#### **Full Year Results 2006**



Folli Follie and Full Year 2006
Financial Results



# Full Year 2006 Highlights (1)



- Ø Formation of a new powerful group
- Ø HDFS acquisition of Links of London
- Ø Exploitation of inter-company synergies
- Ø Obtainment of the Chinese Retail Licence for Folli Follie
- Ø Creation of a Joint Venture with Lapin House (Folli Follie Baby)
- Ø Raising brand awareness through 16 new cooperations with international airlines in 2006 (35 total)



## Full Year 2006 Highlights (2)



- Ø Full consolidation of HDFS for an 8-months period
- Ø Record Sales for the new group (+117%) and solid sales growth for Folli Follie stand alone (+11%)
- Ø Folli Follie stand alone with a stable increase of net profit (+16%)
- Ø Impressive EPS growth of 18%
- Ø Still experiencing negative currency effects



## Full Year 2006 Highlights



#### **IFRS Group Results**

	2006 IFRS	2005 IFRS	Growth
Sales (Million €)	484,4	222,8	117,4 %
EBITDA (Million €)	121,2	67,6	79,3 %
EBITDA Margin	25,0%	30,3 %	
<b>Gross Margin</b>	53.8%	60,3 %	
EBT (Million €)	106,0	70,1	<b>52</b> %
Net Profit (Million €)	81,7	56,6	45 %
EPS (€)	1,98	1,68	17,8%



### Folli Follie stand alone



#### **IFRS Group Results**

Folli Follie stand-alone basis

	2006 IFRS	2005 IFRS	Growth
Sales (Million €)	247,8	222,8	11,2 %
EBITDA (Million €)	69,9	67,6	3,4 %
EBITDA Margin	28,2%	30,3 %	
Gross Margin	57,1%	60,3 %	
EBT (Million €)	77,5	70,0	10,7 %
Net Profit (Million €)	65,7	56,6	16,0 %



