | | 4.264,00 | 41.573,00 | 249.089,07 | -632.603,03 | 258.536,12 |
| Amortisation charge | | -5.770.472,44 | | -909.384,04 | -175.193,48 | -5.722.991,12 | | -12.578.041,08 |
| Fair value impairment | | | -788.743,68 | | | | | -788.743,68 |
| New subsidiaries depreciation | | | | | | | | 0,00 |
| Decrease of amortisation | | 1.107.843,04 | | 734.634,45 | 191.412,11 | 926.077,83 | | 2.959.967,43 |
| Exchange differences | 123.703,12 | 733.780,58 | | 40.984,07 | 405,05 | 401.685,42 | -33.871,55 | 1.266.686,69 |
| Net book amount | | | | | | | | |
| 30.09.2010 | 34.980.185,30 | 111.056.725,25 | 75.062.557,75 | 3.005.171,97 | 789.428,11 | 31.480.176,96 | 48.184.316,55 | 304.558.561,89 |

The group's investment properties concern two properties located on the street Piraeus and the airport. The fair value of investment properties has been assessed by an independent estimator in early 2010.

The fixed assets under construction mainly concern property on the road Patision (former Minion) worth € 33,5 million.

The Company

| | Land | Investment Property Land | Buildings & Building Installations | Investment Property Buildings | Plant & Machinery | Vehicles | Furniture, fittings & equipment | PPE in course of construction | Total |
|---------------------------------|---------------------|--------------------------------|--|-------------------------------------|----------------------|--------------------|---------------------------------------|-------------------------------------|----------------------|
| 01.01.2009 | | | | | | | | | |
| Cost | 7.165.044,74 | 1.561.420,80 | 16.686.029,67 | 10.451.372,20 | 1.141.394,45 | 587.185,83 | 4.492.349,05 | 10000 | 42.094.796,74 |
| Additions | | | 596.434,88 | | 68.754,60 | 58.000,00 | 306.562,27 | 7.507,03 | 1.037.258,78 |
| Disposals | | | | | -44.104,70 | | -8,03 | | -44.112,73 |
| Adjustments | -1.051.067,21 | 1.051.067,21 | -2.240.662,70 | 2.253.802,70 | | | | -13.140,00 | 0,00 |
| Reevaluation | | 294.565,06 | | 456.127,77 | | | | | 750.692,83 |
| Balance 31.12.2009 | 6.113.977,53 | 2.907.053,07 | 15.041.801,85 | 13.161.302,67 | 1.166.044,35 | 645.185,83 | 4.798.903,29 | 4.367,03 | 43.838.635,62 |
| Accumulated amortisation | | | | | | | | | |
| Balance 01.01.2009 | | | -2.528.112,32 | | -889.249,71 | -371.676,34 | -2.510.975,33 | | -6.300.013,70 |
| Amortisation charge | | | -531.564,20 | | -85.585,97 | -36.333,63 | -440.659,99 | | -1.094.143,79 |
| Decrease of amortisation | | | | | 32.738,94 | | 16,04 | | 32.754,98 |
| Balance 31.12.2009 | 0,00 | 0,00 | -3.059.676,52 | 0,00 | -942.096,74 | -408.009,97 | -2.951.619,28 | 0,00 | -7.361.402,51 |
| Net book amount | | | | | | | | | |
| 31.12.2009 | 6.113.977,53 | 2.907.053,07 | 11.982.125,33 | 13.161.302,67 | 223.947,61 | 237.175,86 | 1.847.284,01 | 4.367,03 | 36.477.233,11 |
| 01.01-31.09.2010 | | | | | | | | | |
| Additions | | | 77.836,92 | | 14.191,00 | 75.000,00 | 145.936,17 | | 312.964,09 |
| Disposals | | | | | | -162.795,62 | | | -162.795,62 |
| Adjustments | | | 4.367,03 | | | | | -4.367,03 | 0,00 |
| Reevaluation | | | | | | | | | 0,00 |
| Amortisation charge | | | -271.382,59 | | -49.819,10 | -30.757,45 | -305.070,06 | | -657.029,20 |
| Decrease of amortisation | | | | | | 108.047,24 | | | 108.047,24 |
| Net book amount | | | | | | | | | |
| 30.09.2010 | 6.113.977,53 | 2.907.053,07 | 11.792.946,69 | 13.161.302,67 | 188.319,51 | 226.670,03 | 1.688.150,12 | 0,00 | 36.078.419,62 |

3.2 Intangible assets

The analysis of the book value of intangible assets of the group and the company presented in the tables below:

The Group

| | Rental rights | Concessions, Licenses & Similar Rights | Amortisable expenses | Total | Special assessment |
|-----------------------------------|----------------------|--|-------------------------|-----------------------|-----------------------|
| 01.01.2009 | | | | | |
| Cost | 3.827.591,54 | 111.374.232,37 | 20.041.591,33 | 135.243.415,24 | 252.770.491,80 |
| Additions | 590.000,00 | 4.672,00 | 1.248.542,06 | 1.843.214,06 | |
| New subsidiary | | | | 0,00 | |
| Disposals | | | | 0,00 | |
| Adjustments | | | | 0,00 | |
| Amortisation charge | 291.921,00 | 159.869,51 | -104.280,71 | 347.509,80 | |
| Exchange differences | | 235.781,27 | -63.623,33 | 172.157,94 | 282.024,42 |
| Balance 31.12.2009 | 4.709.512,54 | 111.774.555,15 | 21.122.229,35 | 137.606.297,04 | 253.052.516,22 |
| Accumulated amortisation | | | | | |
| Balance 01.01.2009 | -1.031.554,79 | -14.143.731,66 | -6.318.524,55 | -21.493.811,00 | |
| Amortisation charge | -386.701,60 | -2.557.854,86 | -1.573.506,09 | -4.518.062,55 | |
| New subsidiaries depreciation | | | | 0,00 | |
| Adjustments | | | | 0,00 | |
| Decrease of amortisation | | | | 0,00 | |
| Balance 31.12.2009 | -1.418.256,39 | -16.701.586,52 | -7.892.030,64 | -26.011.873,55 | |
| Exchange differences | | 2.681.164,54 | -6.652.447,77 | -3.971.283,23 | |
| Net book amount 31.12.2009 | 3.291.256,15 | 97.754.133,17 | 6.577.750,94 | 107.623.140,26 | 253.052.516,22 |
| 01.01 – 30.09.2010 | | | | | |
| Additions | 2.071.250,00 | 3.110.869,26 | 1.322.026,38 | 6.504.145,64 | |
| New subsidiary | | | | 0,00 | |
| Disposals | | -2.965.288,68 | -5.658,61 | -2.970.947,29 | |
| Amortisation charge | -650.821,24 | -1.923.096,97 | -825.325,86 | -3.399.244,07 | |
| Adjustments | 443.465,01 | 33.036,45 | -805.383,04 | -328.881,58 | |
| Decrease of amortisation | | 7.062,17 | 14.081,72 | 21.143,89 | |
| Exchange differences | | 181.599,88 | | 181.599,88 | 28.530,54 |
| Net book amount 30.09.2010 | 5.155.149,92 | 96.198.315,28 | 6.277.491,53 | 107.630.956,73 | 253.081.046,76 |

Total goodwill as of the 30/09/2010, explained as follows:

| | |
|--|--------------------------|
| Goodwill of company by HDFS | € 164,757 million |
| Goodwill of the company LINKS (LONDON) LIMITED | € 52,366 million |
| Goodwill from purchase company ELMEC SPORT SA | € 35,415 million |
| Goodwill from acquisition of other companies | € 0,543 million |
| TOTAL | € 253,081 million |

Intangible assets (rights) relate mainly to the estimated value of the license (right) of approximately €90 million for commercial activity(sales) on Duty Free Shops SA at airports, seaports and border crossings by 2048.

