

# "FOLLI - FOLLIE" SA

Companies Register No. 18989/06/B/89/17

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2007



Registered Office: 23rd Km Athens - Lamia National Road - Ag. Stefanos  
 Internet address: www.folli-follie.com  
 Opening Date of Current Year: 1 January 2007  
 Closing Date of Current Year: 31 December 2007  
 Auditing Company: BAKER TILLY HELLAS SA  
 Certified Auditor Accountant: Varthalis Georgios  
 Type of Auditors' Report:  
 Date of Approval: 25/05/2007

The following data and information aim to provide a general briefing for the financial position and the results of operations of "FOLLI - FOLLIE" A.E. Therefore, it is recommended, before proceeding to any kind of investment decision or on at the address www.folli-follie.com where are posted the Interim Financial Statements prepared according to the International Financial Reporting Standards accompanied with the Review Report of the Certified Auditor Accountant where it is necessary.

	THE GROUP		THE COMPANY	
	1/1-31/3/2007	1/1-31/3/2006	1/1-31/3/2007	1/1-31/3/2006
<b>CASH FLOW STATEMENT (Amounts in Thousand Euro)</b>				
Cash Flows related to Operating Activities				
Net Profit before taxes	25.089,08	20.624,40	-3.989,93	2.556,65
Adjustments in respect of non-cash transactions:				
Depreciation and Amortisation	2.656,16	893,40	263,70	250,93
Provisions	478,78	301,96	30,63	60,00
Cash flows from investing activities	214,37	-1.697,41	-73,58	-452,59
Debit interest and similar expenses	6.473,24	1.271,86	5.168,73	1.215,74
Other non-cash expense/income				
Operating profit before adjustments of working capital	34.911,63	21.394,20	1.399,55	3.630,73
Decrease/(increase) of Inventories	-8.846,47	-1.793,08	-545,22	467,53
Decrease/(increase) of Receivables	-8.345,13	-7.843,16	-1.329,31	-2.109,39
Increase/(decrease) of payable accounts (except Banks)	2.385,12	4.564,90	-2.015,09	-1.844,24
Interest paid and similar expenses	-7.211,79	-1.383,73	-5.284,17	-1.292,56
Income Tax paid	-1.828,80	-1.389,04	-63,16	-41,35
Net cash inflows/(outflows) from Operating Activities	11.064,56	13.550,10	-7.837,40	-1.189,29
Cash Flows related to Investing Activities				
Purchases of subsidiaries, associates and other investments	0,00	-2.014,36	0,00	-2.014,36
Purchases of tangible and intangible assets	-2.668,74	-1.360,09	-198,05	-46,73
Proceeds from sale of tangible and intangible assets	611,44	109,91	0,11	15,00
Proceeds from sale of financial assets	0,00	1.961,15	0,00	1.961,15
Dividends received	0,00	0,00	0,00	0,00
Interest received	738,55	111,87	115,44	76,82
Decrease/(increase) of other long-term receivables	-592,24	-204,86	-4,85	142,25
Net cash inflows/(outflows) from Investing Activities	-1.910,99	-1.396,37	-87,36	134,24
Cash Flows related to Financing Activities				
Cash received from issue of share capital				
Own Stock	-532,97			
Proceeds from Loans	0,00	606,18	0,00	1,85
Repayment of Loans	-1.698,91	0,00	-2.137,66	0,00
Payments for leases	-94,87	-194,33	-8,12	-31,49
Dividends paid	-1.250,12	-1.100,38	-1.250,12	-1.100,38
Net cash inflows/(outflows) from Financing Activities	-3.576,87	-688,53	-3.395,90	-1.130,03
Net increase/(decrease) in cash and cash equivalents	5.576,70	11.465,19	-11.320,66	-2.185,08
Cash and cash equivalents at the beginning of the period	109.310,71	33.892,17	22.402,66	13.247,66
Exchange rate differences from the conversion of cash equivalents	-186,19	3.037,41	0,00	0,00
Cash and cash equivalents at the end of the period	114.707,22	48.394,78	11.082,00	11.062,59

