

"FOLLI - FOLLIE" SA

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

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2006

Registered Office: 23rd Km Athens - Lamia National Road - Ag. Stefanos
 Opening Date of Current Year: 1 January 2006
 Closing Date of Current Year: 31 December 2006
 Auditing Company: BAKER TILLY HELLAS SA
 Certified Auditor Accountant: Varthalitis Georgios
 Type of Auditors' Report: Unqualified Opinion
 Date of Approval: 22/8/2006



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, to any reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit the Company's web site, at the address www.follifollie.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.

	CASH FLOW STATEMENT (Amounts reported in Euro)				BALANCE SHEET (Amounts reported in Euro)			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	1/1-30/6/2006	1/1-30/6/2005	1/1-30/6/2006	1/1-30/6/2005	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Cash Flows related to Operating Activities								
Net Profit before taxes	50,602,573.18	36,740,146.91	21,694,448.96	15,424,131.82	59,503,562.22	29,269,571.73	16,854,772.37	17,175,960.39
<i>Adjustments in respect of non-cash transactions:</i>								
Depreciation and Amortisation	2,474,695.71	1,830,737.72	520,652.94	527,145.17	15,380,000.00	15,380,000.00	15,380,000.00	15,380,000.00
Provisions	661,205.00	757,489.83	111,000.00	114,493.02	261,778,806.28	4,185,089.70	695,666.03	750,442.44
Cash flows from investing activities	-4,610,479.77	-4,172,783.30	-21,405,770.16	-9,710,118.42	0.00	40,395,445.88	365,192,686.75	159,505,501.95
Debit interest and similar expenses	2,724,909.11	2,281,622.20	3,464,715.72	2,321,542.57	2,977,830.75	2,660,750.50	508,420.93	703,225.42
Other non-cash expense/income					9,387,309.90	6,838,204.67	286,071.52	419,574.43
Operating profit before adjustments of working capital	51,852,903.23	37,437,213.36	4,385,047.46	8,453,065.01	349,027,509.15	98,729,062.48	398,917,617.60	193,934,704.63
Decrease/(increase) of Inventories	-8,358,655.20	-9,464,724.89	109,223.35	-868,645.33	133,485,385.97	71,758,888.21	14,025,142.19	14,134,365.54
Decrease/(increase) of Receivables	-15,571,848.03	-12,740,838.65	519,067.23	-7,921,678.81	123,164,323.95	121,290,148.36	18,169,538.86	18,872,475.88
Increase/(decrease) of payable accounts (except Banks)	-9,590,274.78	-593,943.59	-2,037,902.58	7,869.61	26,664,570.09	6,199,578.58	2,438,219.89	2,395,951.33
Interest paid and similar expenses	-3,801,784.35	-2,549,139.54	-3,832,005.54	-2,458,058.98	3,088,708.48	2,921,508.63	1,371,254.78	2,921,508.63
Income Tax paid	-19,224,675.86	-2,084,719.72	-858,725.86	-426,032.12	87,474,041.90	33,892,169.63	31,908,063.43	13,247,662.22
<i>Net cash inflows/(outflows) from Operating Activities</i>	-4,694,334.99	10,003,846.97	-1,715,295.94	-3,213,480.66	373,877,030.39	236,062,293.41	67,912,219.15	51,571,963.60
Cash Flows related to Investing Activities					722,904,539.54	334,791,355.89	466,829,836.75	245,506,668.23
Purchases of subsidiaries, associates and other investments	-202,989,646.90	0.00	-205,798,632.91	-77,916.34	328,797,729.49	125,149,592.17	322,287,143.31	119,499,958.91
Purchases of tangible and intangible assets	-1,292,540.51	-7,798,485.19	-158,244.89	-77,916.34	7,938,772.87	3,356,944.74	560,083.98	540,126.00
Proceeds from sale of tangible and intangible assets	113,428.56	37,875.81	18,227.36	9,826.75	14,923,991.28	1,047,943.78	1,097,721.63	1,035,080.14
Proceeds from sale of financial assets	1,961,153.98	722,403.84	1,961,153.98	722,403.84	4,961,273.34	4,054,878.43	777,317.11	698,272.82
Dividends received	0.00	9,152,004.96	20,987,836.25	9,712,939.00	356,627,766.98	133,609,359.12	324,722,266.03	121,773,437.87
Interest received	1,076,875.24	267,517.34	167,289.82	136,516.41	43,399,303.77	15,829,100.60	1,383,372.18	3,487,817.55
Decrease/(increase) of other long-term receivables	-288,507.00	-320,527.39	133,502.91	-28,805.97	6,972,066.39	5,047,457.92	6,303,331.36	4,863,495.62
<i>Net cash inflows/(outflows) from Investing Activities</i>	-201,419,236.63	2,060,789.37	-182,688,867.48	10,474,963.69	40,980,064.52	18,332,977.03	14,098,755.35	6,052,479.60
Cash Flows related to Financing Activities					91,351,434.68	39,209,535.55	21,785,458.89	14,403,792.77
Cash received from issue of share capital	206,103,807.00	5,762,009.14	204,427,020.14	0.00	447,973,201.66	172,818,894.67	346,507,724.92	136,177,230.64
Proceeds from Loans			0.00		9,884,062.50	9,884,062.50	9,884,062.50	9,884,062.50
Repayment of Loans	-1,015,864.05	-1,015,864.05	0.00	-1,164,305.72	62,531,731.47	62,531,731.47	62,531,731.47	62,531,731.47
Payments for leases	-315,046.94	-296,971.80	-61,773.91	-61,823.91	35,230,254.32	24,513,525.66	20,075,581.21	19,679,018.84
Dividends paid	-22,921,236.99	-3,696,058.08	-1,300,681.60	-2,700,008.28	184,891,510.85	161,106,539.24	27,830,736.65	17,234,624.78
<i>Net cash inflows/(outflows) from Financing Activities</i>	182,867,523.07	753,115.21	203,064,564.63	-3,926,137.91	177,900,694.99	156,127,921.18	120,322,111.83	109,329,437.59
Net increase/(decrease) in cash and cash equivalents	-23,246,048.55	12,817,751.55	18,660,401.21	3,335,345.12	97,030,642.89	5,844,540.04	120,322,111.83	109,329,437.59
Cash and cash equivalents at the beginning of the period	112,040,529.80	33,723,558.93	13,247,662.22	14,509,511.69	274,931,337.88	161,972,461.22	120,322,111.83	109,329,437.59
Exchange rate differences from the conversion of cash equivalents	-1,320,439.35	-1,519,857.11			722,904,539.54	334,791,355.89	466,829,836.75	245,506,668.23
<i>Cash and cash equivalents at the end of the period</i>	87,474,041.90	45,021,453.37	31,908,063.43	17,844,856.81	722,904,539.54	334,791,355.89	466,829,836.75	245,506,668.23