The Company

| | Rental rights | Software applications | Amortisable expenses | Total |
|-----------------------------------|-------------------|-----------------------|----------------------|----------------------|
| 01.01.2009 | | | | |
| Cost | 146.735,14 | 616.014,44 | 938.661,25 | 1.701.410,83 |
| Additions | | 26.310,55 | | 26.310,55 |
| New subsidiary | | | | 0,00 |
| Disposals | | | | 0,00 |
| Balance 31.12.2009 | 146.735,14 | 642.324,99 | 938.661,25 | 1.727.721,38 |
| Accumulated amortisation | | | | |
| Balance 01.01.2009 | -85.698,39 | -509.086,09 | -476.010,39 | -1.070.794,87 |
| Amortisation charge | -12.143,60 | -76.483,20 | -46.834,24 | -135.461,04 |
| New subsidiaries depreciation | | | | 0,00 |
| Decrease of amortisation | | | | 0,00 |
| Balance 31.12.2009 | -97.841,99 | -585.569,29 | -522.844,63 | -1.206.255,91 |
| Exchange differences | | | | |
| Net book amount 31.12.2009 | 48.893,15 | 56.755,70 | 415.816,62 | 521.465,47 |
| 01.01 – 30.09.2010 | | | | |
| Additions | | 24.202,51 | 33.655,15 | 57.857,66 |
| Disposals | | | | 0,00 |
| Amortisation charge | -9.107,70 | -25.867,80 | -36.373,77 | -71.349,27 |
| Adjustments | | | | 0,00 |
| Decrease of amortisation | | | | 0,00 |
| Exchange differences | | | | 0,00 |
| Net book amount 30.09.2010 | 39.785,45 | 55.090,41 | 413.098,00 | 507.973,86 |

3.3 Participations to subsidiaries

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

| COMPANY | 30/9/2010 | 31/12/2009 |
|-----------------------------------|-----------------------|-----------------------|
| <u>FOLLI-FOLLIE HONG KONG Ltd</u> | 22.627.986,94 | 22.627.986,94 |
| <u>FOLLI-FOLLIE UK Ltd</u> | 3.110.450,19 | 3.110.450,19 |
| <u>FOLLI-FOLLIE FRANCE SA</u> | 7.155.791,41 | 7.155.791,41 |
| <u>FOLLI FOLLIE JAPAN Ltd</u> | 15.528.409,08 | 15.528.409,08 |
| <u>FOLLI-FOLLIE SPAIN SA</u> | 5.018.267,21 | 5.018.267,21 |
| <u>MFK FASHION Ltd</u> | 367.395,18 | 367.395,18 |
| <u>PLANACO S.A.</u> | 5.276.220,41 | 5.276.220,41 |
| <u>HDF's</u> | 358.995.158,73 | 358.995.158,73 |
| <u>FOLLI-FOLLIE POLAND *</u> | 1.017.353,47 | 1.017.353,47 |
| <u>FOLLI-FOLLIE SLOVAKIA*</u> | 299.200,00 | 299.200,00 |
| <u>FOLLI-FOLLIE GMBH*</u> | 50.000,00 | 50.000,00 |
| <u>Impairment(*)</u> | -2.666.506,05 | -2.666.506,05 |
| <u>Total</u> | 418.079.679,15 | 418.079.679,15 |

3.4 Long term Receivables and other non-current assets

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

| Investment Available for Sale | THE GROUP | | | THE COMPANY | | |
|---------------------------------|------------------------------|----------------------|-------------------|------------------------------|----------------------|--------------|
| | <i>Non listed Shares</i> | <i>listed Shares</i> | <i>Total</i> | <i>Non listed Shares</i> | <i>listed Shares</i> | <i>Total</i> |
| Balance as of 1/1/2009 | 439.888,92 | 552.034,00 | 991.922,92 | 0,00 | 0,00 | 0,00 |
| Additions | 10.735,00 | 0,00 | 10.735,00 | 0,00 | 0,00 | 0,00 |
| Reductions | -80.192,00 | 0,00 | -80.192,00 | 0,00 | 0,00 | 0,00 |
| Adjustments | -1.467,00 | -314.985,38 | -316.452,38 | 0,00 | 0,00 | 0,00 |
| Impairment | 0,00 | 80.931,66 | 80.931,66 | 0,00 | 0,00 | 0,00 |
| Valuation | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Foreing Exchange Diffs | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Balance as of 31/12/2009 | 368.964,92 | 317.980,28 | 686.945,20 | 0,00 | 0,00 | 0,00 |
| Balance as of 1/1/2010 | 368.964,92 | 317.980,28 | 686.945,20 | 0,00 | 0,00 | 0,00 |
| Additions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Reductions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Adjustments | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Impairment | 0,00 | -168.252,62 | -168.252,62 | 0,00 | 0,00 | 0,00 |
| Valuation | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Foreing Exchange Diffs | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Balance as of 30/09/2010 | 368.964,92 | 149.727,66 | 518.692,58 | 0,00 | 0,00 | 0,00 |

Investments available for sale on the group's shares listed on the Athens Stock Exchange are valued at current prices closing session of the Stock Exchange on September 30, 2010 (level 1) and unlisted companies; the fair value is determined using models to determine the net future cash flows attributable to the Group.

| Long Term Receivables | THE GROUP | | THE COMPANY | |
|----------------------------------|----------------------|----------------------|---------------------|---------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Post Dated Checks Receivables | 1.079.493,00 | 1.314.399,00 | 0,00 | 78.000,00 |
| Rental Deposits | 13.020.237,24 | 11.655.880,28 | 369.555,83 | 339.828,62 |
| Long Term Loans To Third Parties | 338.448,75 | 12.000,00 | 0,00 | 0,00 |
| Investments Available for Sale | 518.692,58 | 686.945,20 | 0,00 | 0,00 |
| Deferred Tax Assets | 11.232.316,93 | 11.561.019,76 | 7.085.744,97 | 6.497.594,78 |
| Other Receivables | 2.686.194,65 | 1.547.303,70 | 0,00 | 0,00 |
| | 28.875.383,15 | 26.777.547,94 | 7.455.300,80 | 6.915.423,40 |

As long term recognized the receivables expected to be settled at least 12 months after the date of the financial statements. According to the market customs, the Group receives cheques or other bills during the sale of fitness and motorcycles. The Group pays financial guarantees for the most part (a) store owners who rent, and (b) utilities to connect to its networks.