	THE GROUP		THE COMPANY	
	31/3/2007	31/12/2006	31/3/2007	31/12/2006
<b>BALANCE SHEET (Amounts in Thousand Euro)</b>				
<b>ASSETS</b>				
Tangible Assets	84.777,13	84.783,68	32.493,84	32.540,80
Intangible Assets	329.149,09	330.053,87	608,32	627,01
Investments in associates	0,00	0,00	387.438,47	387.438,47
Deferred income tax assets	988,64	2.109,04	332,77	352,87
Other long term receivables	7.993,07	6.676,68	298,27	293,42
Total non-current assets (a)	422.907,94	423.623,27	421.171,67	421.252,57
Inventories	133.688,95	125.598,48	14.128,47	13.583,25
Trade Receivables and other receivables	170.161,90	164.692,59	19.384,61	18.055,29
Other financial assets at fair value through profit or loss	3.205,27	3.419,65	1.537,95	1.464,12
Cash and cash equivalents	114.707,22	109.310,71	11.082,00	22.402,66
Total current assets (b)	421.757,33	403.021,43	46.133,03	55.505,32
TOTAL ASSETS (a) + (b)	844.665,28	826.644,70	467.304,70	476.757,89
<b>EQUITY &amp; LIABILITIES</b>				
Long-term borrowings	408.728,88	406.901,78	341.000,00	341.000,00
Retirement benefit obligations	8.696,25	8.476,57	629,22	620,92
Deferred income tax liabilities	14.657,20	15.247,13	1.070,92	1.251,18
Provisions for other liabilities and charges	12.563,98	11.105,91	595,52	524,25
Total non-current liabilities	444.646,32	441.731,38	343.295,66	343.396,35
Trade payables and short term borrowings	107.348,89	103.464,34	6.161,40	9.546,48
Other current liabilities	8.284,56	11.811,85	7.072,51	9.210,17
Total current liabilities	115.637,95	115.276,19	13.233,91	18.756,65
Total Liabilities (a)	560.279,77	557.007,57	356.529,57	362.153,00
Share capital	9.884,06	9.884,06	9.884,06	9.884,06
Share premium	62.531,73	62.531,73	62.531,73	62.531,73
Other reserves	8.832,58	8.832,58	20.184,57	20.184,57
Own Stock	-1.872,83	-1.339,86	-108,99	-108,99
Retained earnings	224.799,52	207.356,28	18.283,75	22.113,52
Exchange differences	-35.698,05	-32.706,04	0,00	0,00
Other capital and reserves attributable to equity holders of the Company	-88.927,93	-88.927,93	0,00	0,00
Total capital and reserves attributable to equity holders of the Company (b)	179.549,09	165.630,82	110.775,13	114.604,89
Minority interest (c)	104.836,42	104.006,31	0,00	0,00
Total Equity (d) = (b)+(c)	284.385,51	269.637,13	110.775,13	114.604,89
TOTAL EQUITY AND LIABILITIES (e) = (a)+(d)	844.665,28	826.644,70	467.304,70	476.757,89

**ADDITIONAL RECORDS AND INFORMATION**1. The same Accounting Policies have been followed as for the Balance Sheet at 31.12.2006. The Group applies the IFRS from 1 January 2005.2. There are no real liens on non-current assets or property.3. There are no disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company.4. The un-audited tax years of the parent company and its subsidiaries mentioned at the following table 5.Purchases of tangible and intangible assets for the period 1/1-31/3/2007 (Amount in Thousand Euro) : a)Group € 2.669 b)Company € 198.  
 6. The personnel employed in the Group, as at 31.03.2007, amounted to 3.025 and in the Company to 279 persons.  
 7. The company Hellenic Duty Free Shops and its subsidiary companies, are comprised in the consolidated statements for the current quarter with the method of full consolidation, however in the same period of 2006 they have been consolidated under the equity method. Also the consolidated statements of the first quarter 2006 do not include the results of the companies Pliano S.A. and Pilon Ltd. as they have been acquired in the second and forth quarter of the year 2006.8 In the consolidated financial statements are included the following companies:

COMPANY	REGISTERED OFFICE	% PARTICIPATION	RELATION THAT COMMANDED THE CONSOLIDATION	CONSOLIDATION METHOD	UN-AUDITED TAX YEARS
FOLLI FOLLIE A.B.E.E.	ATHENS	-			2006
FOLLI FOLLIE HONG KONG LTD	HONG KONG	99,99%	Direct	Full	2000-2006
FOLLI FOLLIE UK LTD	LONDON	99,99%	Direct	Full	2005-2006
FOLLI FOLLIE FRANCE SA	PARIS	100,00%	Direct	Full	2006
FOLLI FOLLIE SPAIN SA	MADRID	100,00%	Direct	Full	2002-2006
FOLLI FOLLIE CZECH SRO	PRAGUE	100,00%	Direct	Full	2001-2006
FOLLI FOLLIE POLAND SZOO	WARSAW	100,00%	Direct	Full	2001-2006
FOLLI FOLLIE SLOVAKIA SRO	BRATISLAVA	100,00%	Direct	Full	2001-2006
FOLLI FOLLIE GERMANY GmbH	TRAUNSTAIN	100,00%	Direct	Full	2005-2006
MFK FASHION LTD	NICOSIA	100,00%	Direct	Full	2002-2006
PLANACO SA	ATHENS	76,67%	Direct	Full	2003-2006
HELLENIC DUTY FREE SHOPS	ATHENS	52,28%	Direct	Full	2005-2006
FOLLI FOLLIE JAPAN LTD	TOKYO	40,00%	Direct	Full	2006
FOLLI FOLLIE ASIA LTD	HONG KONG	99,99%	Indirect	Full	2001-2006
FOLLI FOLLIE TAIWAN LTD	TAIPEI	99,99%	Indirect	Full	2006
FOLLI FOLLIE KOREA LTD	SEOUL	99,99%	Indirect	Full	2006
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE	99,99%	Indirect	Full	2004-2006
BLUEFOL GUAM LTD	GUAM	99,99%	Indirect	Full	2000-2006
BLUEFOL HAWAII LTD	HAWAII	99,99%	Indirect	Full	2000-2006
BLUEFOL HONG KONG LTD	HONG KONG	99,99%	Indirect	Full	2001-2006
FOLLI FOLLIE MALAYSIA LTD	KUALA LUMPUR	99,99%	Indirect	Full	2004-2006
BLUEFOL THAILAND LTD	BANGKOK	99,99%	Indirect	Full	2001-2006
FOLLI FOLLIE CHINA (PILION LTD)	SHANGHAI	85,00%	Indirect	Full	2006
HELLENIC DISTRIBUTIONS SA	ATHENS	52,27%	Indirect	Full	2003-2006
LINKS (LONDON) LIMITED	LONDON	52,27%	Indirect	Full	2006
LINKS OF LONDON (INTERNATIONAL) LTD	LONDON	52,27%	Indirect	Full	2006
LINKS OF LONDON COM LTD (UK)	LONDON	52,27%	Indirect	Full	2006
LINKS OF LONDON ASIA LTD (HK)	HONG KONG	52,27%	Indirect	Full	2006
LINKS OF LONDON INC (USA)	NEW YORK	52,27%	Indirect	Full	2006
LINKS OF LONDON (FRANCE)	PARIS	52,27%	Indirect	Full	2006
HDFS SKOPJE DOO (F.Y.R.O.M.)	SKOPJE	52,28%	Indirect	Full	2004-2006
HELLENIC TOURIST BUREAU A.E.	ATHENS	52,28%	Indirect	Full	2006