## Net Sales by Region

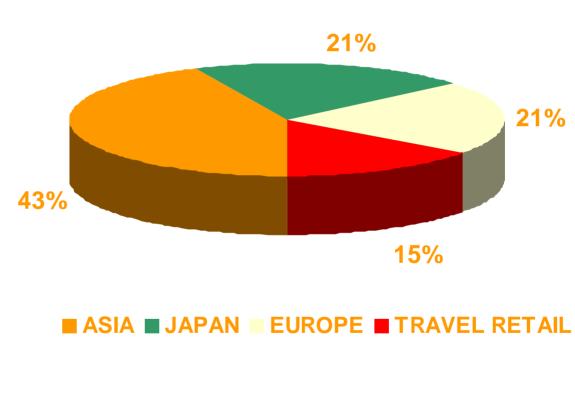






# **Net Sales by Region**

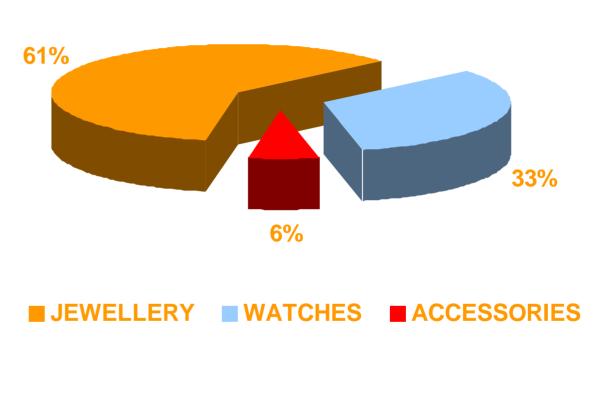






## Financials - Product Category Sales







	BALANCE SHEET (Amounts reported in Euro)					
Tangiple Assets   69.403.677.02   29.29.577.73   17.160.798.78   17.175.90.30   18.380.00.00   13.380.00.00	·					
Pagible Assets   649.03.470   22.92.95.17,3   17.10.79.08   17.175.04.03   10.000	ASSETS	31/12/2006	31/12/2005	31/12/2006	31/12/2005	
Interription Assets   18.00		69.403.677,02	29.269.571,73	17.160.799,87	17.175.960,39	
Deliver finance in associales   0.00   40.976.4158   26.075.05   25.0710   70.225.42   20.076.05   20.075.05   2	Investments in PPE	15.380.000,00	15.380.000,00	15.380.000,00	15.380.000,00	
Deferred income tax assets   2.009.037,	Intangible Assets	330.053.867,28	4.185.089,70	627.009,14	750.442,44	
Define from premerce/bables	Investments in associates	0,00	40.395.445,88	387.438.470,75	159.505.501,95	
Total non-current assets (a) Inventories Inclain one-current assets (b) Inventories Introduce one bases In	Deferred income tax assets	2.109.039,58	2.660.750,50	352.870,16	703.225,42	
Transport   Tran	Other long term receivables	6.676.684,23	6.838.204,67	293.421,34	419.574,43	
Trade Receivables         140.239 13.11.4         121.290.148.36         15.850.440.84         18.872.475.88           Other Receivables         24.453.461.03         6.199.576.85         2.204.855.35         2.395.951.33           Other Innancial assets at fair value         3.419.646.43         2.921.508.63         1.464.116,71         2.921.508.63           Cash and cash equivalents         109.310.713,75         33.892.169.63         2.2402.656.99         13.247.662.22           Total current assets (t)         603.027.432,20         236.062.293.41         55.550.320.74         51.571.086.08           TOTAL ASSETTS(a) + (b)         826.644.702.31         33.479.335.89         476.759.200         245.506.668.32           EQUITY & LIABILITIES         15.247.131.09         1.51.949.521.7         31.000.000.00         119.499.988.70           Retirement benefit obligiations         8.475.586.658.05         3.35.944.74         46.29.917.00         15.19.499.888.00           Provision for other liabilities and charges         11.109.905.00         4.05.497.84         52.425.35         692.22.22           Total non-current liabilities         31.809.61.30         15.829.100.0         2.874.807.77         3.487.817.85           Short-term Borowings         31.809.61.30         15.829.100.0         2.874.807.77         3.487.817.85	Total non-current assets (a)	423.623.268,11	98.729.062,48	421.252.571,26	193.934.704,63	
Other Receivables         24453 4610,3         61995785,8         2204 851,3         2395 951,3           Other Innacial assets at fair value         1019 310,713,7         32872,1686,3         1.46116,71         2921 508,63           Cash and cash equivalents         109 310,713,7         33.892,169,63         22.402,656,98         13.247,662,22           Total current assets (b)         403.021,434,20         236,062,293,41         55.06,320,4         51.571,963,00           COUITY & LIABILITIES         8         12,149,592,17         341,000,000         119,499,988,10           Retirement benefit obligations         8 46,569,05         33.85,944,4         400,917,00         540,120,00           Deferred income tax liabilities         15,247,131,0         10,448,43,8         24,243,649,4         400,917,00         540,120,00           Provisions for other liabilities and charges         11,524,131,0         10,448,43,4         400,917,0         540,120,00           Total payables         34,804,40         15,247,131,0         10,448,41,4         400,917,0         343,864,40           Total current liabilities         41,731,382,1         15,247,646,4         400,917,0         348,864,10         15,247,646,4         400,917,0         348,874,656,6         400,874,84         52,240,266,8         42,217,344,8         400,917,0<	Inventories	125.598.481,85	71.758.888,21	13.583.250,86	14.134.365,54	
Cher financia Sess at fair value         3 419 646,3 (29.15.08,63)         2.921.508,63         1.464.116,71         2.921.508,63           Cash and cash equivalents         109.310,713,75         3.38.92.169,63         2.2402.656,96         13.277.662,22           Total current assets (th)         403.027.144,20         23.606,229,41         55.509.520,72         51.519,320,41           TOTAL ASSETS (a) + (b)         82.6644,702,31         33.479.135,59         476.757.920,01         245.506.6628,23           EQUITY & LIABILITIES         15.247.517,93,00         15.249.592,17         341.000,000,00         179.499.588,74           Retirement benefit obligations         8.476.586,05         33.569.44,74         400.917.00         540.126,00           Provisions for other liabilities and charges         111.05.906,03         4.049.437,33         524.253,57         698.272.82           Total non-current liabilities         414.737.821,21         33.809.461,94         2.271.734,47,87         7.784,87,77           Short-term Borowings         118.11.894,94         50.44,47         32.281,337,77         3.487,875,77           Total con-current liabilities         118.11.894,94         15.229,103,43         46.63,492,49         17.734,478,77           Object current liabilities         15.000,500,40         118.229,100,40         2.91,107,13,45 <t< td=""><td>Trade Receivables</td><td>140.239.131,14</td><td>121.290.148,36</td><td>15.850.440,84</td><td>18.872.475,88</td></t<>	Trade Receivables	140.239.131,14	121.290.148,36	15.850.440,84	18.872.475,88	