3.5 Inventories

The inventories of the group and company were as follows:

| Inventories | THE GROUP | | THE COMPANY | |
|------------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Merchandise (& Goods in transit) | 318.095.457,62 | 268.812.925,99 | 11.854.405,41 | 11.944.703,49 |
| Products, Row and Packing Material | 4.415.106,65 | 4.851.258,40 | 3.378.112,97 | 3.682.479,89 |
| Less: Provisions for Obsolescence | 6.982.468,19 | 7.308.595,59 | 935.803,87 | 935.803,87 |
| | 315.528.096,08 | 266.355.588,80 | 14.296.714,51 | 14.691.379,51 |
| Advance Payments to Purchase Inv. | 35.756.248,00 | 27.073.800,00 | 0,00 | 0,00 |
| | 351.284.344,08 | 293.429.388,80 | 14.296.714,51 | 14.691.379,51 |

Inventories are measured at the lower of acquisition value and net realizable value as required by IAS 2. For some old stocks (before 2007) the net realizable value is lower than the acquisition value and, therefore, those stocks were valued at that price. As already reported in the financial report of 31.12.2009, the account "advances payment to purchase inventories" relates primarily with advances in production units with a commitment to performance and competitive pricing of large annual orders and provide preferential discounts on stock purchases and equipment items foreign sales subsidiaries in South East Asia

3.6 Trade Receivables and other current assets

The amounts recognized in the financial statements are detailed below:

| Receivables From Customers | THE GROUP | | THE COMPANY | |
|-----------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Trade Receivables (Customers) | 275.257.243,30 | 256.502.018,45 | 14.542.287,28 | 14.060.679,84 |
| Post Dated Checks Receivables | 19.926.777,11 | 21.217.826,36 | 1.593.350,20 | 1.518.846,92 |
| Less:Provisions for Bad Debts | -693.006,45 | -1.047.537,32 | -126.104,77 | -51.545,32 |
| | 294.491.013,96 | 276.672.307,49 | 16.009.532,71 | 15.527.981,44 |

The increase in trade receivables due largely to the influence of exchange rate (USD price increase)

| Other Current Assets | THE GROUP | | THE COMPANY | |
|---------------------------------|----------------------|----------------------|---------------------|---------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Short Term Loans Receivables | 0,00 | 0,00 | 1.333.692,41 | 1.286.517,41 |
| Trade Receivables (Credit Card) | 15.972.534,45 | 22.891.204,65 | 679.244,85 | 796.149,65 |
| Receivables From Public Sector | 7.132.507,96 | 9.608.885,56 | 1.135.647,05 | 1.547.580,06 |
| Advances to Suppliers | 8.924.757,23 | 7.047.159,09 | 2.266.707,05 | 653.411,77 |
| Personnel Advances | 184.212,26 | 385.817,41 | 63.774,43 | 150.405,00 |
| Other Receivables | 18.820.479,16 | 7.649.615,10 | 0,00 | 0,00 |
| Other Debtors | 754.670,55 | 3.806.432,45 | 260.565,96 | 261.679,48 |
| Purchases Under Settlement | 2.440.571,08 | 792.909,99 | 66.249,08 | 31.325,99 |
| Accrued Income | 448.031,82 | 5.154,04 | -1.130,18 | -1.327,29 |
| Prepayments | 4.460.220,17 | 3.813.705,89 | 8.690,68 | 86.063,70 |
| Derivatives | 95.084,00 | 121.585,00 | 0,00 | 0,00 |
| | 59.233.068,67 | 56.122.469,18 | 5.813.441,33 | 4.811.805,77 |

The growth of the account "other assets" primarily due to increased revenue and marketing promotions of the Group.

3.7 Cash and Cash Equivalents

The cash and cash equivalents comprise the following:

| Cash at Bank and on Hand | THE GROUP | | THE COMPANY | |
|---------------------------------|-----------------------|-----------------------|---------------------|---------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Cash on Hand | 7.218.224,05 | 6.079.810,19 | 89.584,33 | 352.135,86 |
| Bank Accounts | 152.289.720,61 | 113.396.517,91 | 6.122.797,80 | 4.537.809,24 |
| | 159.507.944,65 | 119.476.328,10 | 6.212.382,13 | 4.889.945,10 |

3.8 Financial assets fair value through Results

The change in financial assets at fair value through profit and loss is as follows:

| Fair value investments | THE GROUP | | | THE COMPANY | | |
|---------------------------------|-------------------|-----------------------------------|-------------------|-------------------|-----------------------------------|-------------------|
| | Listed Shares | Mutual Funds and other securities | Σύνολο | Listed Shares | Mutual Funds and other securities | Σύνολο |
| Balance as of 1/1/2009 | 388.228,00 | 0,00 | 388.228,00 | 388.228,00 | 0,00 | 388.228,00 |
| Additions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Reductions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Adjustments | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Impairment | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Valuation | 121.152,04 | 0,00 | 121.152,04 | 121.152,04 | 0,00 | 121.152,04 |
| Foreing Exchange Diffs | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Balance as of 31/12/2009 | 509.380,04 | 0,00 | 509.380,04 | 509.380,04 | 0,00 | 509.380,04 |
| Balance as of 1/1/2010 | 509.380,04 | 0,00 | 509.380,04 | 509.380,04 | 0,00 | 509.380,04 |
| Additions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Reductions | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Adjustments | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Impairment | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Valuation | -126.886,82 | 0,00 | -126.886,82 | -126.886,82 | 0,00 | -126.886,82 |
| Foreing Exchange Diffs | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Balance as of 31/09/2010 | 382.493,22 | 0,00 | 382.493,22 | 382.493,22 | 0,00 | 382.493,22 |

All assets of this category are Level 1 and measured at fair value.

3.9 Share Capital

| | Number of shares | Ordinary shares | Authorised capital | Share premium | Total | Own shares (qty) |
|---------------------|------------------|-----------------|--------------------|---------------|---------------|-------------------|
| 31st December 2008 | 32.946.875,00 | 32.946.875,00 | 9.884.062,50 | 62.531.731,47 | 72.415.793,97 | 238.810,00 |
| 31st December 2009 | 32.946.875,00 | 32.946.875,00 | 9.884.062,50 | 62.531.731,47 | 72.415.793,97 | 238.810,00 |
| 30th September 2010 | 32.946.875,00 | 32.946.875,00 | 9.884.062,50 | 62.531.731,47 | 72.415.793,97 | 6.054,00 |

The total authorized number of ordinary shares is 32.946.875 million shares with a par value of € 0,30 per share. All issued shares are fully paid. All shares, other than Treasury shares, enjoy the same rights to receive dividends and represent one vote in the General Meeting of shareholders.