Parent Company's and Group's transactions with related parties, as set out in IAS 24, accumulated from the beginning of the current period from 01.01.2007 to 31.12.2007 (in 000's), are as follows:

	GROUP	COMPANY
A) Sales of goods and Services	0,00	3.215,14
B) Acquisitions of goods and Services	0,00	247,43
C) Receivables	0,00	7.217,45
D) Payables	0,00	0,40
E) Directors' and members' of the Board of the	464,66	15,00
F) Receivables from the Directors' and the members'	0,00	0,00
G) Payables to the Directors' and the members' of	0,00	0,00

	THE GROUP		THE COMPANY	
	1/1-31/3/2007	1/1-31/3/2006	1/1-31/3/2007	1/1-31/3/2006
<b>DATA FROM INCOME STATEMENT OF THE YEAR (Amounts in Thousand Euro)</b>				
Sales Revenue	121.598,55	61.850,77	7.752,09	10.170,33
Cost of goods sold	-50.468,15	-24.200,41	-2.780,79	-3.282,30
Gross profit	71.130,40	37.650,36	4.971,30	6.888,04
Other Operating Income	4.166,50	778,42	417,23	443,77
Administrative expenses	-9.008,53	-3.083,96	-1.238,79	-1.201,16
Selling and marketing costs	-34.298,49	-14.885,52	-2.915,47	-2.663,95
Other expenses	-805,52	-370,27	-63,48	-154,57
Operating profit	31.184,36	20.089,04	1.170,79	3.312,13
Finance results	-6.095,28	535,36	-5.160,71	-755,47
Profit before taxes (EBT)	25.089,08	20.624,39	-3.989,92	2.556,65
Income tax expense	-6.815,72	-4.070,69	-160,16	-853,90
Profit for the period (after taxes)	18.273,36	16.553,71	-3.829,76	1.702,75
Attributable to:				
Equity holders of the Company	17.443,25	16.552,11		
Minority interest	-830,11	-1,60		
Earnings (after taxes) per share - basic (expressed in €)	0,53	0,50	-0,12	0,05
Amortisation - Depreciation	2.656,16	893,40	263,70	250,93
Earnings (profit) before taxes, financing and investing results and depreciation - amortisation (EBITDA)	33.840,52	20.982,44	1.434,49	3.563,05
Earnings (profit) before taxes, financing and investing results (EBIT)	31.184,36	20.089,04	1.170,79	3.312,13

	THE GROUP		THE COMPANY	
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
<b>DATA FROM STATEMENT OF CHANGES IN EQUITY FOR THE YEAR (Amounts in Thousand Euro)</b>				
Net equity of period Open Balance (1/1/2007 and 1/1/2006 respectively)	269.637,13	161.972,46	114.604,89	109.329,44
Issue of share capital				
Dividends				
Directors Fees				
Net income recognised directly in Equity				
Minority interest (Due to -New Subsidiaries / Increase of participation )				
Net amounts effected directly Equity(Due to-New Subsidiaries/Increase of participation )				
Profit for the period, after taxes	18.273,35	16.553,71	-3.829,77	1.702,75
Adjustment in foreign currency translation differences	-2.992,00	-5.211,92	0,00	0,00
Own Stock	-532,97	0,00	0,00	0,00
Net equity of period Closing Balance	284.385,51	173.314,25	110.775,13	111.032,19