



HELLENIC FABRICS S.A.

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PRESS RELEASE

Hellenic Fabrics' S.A. half-year financial figures, at company level as well as on a consolidated basis, that are scheduled to be published according to the IFRS on September 23rd 2005, show a significant improvement in profit and cash flow.

Net sales of the **parent** company amounted to € 45.02 mln, presenting a decrease of 9.35% compared to the corresponding period of 2004. The largest part of sales is generated from indigo denim fabrics, for the production of blue jeans, 83.77% of which are exported, mainly to European Union countries.

Earnings before taxes, interest and depreciation (EBITDA) amounted to € 6.76 mln, increased by 25.84%. Earnings before taxes increased to € 3.57 mln, showing an increase of 53.62%. Respectively, net profit after taxes reached the amount of € 2.75 mln and presented an increase of 56.84%.

During the same period, on a **group** basis, consolidated turnover amounted to € 47.12 mln, decreased by 13.18% compared to the corresponding period of 2004. This comes as a result from the company's policy to retain bigger than last year quantities of raw cotton. Earnings before taxes, interest and depreciation (EBITDA) amounted to € 9.06 mln, increased by 30.97%. Consolidated earnings before taxes reached € 4.79 mln, improved by 78.08%. Net profit after taxes and minority rights amounted to € 3.21 mln, showing an increase of 65.10%.

The ratio "Earnings per share after taxes" increased to € 0.23, an improvement of 50.33%. The ratio "P/E after taxes" reached 9.04, while the price to book value ratio has amounted to 0.32.

The group's positive cash flow of € 12.79 mln improved its liquidity and was used to self finance the investments by € 2.79 mln and to reduce total borrowing by € 10.00 mln approximately. Total equity reached € 84.68 mln as compared to € 82.69 mln on 31/12/2004.



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Investments for the fiscal year 2005 are scheduled to reach € 11.00 mln, mainly in machinery and infrastructure for the development of new products, one third of which has been completed by the first half of the year.

Concerning the new ginning season that will start by the end of the month, and the operation of the group's two ginning plants, the management is optimistic that the perspectives are favorable. The current international cotton prices are at last year's levels, while Greek production is progressing very satisfactorily.

Under the present circumstances, the prospects for the remaining year remain positive and will outperform the initial forecasts.