

"FOLLI - FOLLIE" SA

Company's Registrar No. 18989/06/B/89/17

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 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
Date of Approval	: 22/11/2006

The following data and information aim to provide a general briefing for the financial position and the results of operations of "FOLLI - FOLLIE" S.A. 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.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.



CASH FLOW STATEMENT (Amounts reported in Euro)					BALANCE SHEET (Amounts reported in Euro)				
	THE GROUP		THE COMPANY			THE GROUP		THE COMPANY	
	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005		30/9/2006	31/12/2005	30/9/2006	31/12/2005
Cash Flows related to Operating Activities					ASSETS				
Net Profit before taxes	85,467,878.77	52,180,082.19	18,185,974.92	16,928,321.69	Tangible Assets	65,874,667.71	29,269,571.73	16,768,608.93	17,175,960.39
Adjustments in respect of non-cash transactions:					Investments in PPE	15,380,000.00	15,380,000.00	15,380,000.00	15,380,000.00
Depreciation and Amortisation	5,196,840.13	2,516,096.21	786,260.20	786,879.45	Intangible Assets	329,380,118.47	4,185,089.70	661,765.83	750,442.44
Provisions	855,080.27	432,838.57	166,500.00	171,739.53	Investments in associates	0.00	40,395,445.88	383,888,470.75	159,505,501.95
Cash flows from investing activities	-4,606,453.47	-8,630,498.35	-21,419,289.70	-9,721,123.40	Deferred income tax assets	2,951,403.68	2,660,750.50	477,187.23	703,225.42
Debit interest and similar expenses	7,579,288.88	2,805,956.57	7,989,209.02	3,533,888.95	Other long term receivables	10,381,326.42	6,838,204.67	288,546.05	419,574.43
Other non-cash expense/income	0.00	0.00	0.00	-319,183.33	Total non-current assets (a)	423,967,516.28	98,729,062.48	417,464,578.79	193,934,704.63
Operating profit before adjustments of working capital	94,492,634.58	49,304,475.19	5,708,654.44	11,380,522.89	Inventories	134,015,647.79	71,758,888.21	14,793,780.81	14,134,365.54
Decrease/(increase) of Inventories	-8,423,186.25	-13,611,005.39	-659,415.27	-1,940,783.43	Trade Receivables	126,389,858.72	121,290,148.36	17,592,107.13	18,872,475.88
Decrease/(increase) of Receivables	-14,675,778.50	-8,708,932.87	1,197,993.36	-7,170,086.62	Other Receivables	19,425,902.68	6,199,578.58	2,478,326.72	2,395,951.33
Increase/(decrease) of payable accounts (except Banks)	-9,438,820.05	-5,037,734.10	-2,471,741.80	-1,557,550.57	Other financial assets at fair value	0	0	0	0
Interest paid and similar expenses	-8,670,382.81	-3,871,040.85	-8,331,293.93	-3,734,468.74	through profit or loss	3,167,016.56	2,921,508.63	1,382,386.77	2,921,508.63
Income Tax paid	-22,003,857.53	-3,431,442.67	-1,145,517.53	-1,154,234.92	Cash and cash equivalents	122,403,776.68	33,892,169.63	22,845,089.92	13,247,662.22
Net cash inflows/(outflows) from Operating Activities	31,280,609.44	14,644,319.31	-5,701,320.73	-4,176,601.39	Total current assets (b)	405,402,202.43	236,062,293.41	59,091,691.35	51,571,963.60
Cash Flows related to Investing Activities					TOTAL ASSETS (a) + (b)	829,369,718.71	334,791,355.89	476,556,270.14	245,506,668.23
Purchases of subsidiaries, associates and other investments	-204,464,885.62	0.00	-224,348,416.91	0.00	EQUITY & LIABILITIES				
Purchases of tangible and intangible assets	-4,147,873.21	-9,198,514.84	-301,362.36	-84,064.93	Long-term borrowings	407,639,724.08	125,149,592.17	341,000,000.00	119,499,958.91
Proceeds from sale of tangible and intangible assets	1,020,313.22	71,005.24	20,640.00	11,694.51	Retirement benefit obligations	8,047,419.66	3,356,944.74	576,589.00	540,126.00
Proceeds from sale of financial assets	1,961,153.98	722,403.84	1,961,153.98	722,403.84	Deferred income tax liabilities	14,888,601.88	1,047,943.78	1,139,142.26	1,035,080.14
Dividends received	0.00	9,152,004.96	20,990,210.29	9,723,644.00	Provisions for other liabilities and charges	12,480,307.39	4,054,878.43	783,660.73	698,272.82
Interest received	1,091,093.93	1,065,084.28	342,084.91	200,579.79	Total non-current liabilities	443,056,053.01	133,609,359.12	343,499,391.99	121,773,437.87
Decrease/(increase) of other long-term receivables	-722,100.64	-375,242.82	-14,971.62	-32,363.26	Trade payables	40,169,088.16	15,829,100.60	1,293,654.97	3,487,817.55
Net cash inflows/(outflows) from Investing Activities	-205,262,298.34	1,436,740.66	-201,350,661.71	10,541,893.95	Short-term Borrowings	8,709,289.87	5,047,457.92	7,368,566.97	4,863,495.62
Cash Flows related to Financing Activities					Other current liabilities	42,612,921.60	18,332,977.03	7,405,830.73	6,052,479.60
Cash received from issue of share capital					Total current liabilities	91,491,299.63	39,209,535.55	16,068,052.67	14,403,792.77
Proceeds from Loans	294,232,003.56	4,891,332.94	224,005,112.44	0.00	Total Liabilities (a)	534,547,352.64	172,818,894.67	359,567,444.66	136,177,230.64
Repayment of Loans	0.00	-1,118,578.23	0.00	-989,004.99	Share capital	9,884,062.50	9,884,062.50	9,884,062.50	9,884,062.50
Payments for leases	-477,670.41	-467,399.75	-78,366.08	-93,479.95	Share premium	62,531,731.47	62,531,731.47	62,531,731.47	62,531,731.47
Dividends paid	-28,400,892.57	-7,482,754.48	-7,277,336.22	-6,505,372.68	Other reserves	34,104,812.89	24,513,525.66	20,075,581.21	19,679,018.84
Net cash inflows/(outflows) from Financing Activities	265,353,440.58	-4,177,399.52	216,649,410.14	-7,587,857.62	Retained earnings	202,621,737.42	161,106,539.24	24,491,450.30	17,234,624.78
Net increase/(decrease) in cash and cash equivalents	91,371,751.68	11,903,660.45	9,597,427.70	-1,222,565.06	Exchange differences	-25,173,481.59	-12,980,009.96	0.00	0.00
Cash and cash equivalents at the beginning of the period	33,892,169.63	33,723,558.93	13,247,662.22	14,509,511.69	Other capital and reserves attributable to equity holders of the Company	-88,927,927.72	-88,927,927.73	0.00	0.00
Exchange rate differences from the conversion of cash equivalents	-2,860,144.63	-1,512,238.72	0.00	0.00	Total capital and reserves attributable to equity holders of the Company (b)	195,040,934.97	156,127,921.18	116,988,825.48	109,329,437.59
Cash and cash equivalents at the end of the period	122,403,776.68	44,114,980.66	22,845,089.92	13,286,946.63	Minority interest (c)	99,781,431.10	5,844,540.04	0.00	0.00
					Total Equity (d) = (b)+(c)	294,822,366.07	161,972,461.22	116,988,825.48	109,329,437.59
					TOTAL EQUITY AND LIABILITIES (e) = (a)+(d)	829,369,718.71	334,791,355.89	476,556,270.14	245,506,668.23