through profit or loss         3.419.64.61         2.921.508.61         1.46.11.61         2.921.508.61           Cash and cash quiwalents         109.310.71.37         33.892.11.69         22.402.65.69         13.247 662.22           Total current asset (b)         403.021.43.22         23.062.293.41         55.55.32.07         51.517.093.02           TOTAL ASSETS (a)+ (b)         26.644.70.21         334.791.35.59         476.758.92         245.06.662.82           CUITY & LIABILITIES         406.901.77.9         125.149.52.17         341.000.000         119.499.98.1           Retiremb the eneft obligations         847.658.05         33.69.44.7         62.091.70         540.200.00           Deferred income at sabilities         11.105.905.03         4.04.87.83         125.115.01         1.035.001           Provisions for other liabilities and charges         11.105.905.03         4.04.87.84         262.23.75         698.27.28.2           Total capacities         447.731.32.2         133.009.301         433.93.40.0         127.734.78.7           Total capacities and charges         11.811.849.4         5.04.147.90         42.117.35.6         605.247.90.0           Total capacities and charges         18.818.894.6         39.209.53.5         13.607.40.0         140.03.29.1           Total capacities (a)	Other Receivables	24.453.461,03	6.199.578,58	2.204.855,35	2.395.951,33	
Cash and cash equivalents         109.310.713,75         33.892.109,63         22.402.650,84         13.247.602.22           Total current assets (b)         403.021.434,00         236.062.293,41         55.503.207,4         51.571.963,00           TOTAL ASSETS (a) + (b)         826.6447.021         334.791.555.8         476.758.200         245.506.682.8           EQUITY & LIABILITIES         8476.568.05         152.149.592,17         341.000.000         119.499.958.7           Referench benefit obligations         8476.568.05         33.569.44.7         620.917.00         540.126.00           Provision for other liabilities         15.247.131.09         1.047.943.8         1.251.176.4         1.050.00           Provision for other liabilities and charges         11.105.905.03         4.054.833         524.255.7         580.2173.4           Total non-current liabilities         441.731.382.12         133.609.359.72         343.363.469         127.734.378.7           Total current liabilities         66.679.23         15.829.100         2.874.807.7         3487.817.55           Short-term Borrowings         11.811.849.4         5.047.55.9         9.201.135.4         486.3495.62           Other Leemen Borrowings         15.272.168.5         38.207.55.5         18.786.631.00         486.3495.62           Other Leemen Borro	Other financial assets at fair value					
Total current assets (b)         403.021.43.42         236.062.293.41         55.503.207.44         51.571.663.60           TOTAL ASSETS (a) + (b)         826.644.702.31         334.791.355.89         476.757.892.00         2455.06.682.82           EQUITY & LIABILITIES         406.901.777.95         25.511.9592.17         341.000.0000         119.499.958.71           Referench toeneth choligations         8.476.568.05         3.356.447.4         620.917.00         540.126.00           Provisions for other liabilities and charges         11.105.905.33         4.054.878.3         524.251.176.41         1.035.000.14           Total non-current liabilities         441.731.382.12         133.809.397.12         343.934.96         121.731.437.87           Total current liabilities         34.000.00         1.181.184.94         50.445.767.92         29.211.73.4         486.457.92.81           Micher current liabilities         68.657.923.18         18.332.977.0         406.1167.05         406.247.90.00           Total current liabilities (a)         55.007.556.70         172.818.946.7         32.159.988.8         13.177.230.46           Share premium         68.657.923.18         83.325.71         25.513.131.47         62.531.731.47         62.531.731.47         62.531.731.47         62.531.731.47         62.531.731.47         62.531.731.47         62.	through profit or loss	3.419.646,43	2.921.508,63	1.464.116,71	2.921.508,63	