ADDITIONAL RECORDS AND INFORMATION

- The same Accounting Policies have been followed as for the Balance Sheet at 31.12.2005. The Group applies the IFRS from 1 January 2005.
- There are no real liens on non-current assets or property.
- 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.
- The personnel employed in the Group, as at 30.06.2006, amounted to 2,395 and in the Company to 292 persons.
- Mother Company and Subsidiaries transactions and FF Group of Companies and other related parties transactions as set out in IAS 24, for period 01/01/2006 to 30/06/2006 :
 a) Between Mother Company and Subsidiaries (Amount in Thousand Euro) sales : 4,662 / Acquisitions : 37 / Receivables : 8,864 / Payables : 127
 b) Between FF Group and other related parties as set out in IAS 24 sales : 547 / Acquisitions : 47 / Receivables : 0 / Payables : 480 .
- Purchases of tangible and intangible assets for the period 1/1-30/06/2006 (Amount in Thousand Euro) : a) Group € 2,699 b) Company € 454
- For the un-audited tax years of the parent company and its subsidiaries where the possibility exists for tax audit differences to arise it has been performed a relative provision.
- 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	-			2005
FOLLI FOLLIE HONG KONG LTD	HONG KONG	99.99%	Direct	Full	1999-2005
FOLLI FOLLIE UK LTD	LONDON	99.99%	Direct	Full	2004-2005
FOLLI FOLLIE FRANCE SA	PARIS	99.94%	Direct	Full	2003-2005
FOLLI FOLLIE SPAIN SA	MADRID	100%	Direct	Full	2002-2005
FOLLI FOLLIE CZECH SRO	PRAGUE	100%	Direct	Full	2001-2005
FOLLI FOLLIE POLAND SZOO	WARSAW	100%	Direct	Full	2001-2005
FOLLI FOLLIE SLOVAKIA SRO	BRATISLAVA	100%	Direct	Full	2001-2005
FOLLI FOLLIE GERMANY GmbH	TRAUNSTAIN	100%	Direct	Full	2005
MFK FASHION LTD	NICOSIA	100%	Direct	Full	2002-2005
PLANACO SA	ATHENS	76.67%	Direct	Full	2003-2005
HELLENIC DUTY FREE SHOPS	ATHENS	49.36%	Direct	Full	2005
FOLLI FOLLIE JAPAN LTD	TOKYO	40%	Direct	Full	2001-2005
FOLLI FOLLIE ASIA LTD	HONG KONG	99.99%	Indirect	Full	2001-2005
FOLLI FOLLIE TAIWAN LTD	TAIPEI	99.99%	Indirect	Full	2004-2005
FOLLI FOLLIE KOREA LTD	SEOUL	99.99%	Indirect	Full	2003-2005
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE	99.99%	Indirect	Full	2004-2005
BLUEFOL GUAM LTD	GUAM	99.99%	Indirect	Full	1999-2005
BLUEFOL HAWAII LTD	HAWAII	99.99%	Indirect	Full	2000-2005
BLUEFOL HONG KONG LTD	HONG KONG	99.99%	Indirect	Full	2001-2005
FOLLI FOLLIE MALAYSIA LTD	KUALA LUMPUR	99.99%	Indirect	Full	2004-2005
BLUEFOL THAILAND LTD	BANGKOK	99.99%	Indirect	Full	2001-2005