ADDITIONAL RECORDS AND INFORMATION

1. The same Accounting Policies have been followed as for the Balance Sheet at 31.12.2005. The Group applies the IFRS from 1 January 2005.2. 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 personnel employed in the Group, as at 30.09.2006, amounted to 2.832 and in the Company to 283 persons.
- 5.Purchases of tangible and intangible assets for the period 1/1-30/09/2006 (Amount in Thousand Euro) : a)Group € 4.148 b)Company € 302.
6. For the un-audited tax years of the parent company and its subsidiaries where the possibility for tax audit differences to arise exist, it has been performed a relative provision.7.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	TRAOUNSTAIN	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	52.28%	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
HTB HELLENIC TOURIST BUREAU S.A.	ATHENS	52.27%	Indirect	Full	Current Year
HELLENIC DISTRIBUTIONS SA	ATHENS	52.27%	Indirect	Full	2003-2005
LINKS OF LONDON LTD	LONDON	52.27%	Indirect	Full	Current Year
HDfS SKOPJE DOO	SKOPJE	52.28%	Indirect	Full	2004-2005
8. 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 01.01.2006 to 30.09.2006 (in 000's), are as follows:					
	GROUP	COMPANY			
A) Sales of goods and Services	547.00	6,820.00			
B) Acquisitions of goods and Services	0.00	232.00			
C) Receivables	0.00	10,456.00			
D) Payables	0.00	222.00			
E) Directors' and members' of the Board of the Directors transactions and fees	655.00	465.00			
F) Receivables from the Directors' and the members' of the Board of the Directors	0.00	0.00			
G) Payables to the Directors' and the members' of the Board of the Directors	642.00	642.00			