3.10 Retained earnings and other reserves

The movement of profits and reserves shown in the table below:

| | The Group | | The Company | |
|--|-----------------------|-----------------------|----------------------|----------------------|
| | 30/9/2010 | 31/12/2009 | 30/9/2010 | 31/12/2009 |
| Profit carried forward | 458.140.227,58 | 405.258.014,78 | 4.921.013,62 | 43.942.778,60 |
| Reserves | 75.258.750,11 | 70.650.737,55 | 63.848.153,80 | 54.646.216,38 |
| Own Shares | -12.433.767,60 | -14.602.091,47 | -108.572,68 | -2.942.003,47 |
| Consolidation differences according to previous Accounting Standards | -88.927.927,73 | -88.927.927,73 | | |
| Consolidated exchange differences | -38.503.821,04 | -59.715.791,52 | | |
| Third party rights | 133.494.817,46 | 118.549.022,44 | | |
| | 527.028.278,78 | 431.211.964,05 | 68.660.594,74 | 95.646.991,51 |

3.11 Long term liabilities - Long term provisions

The movement of funds is shown in the following tables:

| Other Long Term Liabilities | THE GROUP | | THE COMPANY | |
|----------------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Retirement Benefits | 10.065.729,83 | 9.307.366,20 | 804.604,47 | 719.831,00 |
| Rental Deposits/Guarantees | 390.599,94 | 365.098,26 | 390.599,94 | 365.098,26 |
| Long-term Leasing Liabilities | 55.730.938,05 | 52.367.938,33 | 87.134,97 | 130.736,19 |
| Long-term Deferred Tax Liability | 16.870.187,96 | 18.560.458,71 | 1.826.522,27 | 1.752.430,22 |
| Tax Provisions | 1.563.591,00 | 1.442.142,00 | 162.500,00 | 112.500,00 |
| Other Provisions | 2.836.741,05 | 2.978.550,29 | 0,00 | 0,00 |
| Bank and Financial Institutions | 514.648.296,57 | 278.063.519,29 | 256.250.000,00 | 60.000.000,00 |
| Derivatives Revaluation | 35.212.966,84 | 31.990.090,74 | 34.203.702,68 | 31.297.008,53 |
| | 637.319.051,25 | 395.075.163,82 | 293.725.064,33 | 94.377.604,20 |

3.12 Retirement Benefit Obligation

| | The Group | | The Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-31/12/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-31/12/2009</u> |
| Obligations of Opening Balance | 9.307.366,20 | 8.821.839,38 | 719.831,00 | 750.070,00 |
| Retirement Benefits (Provisions and Payments) | 758.363,63 | 485.526,82 | 84.773,47 | -30.239,00 |
| Total | 10.065.729,83 | 9.307.366,20 | 804.604,47 | 719.831,00 |
| Expense Charged | | | | |
| Retirement Benefits (Provisions and Payments) | 668.612,05 | 1.026.544,67 | 115.659,83 | 244.372,24 |
| Total | 668.612,05 | 1.026.544,67 | 115.659,83 | 244.372,24 |

3.13 Loans maturity

| Loans: Analysis | THE GROUP | | THE COMPANY | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Bond Loans | 527.584.894,16 | 604.693.348,97 | 256.250.000,00 | 326.500.000,00 |
| Bank Loans | 189.664.922,28 | 91.403.925,23 | 116.981.065,93 | 21.668.044,98 |
| Leasing | 59.548.372,63 | 56.284.240,80 | 133.016,30 | 164.336,19 |
| | 776.798.189,07 | 752.381.515,00 | 373.364.082,23 | 348.332.381,17 |
| Bank Loans | | | | |
| Long-Term Loans | 514.646.596,72 | 278.063.519,29 | 256.250.000,00 | 60.000.000,00 |
| Short-Term Loans | 202.603.219,72 | 418.033.754,90 | 116.981.065,93 | 288.168.044,98 |
| | 717.249.816,44 | 696.097.274,19 | 373.231.065,93 | 348.168.044,98 |

This year the company signed a joint bond of € 231.500.000 with the banks ALPHA BANK and EMPORIKI BANK, for two years period, in order to refinance existing short-term borrowing. The consequence is a reduction in short-term and increasing long term debt of the company and the group.

| Leasing | THE GROUP | | THE COMPANY | |
|--------------|----------------------|----------------------|-------------------|-------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Over 5 Years | 35.979.753,09 | 35.987.184,00 | 0,00 | 0,00 |
| 1 to 5 Years | 19.752.884,81 | 16.380.754,33 | 87.134,97 | 130.736,19 |
| Up to 1 year | 3.815.734,73 | 3.916.302,47 | 45.881,33 | 33.600,00 |
| | 59.548.372,63 | 56.284.240,80 | 133.016,30 | 164.336,19 |

3.14 Tax- Trade and other liabilities

The change of line is shown in the list below:

| Tax Liabilities | THE GROUP | | THE COMPANY | |
|---|----------------------|----------------------|---------------------|---------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Income Taxes | 9.773.703,72 | 14.472.874,96 | -338.005,51 | 358.514,60 |
| Taxes Resulting From Tax Audits | 156.314,00 | 266.778,00 | 0,00 | 0,00 |
| Tax - Special Levy - Fines | 1.607.089,00 | 6.428.355,88 | 0,00 | 0,00 |
| V.A.T./Sales Tax | 4.189.408,43 | 3.343.221,76 | -204.136,57 | 70.572,50 |
| Other Tax Liabilities (Other Than Income Tax) | 7.495.130,61 | 5.787.093,06 | 1.777.836,38 | 1.138.829,43 |
| | 23.221.645,75 | 30.298.323,66 | 1.235.694,30 | 1.567.916,53 |

| Trade and Other Liabilities | THE GROUP | | THE COMPANY | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>30/9/2010</u> | <u>31/12/2009</u> | <u>30/9/2010</u> | <u>31/12/2009</u> |
| Suppliers | 102.924.124,40 | 91.805.053,78 | 4.116.840,92 | 4.354.093,16 |
| Cheques / Promissory Notes Payable | 13.593.870,50 | 14.145.956,30 | 922.859,90 | 917.633,36 |
| Customer Advances | 4.788.840,20 | 8.236.846,08 | 8.284.589,40 | 157.461,70 |
| Short - Term Bank Loans | 202.603.219,72 | 418.033.754,90 | 116.981.065,93 | 288.100.844,98 |
| Short - Term Leasing Liabilities | 3.815.734,73 | 3.916.302,47 | 45.881,33 | 33.600,00 |
| Short - Term Loans From Third Parties | 0,00 | 0,00 | 0,00 | 0,00 |
| Taxes Payable | 23.221.645,75 | 30.298.323,66 | 1.235.694,30 | 1.567.916,53 |
| Personnel Payrol Payable | 1.732.600,64 | 1.604.713,34 | 337.787,33 | 48.971,22 |
| Purchases Under Settlement | 57,00 | 0,00 | 57,00 | -960,86 |
| Accrued Expenses | 6.887.083,59 | 5.224.216,73 | 160.999,97 | 2.237.002,00 |
| Deferred Income | 146.854,06 | 545.057,14 | 0,00 | 0,00 |
| Dividends Payable | 79.781,22 | 202.104,42 | 6.495,22 | 5.160,42 |
| Social Security Contribution | 2.005.036,23 | 4.314.115,81 | 219.367,19 | 445.966,75 |
| BoD or Shareholders Liabilities | 216.000,00 | 0,00 | 216.000,00 | 0,00 |
| Other Liabilities / Other Creditors | 22.798.572,83 | 22.231.252,07 | 38.577,26 | 4.647.945,60 |
| Short - Term Deferred Tax | 0,00 | 0,00 | 0,00 | 0,00 |
| | 384.813.420,88 | 600.557.696,70 | 132.566.215,75 | 302.515.634,86 |

3.15 Dividends Payable

The annual general meeting of shareholders of 01/01/2009 to 12/31/2009 year, held on 25/06/2010, approved the dividend payment of 0.12 euros per share. This amount will be increased by the dividend corresponding to 6.054 own shares held by the company, ie 0.000022 per share and thus the total dividend per share will amount to 0.120022 million.