DATA FROM INCOME STATEMENT FOR THE YEAR (Amounts reported in Euro)

	THE GROUP				THE COMPANY			
	1/1-30/6/2006	1/1-30/6/2005	1/1-30/6/2006	1/1-30/6/2005	1/4-30/6/2006	1/4-30/6/2005	1/4-30/6/2006	1/4-30/6/2005
Sales Revenue	167,278,969.85	100,764,368.78	17,108,821.45	19,169,098.90	105,428,203.28	47,433,632.87	6,938,487.04	7,543,963.54
Cost of goods sold	-73,263,844.06	-38,240,224.00	-5,351,175.92	-6,210,905.02	-49,063,434.97	-16,937,349.46	-2,068,876.57	-2,396,626.30
Gross profit	94,015,125.79	62,524,144.78	11,757,645.53	12,958,193.88	56,364,768.31	30,496,283.41	4,869,610.47	5,147,337.24
Other operating income	6,538,651.97	2,183,278.04	950,133.81	1,866,041.87	5,760,227.51	787,930.69	506,368.41	846,331.08
Administrative expenses	-8,683,336.00	-5,399,320.35	-2,605,031.49	-2,103,723.85	-5,599,373.44	-2,474,314.39	-1,403,869.58	-1,122,146.35
Selling and marketing costs	-42,195,566.84	-24,345,052.27	-5,883,894.51	-5,084,730.84	-27,310,050.80	-13,502,995.54	-3,219,948.66	-2,937,554.36
Other expenses	-938,303.46	-656,580.74	-499,029.00	-39,218.58	-568,036.38	-363,289.54	-344,461.44	-16,871.36
Operating profit	48,736,571.46	34,306,469.46	3,719,824.34	7,596,562.48	28,647,535.20	14,943,614.63	407,699.20	1,917,096.25
Finance costs - profit	1,491,212.01	1,156,215.64	581,626.59	577,770.26	931,625.56	753,202.35	57,086.61	182,547.66
Finance costs - expenses	-3,801,784.35	-2,549,139.54	-3,594,838.22	-2,421,839.96	-2,418,058.33	-1,378,841.00	-2,314,824.22	-1,310,896.04
Share of profit of associates	4,176,574.06	3,826,601.35	20,987,836.25	9,671,639.04	2,817,073.61	2,587,452.03	20,987,836.25	9,671,639.04
Profit before taxes (EBT)	50,602,573.18	36,740,146.91	21,694,448.96	15,424,131.82	29,978,176.04	16,905,428.01	19,137,797.84	10,460,386.91
Income tax expense	-11,402,659.54	-7,602,948.24	-1,776,601.61	-1,776,601.61	-7,331,971.84	-3,423,853.54	-922,700.48	-250,883.90
Profit for the period (after taxes)	39,199,913.64	29,137,198.67	19,917,847.35	13,501,050.40	22,646,204.20	13,481,574.47	18,215,097.36	10,209,503.01
<i>Attributable to:</i>								
Equity holders of the Company	34,331,997.86	29,453,471.26			17,779,888.42	13,813,613.98		
Minority interest	-4,867,915.78	-316,272.59			-4,869,515.78	-332,039.51		
Earnings (after taxes) per share - basic (expressed in €)	1.04	0.89	0.60	0.41	0.54	0.42	0.55	0.31
Amortisation - Depreciation	2,474,695.17	1,830,737.72	520,652.94	527,145.17	1,581,295.32	988,717.63	269,724.36	261,516.50
Earnings (profit) before taxes, financing and investing results and depreciation - amortisation (EBITDA)	51,211,266.63	36,137,207.18	4,240,477.28	8,123,707.65	30,228,830.52	15,932,332.26	677,423.56	2,178,612.75
Earnings (profit) before taxes, financing and investing results (EBIT)	48,736,571.46	34,306,469.46	3,719,824.34	7,596,562.48	28,647,535.20	14,943,614.63	407,699.20	1,917,096.25

DATA FROM STATEMENT OF CHANGES IN EQUITY FOR THE YEAR (Amounts reported in Euro)

	THE GROUP		THE COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Net equity of				