TOTAL ASSETS (a) + (b)         826.644.702,31         334.791.355,89         476.757.892,00         2455.66.682,82           COUITY & LIABILITIES         406.901.777,9         125.149.592,17         341.000.00.00         119.499.958,91           Retirem benefit obligations         8.476.560.05         3.356.944,4         620.917.00         540.126.00           Deferred income tax liabilities         15.247.131.09         1.047.943,78         125.117.64.1         1.035.000,14           Provisions for other liabilities and charges         11.105.905.03         4.054.878.43         524.255.75         698.272.82           Total non-current liabilities         441.731.382,12         133.609.359,12         343.396.346,8         121.773.437.87           Total charges         441.731.382,12         133.609.359,12         343.396.346,8         121.773.437.87           Total non-current liabilities         441.731.382,12         133.609.359,12         343.396.346,8         121.773.437.87           Total current liabilities         68.657.923.18         55.047.650,8         15.297.000,0         2.671.671.55         605.2479.00           Other carpital addresserves         9.88 0.625.0         9.88 0.625.0         9.88 0.625.0         9.88 0.625.0         9.88 0.625.0         9.88 0.625.0         9.88 0.625.0         9.88 0.625.0         9.88 0.625.0	Cash and cash equivalents	109.310.713,75	33.892.169,63	22.402.656,98	13.247.662,22	
COUNTY & LIABILITIES   Long-term borrowings	Total current assets (b)	403.021.434,20	236.062.293,41	55.505.320,74	51.571.963,60	
Long-term borrowings         406.901.777,9         125.149.592,17         341.000.000,0         119.499.958,0           Retirement benefit obligations         8.476.568,5         3.356.944,7         620.917,00         540.126,00           Defered income tax liabilities         11.075.932,00         1.047.943,8         1.251.176,41         1.035.080,14           Provisions for other liabilities and charges         11.105.903,20         4.054.878,43         524.253,57         698.272.82           Total non-current liabilities         441.737.382,12         133.609.359,12         333.934,49         127.733.437,87           Trade payables         34.806.413,9         15.829,100,60         2.874.807,7         3.487.817,55           Short-term Borrowings         11.811.849,4         5.047.457,92         9.210.173,45         4.863.495,62           Other current liabilities         68.657.923,8         18.332.970,35         6.671.670,8         6.052.479,60           Total Liabilities (a)         115.276.186,8         39.209.535,5         18.756.61,80         14.403.492,7           Total Liabilities (a)         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.	TOTAL ASSETS (a) + (b)	826.644.702,31	334.791.355,89	476.757.892,00	245.506.668,23	
Long-term borrowings         406.901.777,9         125.149.592,17         341.000.000,0         119.499.958,0           Retirement benefit obligations         8.476.568,5         3.356.944,7         620.917,00         540.126,00           Defered income tax liabilities         11.075.932,00         1.047.943,8         1.251.176,41         1.035.080,14           Provisions for other liabilities and charges         11.105.903,20         4.054.878,43         524.253,57         698.272.82           Total non-current liabilities         441.737.382,12         133.609.359,12         333.934,49         127.733.437,87           Trade payables         34.806.413,9         15.829,100,60         2.874.807,7         3.487.817,55           Short-term Borrowings         11.811.849,4         5.047.457,92         9.210.173,45         4.863.495,62           Other current liabilities         68.657.923,8         18.332.970,35         6.671.670,8         6.052.479,60           Total Liabilities (a)         115.276.186,8         39.209.535,5         18.756.61,80         14.403.492,7           Total Liabilities (a)         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.	EQUITY & LIABILITIES					
Deferent income tax liabilities         15.247.131,09         1.047.943,78         1.251.176,41         1.035.080,14           Provisions for other liabilities and charges         11.105.905,03         4.054.878,43         524.253,57         698.272,82           Total non-current liabilities         441.731.382,12         133.609.359,12         343.364.698         121.773.437,87           Trade payables         34.806.413,66         15.829.100,60         2.874.807,77         3.487.817,55           Short-term Borrowings         11.811.849,44         5.047.457,92         9.210.173,45         4.663.495,62           Other current liabilities         68.657.923,18         18.332.977,03         6.671.605,88         6.052.479,60           Total current liabilities (a)         15.276.768,67         172.818.894,67         362.152.998,78         13.6177.230,47           Share capital         9.884.062,50		406.901.777,95	125.149.592,17	341.000.000,00	119.499.958,91	
Provisions for other liabilities and charges         11.105.905.3         4.054.878.43         524.253.57         698.272.87           Total non-current liabilities         441.731.382.72         133.609.359.12         343.396.346,98         121.773.437.87           Trade payables         34.806.413,96         15.829.100,00         2.874.807,77         3.487.817,55           Short-term Borrowings         11.811.849,44         5.047.457,92         9.210.173,45         4.863.495,62           Other current liabilities         68.657.923,18         18.332.977,03         6.671.670,88         6.052.479,60           Total current liabilities (a)         115.276.186,58         39.209.535,55         18.756.651,80         14.403.792,77           Total Liabilities (a)         557.007.568,00         172.818.894,67         362.152.998,78         13.6177.230,64           Share permium         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531.731,47         60.531	Retirement benefit obligations	8.476.568,05	3.356.944,74	620.917,00	540.126,00	