3.16 Segment Report

The Group's operating segments are strategic units that sell different goods. Monitored and managed separately from the board because the goods are completely different kind of market demand and gross margin.

The areas of the Group are:

-Jewelry, Watch, Accessories:

This sector includes the processing and marketing of jewelry, watches and similar accessories

-Retail Travel Trade:

The field of retail travel trade including sales tax exempt and taxed the retail done in airport terminals, customs and ports

-Department Stores:

This area covers the operation of stores

-Clothing – Shoes:

It covers the retail and wholesale of branded clothing and footwear

-Other:

Includes areas where sales to external customers is less than 5%.

A) Balance Sheet

| <i>amounts in €.000</i> | Jewelry - Watch - Accessories | Travel Retail | Department stores | Clothing - Footwear | Other segment | Total | Eliminations | Consolidated data |
|--------------------------------|-------------------------------------|----------------|-------------------|------------------------|---------------|------------------|-----------------|----------------------|
| 30.09.2010 | | | | | | | | |
| Tangible and Intangible assets | 73.832 | 73.921 | 52.874 | 46.652 | 51.071 | 298.350 | 366.920 | 665.270 |
| Inventories | 150.533 | 60.078 | 50.200 | 56.912 | 417 | 318.140 | -2.612 | 315.528 |
| Trade and other receivables | 322.932 | 8.480 | 27.414 | 59.169 | 315 | 418.310 | -53.968 | 364.342 |
| Cash | 94.680 | 36.190 | 20.117 | 7.754 | 766 | 159.507 | 0 | 159.507 |
| | 641.977 | 178.669 | 150.605 | 170.487 | 52.569 | 1.194.307 | 310.340 | 1.504.647 |
| Other assets | 442.055 | 319.983 | 54 | 59.311 | 2.077 | 823.480 | -769.083 | 54.397 |
| Total | 1.084.032 | 498.652 | 150.659 | 229.798 | 54.646 | 2.017.787 | -458.743 | 1.559.044 |
| Long-term loans | 268.853 | 204.450 | 13.512 | 75.392 | 11.363 | 573.570 | -3.191 | 570.379 |
| Short-term loans | 124.773 | 21.022 | 11.919 | 50.303 | 1.545 | 209.562 | -3.143 | 206.419 |
| Trade and other liabilities | 48.646 | 48.452 | 87.309 | 35.270 | 4.367 | 224.044 | -49.397 | 174.647 |
| | 442.272 | 273.924 | 112.740 | 160.965 | 17.275 | 1.007.176 | -55.731 | 951.445 |
| Other liabilities | 45.812 | 10.255 | 1.499 | 3.617 | 1.212 | 62.395 | 8.292 | 70.687 |
| Equity | 595.948 | 214.473 | 36.420 | 65.216 | 36.159 | 948.216 | -411.304 | 536.912 |
| Total | 1.084.032 | 498.652 | 150.659 | 229.798 | 54.646 | 2.017.787 | -458.743 | 1.559.044 |
| 31.12.2009 | | | | | | | | |
| Tangible and Intangible assets | 72.226 | 75.000 | 53.375 | 44.959 | 50.250 | 295.810 | 367.930 | 663.740 |
| Inventories | 118.904 | 48.579 | 52.243 | 49.076 | 504 | 269.306 | -2.949 | 266.357 |
| Trade and other receivables | 251.269 | 15.164 | 14.864 | 42.180 | 320 | 323.797 | -47.126 | 276.671 |
| Cash | 73.261 | 12.659 | 13.332 | 18.821 | 1.405 | 119.478 | 0 | 119.478 |
| | 515.660 | 151.402 | 133.814 | 155.036 | 52.479 | 1.008.391 | 317.855 | 1.326.246 |
| Other assets | 483.729 | 306.918 | 17.814 | 68.318 | 2.492 | 879.271 | -768.788 | 110.483 |
| Total | 999.389 | 458.320 | 151.628 | 223.354 | 54.971 | 1.887.662 | -450.933 | 1.436.729 |
| Long-term loans | 68.657 | 155.000 | 13.561 | 82.102 | 12.170 | 331.490 | 0 | 331.490 |
| Short-term loans | 300.573 | 74.557 | 14.400 | 36.603 | 2.357 | 428.490 | -6.276 | 422.214 |
| Trade and other liabilities | 33.261 | 25.842 | 74.978 | 38.178 | 1.759 | 174.018 | -36.289 | 137.729 |
| | 402.491 | 255.399 | 102.939 | 156.883 | 16.286 | 933.998 | -42.565 | 891.433 |
| Other liabilities | 68.298 | 20.006 | 6.024 | 5.570 | 1.323 | 101.221 | 2.978 | 104.199 |
| Equity | 528.600 | 182.915 | 42.665 | 60.901 | 37.362 | 852.443 | -411.346 | 441.097 |
| Total | 999.389 | 458.320 | 151.628 | 223.354 | 54.971 | 1.887.662 | -450.933 | 1.436.729 |

B) Results

| <i>amounts in €.</i> 000 | Jewelry - Watch - Accessories | Travel Retail | Department stores | Clothing - Footwear | Other segment | Total | Eliminations | Consolidated data |
|--|-------------------------------------|----------------|----------------------|------------------------|------------------|----------------|---------------|----------------------|
| 30.09.2010 | | | | | | | | |
| Sales to third parties | 355.905 | 203.693 | 104.469 | 106.989 | 2.112 | 773.168 | -35.536 | 737.632 |
| Intersegment sales | 2.227 | 234 | 696 | 6.300 | 10 | 9.467 | -9.467 | 0 |
| Less: cost of sales | -152.129 | -96.173 | -66.876 | -74.246 | -1.232 | -390.656 | 32.966 | -357.690 |
| Less: intersegment cost | -382 | -2.791 | -4.547 | -734 | -666 | -9.120 | 9.120 | 0 |
| Gross Margin | 205.621 | 104.963 | 33.742 | 38.309 | 224 | 382.859 | -2.917 | 379.942 |
| Other operating income | 8.245 | 13.342 | 2.462 | 3.865 | 1 | 27.915 | -3.766 | 24.149 |
| Selling Cost | -94.122 | -55.424 | -26.076 | -39.341 | -276 | -215.239 | 4.516 | -210.723 |
| Intersegment selling Cost | -191 | 0 | 0 | -141 | 0 | -332 | 332 | 0 |
| Administration cost | -24.589 | -8.571 | -1.522 | -4.466 | -653 | -39.801 | 2.411 | -37.390 |
| Intersegment Administration Cost | 0 | 0 | 0 | 0 | -3 | -3 | 3 | 0 |
| Other operating cost | -1.546 | -679 | -14 | -1.673 | -140 | -4.052 | 0 | -4.052 |
| Segment operating earnings (EBIT) | 93.418 | 53.631 | 8.592 | -3.447 | -847 | 151.347 | 579 | 151.926 |
| 30.09.2009 | | | | | | | | |
| Sales to third parties | 326.833 | 215.954 | 106.727 | 108.938 | 488 | 758.940 | -27.375 | 731.565 |
| Intersegment sales | 2.427 | 249 | 1.888 | 5.487 | 484 | 10.535 | -10.535 | 0 |
| Less: cost of sales | -137.212 | -110.814 | -69.306 | -71.029 | -246 | -388.607 | 26.466 | -362.141 |
| Less: intersegment cost | -265 | -365 | -5.583 | -1.226 | -659 | -8.098 | 8.098 | 0 |
| Gross Margin | 191.783 | 105.024 | 33.726 | 42.170 | 67 | 372.770 | -3.346 | 369.424 |
| Other operating income | 4.441 | 13.670 | 2.626 | 4.463 | 0 | 25.200 | -1.308 | 23.892 |
| Selling Cost | -80.559 | -56.247 | -26.433 | -33.840 | -171 | -197.250 | -773 | -198.023 |
| Intersegment selling Cost | -173 | -921 | -229 | -768 | -1 | -2.092 | 2.092 | 0 |
| Administration cost | -22.766 | -9.969 | -2.553 | -5.583 | -934 | -41.805 | 222 | -41.583 |
| Intersegment Administration Cost | 0 | 0 | 0 | 0 | -1 | -1 | 1 | 0 |
| Other operating cost | -5.250 | -751 | -24 | -2.596 | 0 | -8.621 | 0 | -8.621 |
| Segment operating earnings (EBIT) | 87.476 | 50.806 | 7.113 | 3.846 | -1.040 | 148.201 | -3.112 | 145.089 |