DATA FROM INCOME STATEMENT FOR THE YEAR (Amounts reported in Euro)									
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY		
	1/1-30/9/2006	1/1-30/9/2005	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005	1/7-30/9/2006	1/7-30/9/2005	
Sales Revenue	331,293,935.61	155,036,185.05	24,386,176.08	27,460,621.21	164,014,965.76	54,271,816.27	7,277,354.63	8,291,522.31	
Cost of goods sold	-156,459,337.50	-60,400,645.38	-7,745,990.88	-9,103,121.82	-83,195,493.44	-22,160,421.38	-2,394,814.96	-2,892,216.80	
Gross profit	174,834,598.11	94,635,539.67	16,640,185.20	18,357,499.39	80,819,472.32	32,111,394.89	4,882,539.67	5,399,305.51	
Other Operating Income	13,125,152.55	2,804,506.28	1,362,874.70	2,311,468.81	6,586,500.58	621,228.24	412,740.89	445,426.94	
Administrative expenses	-16,692,113.62	-8,015,344.87	-3,993,088.87	-3,227,115.81	-8,008,777.62	-2,616,024.52	-1,388,057.38	-1,123,391.96	
Selling and marketing costs	-81,914,371.63	-42,396,447.55	-8,647,850.73	-7,443,770.78	-39,718,804.79	-18,051,395.28	-2,763,956.22	-2,359,039.94	
Other expenses	-1,126,067.40	-804,509.67	-596,716.29	-57,564.74	-187,763.94	-147,928.93	-97,687.29	-18,346.16	
Operating profit	88,227,198.01	46,223,743.86	4,765,404.01	9,940,516.87	39,490,626.55	11,917,274.40	1,045,579.67	2,343,954.39	
Finance costs - profit	1,733,689.51	1,732,213.45	769,127.71	989,430.34	242,477.50	575,997.81	187,501.12	411,660.08	
Finance costs - expenses	-8,670,382.81	-3,871,040.85	-8,337,193.05	-3,673,264.56	-4,868,598.46	-1,321,901.31	-4,742,354.83	-1,251,424.60	
Share of profit of associates	4,177,374.06	8,095,165.73	20,988,636.25	9,671,639.04	800.00	4,268,564.38	800.00	0.00	
Profit before taxes (EBT)	85,467,878.77	52,180,082.19	18,185,974.92	16,928,321.69	34,865,305.59	15,439,935.28	-3,508,474.04	1,504,189.87	
Income tax expense	-20,581,557.52	-10,137,877.45	-1,601,413.92	-2,821,230.21	-9,178,897.98	-2,534,929.21	175,187.69	-898,148.79	
Profit for the period (after taxes)	64,886,321.25	42,042,204.74	16,584,561.00	14,107,091.48	25,686,407.61	12,905,006.07	-3,333,286.35	606,041.08	
Attributable to:									
Equity holders of the Company	52,062,224.43	41,719,388.27			17,730,226.57	12,265,917.01			
Minority interest	-12,824,096.82	-322,816.47			-7,956,181.04	-639,089.06			
Earnings (after taxes) per share - basic (expressed in €)	1.58	1.27	0.50	0.43	0.54	0.37	-0.10	0.02	
Amortisation - Depreciation	5,196,840.13	2,516,096.21	786,260.20	786,879.45	2,722,144.96	685,358.49	265,607.26	259,734.28	
Earnings (profit) before taxes, financing and investing results and depreciation - amortisation (EBITDA)	93,424,038.14	48,739,840.07	5,551,664.21	10,727,396.32	42,212,771.51	12,602,632.89	1,311,186.93	2,603,688.67	
Earnings (profit) before taxes, financing and investing results (EBIT)	88,227,198.01	46,223,743.86	4,765,404.01	9,940,516.87	39,490,626.55	11,917,274.40	1,045,579.67	2,343,954.39	