Total non-current liabilities         441.731.382,12         133.609.359,12         343.963.46,98         121.773.437,87           Trade payables         34.806.413,96         15.829.100,60         2.874.807,77         3.487.817,55           Short-term Borrowings         11.811.849,44         5.047.457,92         9.210.173,45         4.863.495,62           Other current liabilities         68.657.923,18         18.332.977,03         6.671.670,58         6.052.479,60           Total current liabilities (a)         155.7067.588,70         172.818.894,67         362.152.998,78         136.177.230,46           Share capital         9.884.062,50	Deferred income tax liabilities	15.247.131,09	1.047.943,78	1.251.176,41	1.035.080,14	
Trade payables         34.806.413,96         15.829.100,60         2.874.807,77         3.487.817,55           Short-term Borrowings         11.811.849,44         5.047.457,92         9.210.173,45         4.863.495,62           Other current liabilities         68.657.923,18         18.332.977,03         6.671.670,58         6.052.479,60           Total current liabilities (a)         557.007.568,70         172.818.894,67         362.152.998,78         136.177.230,64           Share capital         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50           Other reserves         8.832.577,14         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47           Own Stock         -1.339.856,41         0.00         -108.985,11         0.00           Retained earnings         207.356.278,78         161.106.539,24         22.113.518,04         17.234.624,78           Exchange differences         32.706.043,74         -12.980.009,96         0.00         0.00           Other capital and reserves attributable to equity holders of the Company         88.927.927,73         -88.927.927,73         0.00         0.00           Total capital and reserves attributable to equity holders of the Company (b)         165.630.822,01         156.127.921,18         114.604.893,22	Provisions for other liabilities and charges	11.105.905,03	4.054.878,43	524.253,57	698.272,82	
Short-term Borrowings         11.811.849,44         5.047.457,92         9.210.173,45         4.863.495,62           Other current liabilities         68.657.923,18         18.332.977,03         6.671.670,58         6.052.479,60           Total current liabilities         115.276.186,58         39.209.535,55         18.756,651,80         14.403.792,77           Total Liabilities (a)         557.007.568,70         172.818.894,67         362.152.998,78         136.177.230,64           Share capital         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50           Share premium         62.531.731,47         62	Total non-current liabilities	441.731.382,12	133.609.359,12	343.396.346,98	121.773.437,87	
Other current liabilities         68.657.923,18         18.332.977,03         6.671.670,58         6.052.479,60           Total current liabilities         115.276.186,58         39.209.535,55         18.756.651,80         14.403.792,77           Total Liabilities (a)         557.007.568,70         172.818.894,67         362.152.998,78         136.177.230,64           Share capital         9.884.062,50	Trade payables	34.806.413,96	15.829.100,60	2.874.807,77	3.487.817,55	
Total current liabilities         115.276.186.58         39.209.535.55         18.756.651,80         14.403.792.77           Total Liabilities (a)         557.007.568,70         172.818.894,67         362.152.998,78         136.177.230,64           Share capital         9.884.062,50         9.884.062,50         9.884.062,50         9.884.062,50           Share premium         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47           Own Stock         8.832.577,14         24.513.525,66         20.184.566,82         19.679.018,84           Exchange differences         207.356.278,78         161.106.539,24         22.113.518,04         17.234.624,78           Exchange differences         -32.706.043,74         -12.980.009,96         0,00         0,00           Other capital and reserves attributable to equity holders of the Company         -88.927.927,73         -88.927.927,73         0,00         0,00           Total capital and reserves attributable to equity holders of the Company (b)         165.630.822,01         156.127.927,18         114.604.893,22         109.329.437,59           Minority interest (c)         206.637.133,61         161.972.461,22         114.604.893,22         109.329.437,59	Short-term Borrowings	11.811.849,44	5.047.457,92	9.210.173,45	4.863.495,62	
Total Liabilities (a)         557.007.568,70         172.818.894,67         362.152.998,78         136.177.230,64           Share capital         9.884.062,50         9.884.	Other current liabilities	68.657.923,18	18.332.977,03	6.671.670,58	6.052.479,60	