3.17 Deferred Tax

Deferred taxes are calculated based on the tax rate that will fall on the profits of a company during the year, is expected to regularize the deferred tax asset or liability, taking into account the tax provisions in effect at the balance sheet date. Therefore, the tax rate used to calculate the deferred tax is detailed as follows: based on recent amendments to the Greek tax legislation, 24% rate for the temporary differences will be settled in 2010, rate of 23% for those will be settled in 2011, a rate of 22% of those will be settled in 2012, the rate for those 21% will be settled in the 2013 rate and 20% for those will be settled after 1/1/2014..

Deferred tax assets and liabilities are as follows:

| | The Group | | | | The Company | | | |
|------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | 30/9/2010 | | 31/12/2009 | | 30/9/2010 | | 31/12/2009 | |
| | Deferred Tax Claim | Deferred Tax Obligation | Deferred Tax Claim | Deferred Tax Obligation | Deferred Tax Claim | Deferred Tax Obligation | Deferred Tax Claim | Deferred Tax Obligation |
| Fixed Assets | | | | | | | | |
| Tangible Fixed Assets | 1.685.764,12 | 5.550.739,00 | 703.991,32 | 4.614.057,41 | | 1.667.682,53 | | 1.626.448,02 |
| Intangible Fixed Assets | -251.104,75 | 12.742.298,76 | -214.118,29 | 12.890.957,72 | | 55.560,11 | | 61.349,40 |
| Leases | | 1.407.857,21 | | 1.235.345,06 | | 67.536,21 | | 64.632,81 |
| New subsidiaries | | | | | | | | |
| Valuations at Fair Value | 217.738,13 | | 105.035,07 | | 191.652,72 | | | |
| Current Assets | | | | | | | | |
| Receivables | 259.183,89 | 1.034.395,98 | 671.403,76 | 1.034.395,98 | 4.334,89 | | 201.000,76 | |
| Long Term Liabilities | | | | | | | | |
| Def.Tax recognised in Equity | 6.921.319,54 | | 6.259.401,71 | | 6.840.740,54 | | 6.259.401,71 | |
| Tax losses | 5.360.810,57 | | 4.496.046,82 | | | | | |
| Other Provisions | 1.130.821,51 | 40.088,32 | 1.047.301,00 | | | 40.088,32 | 0,00 | |
| Post Employment Benefits | 1.472.888,59 | | 1.356.006,49 | | 53.361,72 | | 37.192,32 | |
| New subsidiaries | | | | | | | | |
| Accruals | -133.987,60 | 1.525.925,76 | -134.128,76 | 1.515.621,90 | | | | |
| Adjustments | -5.431.117,07 | -5.431.117,07 | -2.729.919,36 | -2.729.919,36 | -4.344,90 | -4.344,90 | | |
| Total | 11.232.316,93 | 16.870.187,96 | 11.561.019,76 | 18.560.458,71 | 7.085.744,97 | 1.826.522,27 | 6.497.594,79 | 1.752.430,23 |

3.18 Revenues-Expenses analysis per category

| Sales | THE GROUP | | THE COMPANY | |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> |
| Merchandise Sales | 721.064.187,80 | 718.512.277,23 | 13.788.144,78 | 16.711.153,66 |
| Product and Other Goods Sales | 7.018.904,61 | 3.815.881,26 | 6.628.989,09 | 3.040.646,23 |
| Services Sales | 9.549.248,49 | 9.237.444,83 | 3.579.744,77 | 3.449.102,72 |
| | 737.632.340,90 | 731.565.603,32 | 23.996.878,64 | 23.200.902,61 |

| Other Income | THE GROUP | | THE COMPANY | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> |
| Income From Secondary Activities | 3.302.100,93 | 4.727.076,39 | 401.746,81 | 353.464,13 |
| Income From Marketing/promotion HDF Group | 12.506.335,05 | 12.604.987,74 | 0,00 | 0,00 |
| Rental Income | 1.443.142,79 | 1.112.838,63 | 1.251.322,02 | 871.226,58 |
| Received Grants | 20.449,00 | 272.482,36 | 0,00 | 8.153,37 |
| Previous Year Revenue | 2.571.158,61 | 43.157,05 | 2.561.690,50 | 43.157,05 |
| Income from Non Used Provisions | 0,00 | 0,00 | 0,00 | 0,00 |
| Foreing excainge Gain | 3.324.474,69 | 3.759.373,92 | 553.514,82 | 1.533.986,93 |
| Other Operating Income | 981.974,55 | 1.371.803,82 | 1.525,26 | 10.457,28 |
| | 24.149.635,61 | 23.891.719,91 | 4.769.799,41 | 2.820.445,34 |

The account "previous years revenue" relates mainly to credit invoices on foreign suppliers for last year's purchases, due to pre-set targets (discounts on turnover).

| Administration Expenses | THE GROUP | | THE COMPANY | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> |
| Wages/Salaries/Expenses | 18.612.815,12 | 19.965.105,45 | 1.824.302,49 | 1.977.422,66 |
| Legal/Professional/ Other Fees | 4.368.548,15 | 5.331.262,41 | 719.868,00 | 661.956,36 |
| Rent Expenses | 3.622.614,74 | 3.402.379,96 | 36.177,76 | 39.238,04 |
| Postage and Telecommunications | 648.053,66 | 852.163,65 | 40.244,06 | 37.353,01 |
| Insurance (Other than Staff) | 381.703,16 | 406.626,38 | 86.067,03 | 67.928,67 |
| Repairs and Maintainance | 936.421,38 | 1.165.654,39 | 41.110,48 | 90.001,38 |
| Utilities and Cleaning | 825.782,51 | 627.579,42 | 249.413,80 | 0,00 |
| Other Taxes (not income) | 815.614,65 | 681.821,78 | 158.406,50 | 69.688,20 |
| Transportation Expenses | 575.253,75 | 552.573,60 | 37.144,04 | 34.116,74 |
| Fair and Exhibitions Expenses | 239.615,34 | 228.344,31 | 0,00 | 1.350,00 |
| Advertizing and Promotion Expenses | 1.000.314,04 | 1.873.602,95 | 393.979,53 | 305.312,37 |
| Stationary and Consumables | 503.516,98 | 627.570,68 | 43.886,01 | 58.554,82 |
| Other Expenses | 1.249.085,81 | 2.151.126,74 | 196.755,70 | 751.313,97 |
| Depreciation & Amortization | 3.434.560,83 | 3.597.335,20 | 225.152,19 | 172.981,75 |
| Provisions | 176.890,44 | 120.122,78 | 159.353,20 | 33.400,15 |
| | 37.390.790,57 | 41.583.269,70 | 4.211.860,79 | 4.300.618,12 |