Share capital         9.884.062,50         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         62.531.731,47         0.00         10.00         0.00	Total current liabilities	115.276.186,58	39.209.535,55	18.756.651,80	14.403.792,77	
Share premium         62.531.731,47         0.00         10.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0.00         0	Total Liabilities (a)	557.007.568,70	172.818.894,67	362.152.998,78	136.177.230,64	
Other reserves         8.832.577,14         24.513.525,66         20.184.566,82         19.679.018,84           Own Stock         -1.339.856,41         0,00         -108.985,61         0,00           Retained earnings         207.356.278,78         161.106.539,24         22.113.518,04         17.234.624,78           Exchange differences         -32.706.043,74         -12.980.009,96         0,00         0,00           Other capital and reserves attributable to equity holders of the Company         -88.927.927,73         -88.927.927,73         0,00         0,00           Total capital and reserves attributable to equity holders of the Company (b)         165.630.822,01         156.127.921,18         114.604.893,22         109.329.437,59           Minority interest (c)         104.006.311,60         5.844.540,04         0,00         0,00           Total Equity (d) = (b)+(c)         269.637.133,61         161.972.461,22         114.604.893,22         109.329.437,59	Share capital	9.884.062,50	9.884.062,50	9.884.062,50	9.884.062,50	
Own Stock         -1.339.856,41         0,00         -108.985,61         0,00           Retained earnings         207.356.278,78         161.106.539,24         22.113.518,04         17.234.624,78           Exchange differences         -32.706.043,74         -12.980.009,96         0,00         0,00           Other capital and reserves attributable to equity holders of the Company         -88.927.927,73         -88.927.927,73         0,00         0,00           Total capital and reserves attributable to equity holders of the Company (b)         165.630.822,01         156.127.921,18         114.604.893,22         109.329.437,59           Minority interest (c)         104.006.311,60         5.844.540,04         0,00         0,00           Total Equity (d) = (b)+(c)         269.637.133,61         161.972.461,22         114.604.893,22         109.329.437,59	Share premium	62.531.731,47	62.531.731,47	62.531.731,47	62.531.731,47	
Retained earnings         207.356.278,78         161.106.539,24         22.113.518,04         17.234.624,78           Exchange differences         -32.706.043,74         -12.980.009,96         0,00         0,00           Other capital and reserves attributable to equity holders of the Company         -88.927.927,73         -88.927.927,73         0,00         0,00           Total capital and reserves attributable to equity holders of the Company (b)         165.630.822,01         156.127.921,18         114.604.893,22         109.329.437,59           Minority interest (c)         104.006.311,60         5.844.540,04         0,00         0,00           Total Equity (d) = (b)+(c)         269.637.133,61         161.972.461,22         114.604.893,22         109.329.437,59	Other reserves	8.832.577,14	24.513.525,66	20.184.566,82	19.679.018,84	
Exchange differences -32.706.043,74 -12.980.009,96 0,00 0,00 0,00 0,00 0,00 0,00 0,0	Own Stock	-1.339.856,41	0,00	-108.985,61	0,00	
Other capital and reserves attributable to equity holders of the Company         -88.927.927,73         -88.927.927,73         0,00         0,00           Total capital and reserves attributable to equity holders of the Company (b)         165.630.822,01         156.127.921,18         114.604.893,22         109.329.437,59           Minority interest (c)         104.006.311,60         5.844.540,04         0,00         0,00           Total Equity (d) = (b)+(c)         269.637.133,61         161.972.461,22         114.604.893,22         109.329.437,59	Retained earnings	207.356.278,78	161.106.539,24	22.113.518,04	17.234.624,78	
Total capital and reserves attributable to equity holders of the Company (b)  Minority interest (c)  Total Equity (d) = (b)+(c)  165.630.822,01  165.630.822,0	Exchange differences	-32.706.043,74	-12.980.009,96	0,00	0,00	
Minority interest (c) 104.006.311,60 5.844.540,04 0,00 0,00  Total Equity (d) = (b)+(c) 269.637.133,61 161.972.461,22 114.604.893,22 109.329.437,59	Other capital and reserves attributable to equity holders of the Company	-88.927.927,73	-88.927.927,73	0,00	0,00	
Total Equity (d) = (b)+(c) 269.637.133,61 161.972.461,22 114.604.893,22 109.329.437,59	Total capital and reserves attributable to equity holders of the Company (b)	165.630.822,01	156.127.921,18	114.604.893,22	109.329.437,59	
20//4/7000	Minority interest (c)	104.006.311,60	5.844.540,04	0,00	0,00	
TOTAL EQUITY AND LIABILITIES (e) = (a)+(d)	Total Equity (d) = (b)+(c)	269.637.133,61	161.972.461,22	114.604.893,22	109.329.437,59	
	TOTAL EQUITY AND LIABILITIES (e) = (a)+(d)	826.644.702,31	334.791.355,89	476.757.892,00	245.506.668,23	