| Selling Expenses | THE GROUP | | THE COMPANY | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> |
| | | | | |
| Wages/Salaries/Expenses | 83.958.326,06 | 80.924.464,84 | 4.609.407,12 | 4.664.111,19 |
| Legal/Professional/ Other Fees | 18.056.453,15 | 15.678.064,67 | 613.334,17 | 658.621,22 |
| Rent Expenses | 56.095.093,82 | 51.380.494,54 | 1.607.165,74 | 1.686.907,46 |
| Postage and Telecommunications | 1.515.649,59 | 1.208.715,27 | 76.107,91 | 85.714,68 |
| Insurance (Other than Staff) | 1.313.883,56 | 1.288.485,29 | 328.340,87 | 281.157,86 |
| Repairs and Maintainance | 2.563.410,25 | 2.061.483,02 | 63.436,73 | 187.603,51 |
| Utilities and Cleaning | 6.569.714,59 | 4.901.830,85 | 131.603,31 | 0,00 |
| Other Taxes (not income) | 1.111.375,69 | 1.104.979,16 | 35.571,60 | 50.612,29 |
| Transportation Expenses | 3.884.833,08 | 3.888.429,93 | 99.479,34 | 97.635,64 |
| Fair and Exhibitions Expenses | 47.858,40 | 94.049,54 | 45.779,67 | 57.406,61 |
| Advertizing and Promotion Expenses | 13.024.141,84 | 11.530.369,54 | 696.102,41 | 793.393,42 |
| Stationary and Consumables | 1.911.899,45 | 2.047.106,26 | 88.379,08 | 69.253,55 |
| Other Expenses | 8.921.873,57 | 9.648.105,98 | 1.114.493,86 | 1.477.454,74 |
| Credit Card Fees | 618.092,46 | 1.578.500,42 | 44.482,05 | 58.360,06 |
| Depreciation & Amortization | 11.086.773,24 | 10.524.604,39 | 353.291,87 | 365.516,89 |
| Provisions | 43.643,04 | 163.184,05 | 43.643,04 | 35.703,43 |
| | 210.723.021,77 | 198.022.867,75 | 9.950.618,77 | 10.569.452,55 |

| Other Expenses | THE GROUP | | THE COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> |
| | | | | |
| Penalties and Fines | 180.792,73 | 156.603,93 | 3.921,11 | 1.418,36 |
| Stock Losses and Damage | 91.890,69 | 218.085,03 | 0,00 | 0,00 |
| Provision for bad Debts | 103.047,13 | 109.320,24 | 74.559,45 | 22.388,24 |
| Provision for Risk Exposure and Expenses | 0,00 | 0,00 | 0,00 | 0,00 |
| Foreing excainge Losses | 2.748.512,55 | 2.861.269,52 | 931.531,66 | 398.223,40 |
| Previous Year Expenses | 641.445,15 | 78.843,41 | 18.680,62 | 24.567,77 |
| Other Expenses | 285.999,00 | 5.196.820,44 | 3.568,34 | 13,53 |
| | 4.051.687,25 | 8.620.942,57 | 1.032.261,18 | 446.611,30 |

| Financial Income | THE GROUP | | THE COMPANY | |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> |
| | | | | |
| Interest Income | 764.287,96 | 467.342,15 | 7.572,87 | 1.732,81 |
| Gains From Disposal of Assets | 96.115,00 | 370.675,12 | 0,00 | 8,02 |
| Assets Revaluation | 0,00 | 0,00 | 0,00 | 0,00 |
| Fair Value Revaluation | 563.089,00 | 39.441,84 | 0,00 | 39.441,84 |
| Dividends from Subsidiaries | 0,00 | 0,00 | 0,00 | 15.162.206,31 |
| Forex Instruments | 8.082.396,60 | 8.439.339,67 | 8.082.396,60 | 8.439.339,67 |
| Derivatives income | 1.642.415,32 | 1.660.620,64 | 1.642.415,32 | 1.660.620,64 |
| Other Investments' Divident | 90.604,00 | 99.689,98 | 0,00 | 0,00 |
| Interest from Customers | 0,00 | 0,00 | 0,00 | 0,00 |
| Other Financial Income | 346.955,83 | 423.661,36 | 0,00 | 0,00 |
| | 11.585.863,71 | 11.500.770,76 | 9.732.384,79 | 25.303.349,29 |

| Financial Expenses | THE GROUP | | THE COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> | <u>1/1-30/09/2010</u> | <u>1/1-30/09/2009</u> |
| Interest Expenses (Loans) | 23.656.466,70 | 21.368.527,76 | 14.477.618,17 | 9.582.063,61 |
| Interest Expenses (Leases) | 1.306.959,38 | 457.212,18 | 8.845,38 | 14.067,15 |
| Losses From Disposal of Assets | 266.871,87 | 241.984,88 | 25.618,38 | 5.577,96 |
| Assets Revaluation | 0,00 | 0,00 | 0,00 | 487.000,00 |
| Sale of Participations and other Investments | 0,00 | 1.467,00 | 0,00 | 0,00 |
| Forex Instruments | 15.743.763,33 | 0,00 | 15.743.763,33 | 0,00 |
| Fair Value Revaluation | 126.886,90 | 0,00 | 126.886,90 | 0,00 |
| Derivatives Revaluation | 6.205.257,55 | 1.986.331,61 | 5.154.477,55 | 1.611.407,61 |
| Bank Commission and Fees | 2.004.590,34 | 1.184.281,00 | 21.823,88 | 221.736,57 |
| Other Financial Expense | 1.110.847,54 | 2.197.765,34 | 1.441,45 | 4.519,10 |
| | 50.442.497,76 | 27.437.569,77 | 35.581.329,19 | 11.926.372,00 |

Profit / loss from foreign exchange products on the forward foreign exchange contracts (currency forwards) short-term.

3.19 Income Tax

| Tax: Analysis | THE GROUP | | THE COMPANY | |
|---------------------------------------|----------------------|----------------------|---------------------|-------------------|
| | <u>30/9/2010</u> | <u>30/9/2009</u> | <u>30/9/2010</u> | <u>30/9/2009</u> |
| Taxes for the Period | | | | |
| Current Taxes | 28.438.994,66 | 28.442.998,47 | 0,00 | 675.883,78 |
| Deferred Tax Liabilities | -463.423,28 | 611.523,57 | 67.280,69 | 42.882,37 |
| Additional Taxes for Previous Periods | 6.286.261,40 | 0,00 | 1.420.000,00 | 0,00 |
| Provision for Additional Income taxes | 90.000,00 | 185.000,00 | 50.000,00 | 0,00 |
| | 34.351.832,77 | 29.239.522,04 | 1.537.280,69 | 718.766,15 |

The account Taxes for previous years relates to a windfall tax for 2009 profits, imposed under the provisions of art 5, law 3845/2010

3.20 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

| Basic earnings per share | | |
|---|------------------|------------------|
| | <u>30/9/2010</u> | <u>30/9/2009</u> |
| Net profit for the period (Group) | 78.718.016,16 | 99.912.829,15 |
| Attributable to: | 0,00 | 0,00 |
| Equity holders of the Company | 63.955.747,66 | 83.977.548,61 |
| Minority interest | 14.762.268,50 | 15.935.280,54 |
| Weighted average number of ordinary shares issued | 32.805.047,00 | 32.708.065,00 |
| | 1,9496 | 2,5675 |

4 Additional Information (according to IAS 24)

4.1 Related-Party Transactions

The following transactions are on transactions with related parties as defined by IAS 24.

| Transactions between parent and subsidiary | | |
|--|--------------|--------------|
| | 30.09.2010 | 30.09.2009 |
| Sales of goods | 9.486.429,76 | 5.828.421,01 |
| Sales Services | 3.461.881,08 | 3.437.987,34 |
| Rent-Other | 1.484.337,16 | 1.207.646,74 |
| Purchases of goods | 3.617.794,91 | 795.047,30 |
| Services Bought-Other | 203.300,41 | 197.245,91 |

| Transactions between parent and other related parties | | |
|---|------------|------------|
| | 30.09.2010 | 30.09.2009 |
| Sales of goods | 0,00 | 0,00 |
| Sales Services-Rent-Other | 0,00 | 0,00 |
| Purchases of goods | 0,00 | 0,00 |
| Services Bought-Other | 336.651,10 | 242.104,96 |

| Transactions between Group and other related parties | | |
|--|------------|------------|
| | 30.09.2010 | 30.09.2009 |
| Sales of goods | 0,00 | 0,00 |
| Sales Services-Rent-Other | 0,00 | 0,00 |
| Purchases of goods | 0,00 | 123.045,00 |
| Services Bought-Other | 336.651,10 | 242.104,96 |

| Salaries & Transactions with directors | | |
|--|--------------|--------------|
| | 30.09.2010 | 30.09.2009 |
| Parent Company | 218.810,00 | 189.877,92 |
| Group | 3.783.744,61 | 3.912.291,57 |

| End of Period Balances | | |
|-----------------------------------|---------------|--------------|
| | 30.09.2010 | 30.09.2009 |
| <u>Parent</u> | | |
| From subsidiaries | | |
| Receivables | 9.225.574,12 | 5.661.379,82 |
| Payables | 11.387.741,33 | 5.890.170,93 |
| From Other Related Parties | 0,00 | 0,00 |
| Receivables | 0,00 | 0,00 |
| Payables | 355.000,24 | 67.000,00 |
| From Directores | 0,00 | 0,00 |
| Receivables | 3.400,00 | 4.600,00 |
| Payables | 285.394,00 | 360.134,15 |
| <u>Group</u> | | |
| From Other Related Parties | 0,00 | 0,00 |
| Receivables | 0,00 | 0,00 |
| Payables | 355.000,24 | 237.000,00 |
| From Directores | 0,00 | 0,00 |
| Receivables | 3.400,00 | 4.600,00 |
| Payables | 285.394,00 | 360.134,15 |

4.2 Contingencies and undertakings

The Group's companies have transferred to third parties bonds amounting to €33.600.000, against €33.200.00 on 31.12.2009, to ensure the Group's contingent liabilities for those parts which are not reflected in the consolidated balance sheet.

On part of Folli Follie Hong Kong's property, a \$12.5 million mortgage has been signed to guarantee bank liabilities.

Group company has pledged to loan arrangements subsidiaries totaling € 110,8 million.

During the year 2010 the corporate tax regime has amended, with the Law 3842/23.04.2010 whereby the income tax:

- (i) For retained earnings is 24% (decreasing by one percent annually until reaching 20% in 2014).
- (ii) For distributed profits is 40%. This change may affect the amount of income tax recognized in the income statement, depending on the interpretation given in this regard by the tax authority.

Under the guidance of the memorandum in support of the Greek economy by the European Union and the International Monetary Fund, is being provided a temporary one-off levy on the profits of the year 2010. In the current economic situation no amount has been calculated, given that the base it is not known.

In April this year was rejected by the Appeal Court of Patras one of claims pending against the subsidiary "Moustakis".

A subsidiary of the group has signed a preliminary agreement to buy commercial property for a total price of €2.4 million, €900 thousand of which has been paid last May, while the remain of price will be paid in November.

4.2.1 Contested or under arbitration disputes

In a company of the Group are pending court cases against the Greek government, which has made provision amounting to EUR 2,150,000.

4.3 Number of employed personnel and related expenses

The total number of employed personnel at 30th of September 2010 for the Group was 5,969 and for the Company 282. At the same period of 2009, the total employed personnel for the Group and the Company was 5.895 and 284 respectively.

| Personel Expenses | THE GROUP | | THE COMPANY | |
|--------------------------|-----------------------|-----------------------|---------------------|---------------------|
| | 1/1-30/09/2010 | 1/1-30/09/2009 | 1/1-30/09/2010 | 1/1-30/09/2009 |
| salaries and wages | 83.016.228,36 | 81.176.475,97 | 5.443.377,95 | 5.504.354,51 |
| social welfare | 17.537.263,74 | 16.953.229,05 | 1.337.120,54 | 1.321.885,75 |
| other personnel expenses | 3.138.068,07 | 3.175.736,39 | 373.235,36 | 431.611,62 |
| TOTAL | 103.691.560,18 | 101.305.441,40 | 7.153.733,85 | 7.257.851,88 |

4.4 After Balance sheet events

The Board of FOLLI - FOLLIE SA and its subsidiaries, DUTY FREE SHOPS SA (HDFs) and ELMEC SPORT ABETE decided on 24.06.2010 meetings to propose to the General Meetings of shareholders the merger by absorption of DUTY FREE SHOPS SA (Absorbing) of FOLLI - FOLLIE SA (absorbed, owns 56.78% of the absorbing company) and ELMEC SPORT ABETE (B and absorbed 95.6% subsidiary of the absorbing), in accordance with the provisions of Law 2190 / 1920, Articles 1-5 of Law 2166/1993 and general commercial law and existing capital law as they stand, with date of the merger process and transformation balance sheet as of 30/06/2010. On November 3, 2010, the draft merger agreement was registered at the Companies Registry. For the final approval of the merger has convened an Extraordinary General Meeting of Shareholders on Monday, December 6, 2010 which will be held at the Company's registered offices.

On 30/9/2010 were sold to third parties shares of Hellenic Duty Free Shops (KAE) held by the Subsidiary named ELMEC SPORT ABETE. The outcome resulted in loss of €1.1 million and will be recognized in the financial results of the fourth quarter 2010.

The tax audit for the years 2007-2009 for the subsidiaries Moustakis SA and Logistics Express SA was completed in mid-November 2010, which resulted in taxes of €25 thousand aprox.

There are no subsequent events other than the above which had significant influence on the financial position and results of the Company and the Group as of September 30th, 2010.