DATA FROM INCOME STATEMENT FOR THE YEAR (Amounts reported in Euro)						
	THE GR	OUP	THE COMPANY			
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005		
Sales Revenue	484.399.340,17	222.796.934,45	35.032.150,23	36.980.835,86		
Cost of goods sold	-223.688.912,80	-88.446.212,13	-12.017.987,36	-12.905.798,37		
Gross profit	260.710.427,37	134.350.722,32	23.014.162,87	24.075.037,49		
Other Operating income	16.831.147,48	6.066.792,76	1.968.034,27	4.643.121,97		
Administrative expenses	-27.589.763,56	-11.586.965,70	-5.517.592,12	-4.793.128,43		
Selling and marketing costs	-134.369.191,45	-61.797.910,10	-12.224.539,25	-10.346.725,55		
Other expenses	-2.303.769,50	-2.556.704,96	-1.015.247,11	-792.398,81		
Operating profit	113.278.850,34	64.475.934,32	6.224.818,66	12.785.906,67		
Finance costs - profit	3.236.809,39	1.331.144,45	989.781,05	1.188.934,36		
Finance costs - expenses	-14.666.330,16	-5.148.235,89	-12.545.570,22	-4.857.480,26		
Share of profit of associates	4.177.374,06	9.395.738,69	20.988.636,25	9.671.639,04		
Profit before taxes (EBT)	106.026.703,63	70.054.581,57	15.657.665,74	18.788.999,81		
Income tax expense	-24.302.074,07	-13.391.086,52	-1.457.037,00	-3.360.297,83		
Profit for the period (after taxes)	81.724.629,56	56.663.495,05	14.200.628,74	15.428.701,98		
Attributable to:						
Equity holders of the Company	65.160.341,01	55.428.778,38				
Minority interest	-16.564.288,55	-1.234.716,67				
Earnings (after taxes) per share - basic (expressed in €)	1,98	1,68	0,43	0,47		
Amortisation - Depreciation	7.952.028,91	3.082.378,44	1.054.074,99	949.794,62		
Earnings (profit) before taxes, financing and investing						
results and depreciation - amortisation (EBITDA)	121.230.879,25	67.558.312,76	7.278.893,65	13.735.701,29		
Earnings (profit) before taxes, financing and investing						
results (EBIT)	113.278.850,34	64.475.934,32	6.224.818,66	12.785.906,67		
Proposed dividend per share (expressed in €)			0,12	0,26		



CASH FLOW STATEMENT (Amounts reported in Euro)					
	THE GR		THE COMPANY		
Cash Flows related to Operating Activities	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005	
Net Profit before taxes	106.026.703,63	70.054.581,57	15.657.665,74	18.788.999,81	
Adjustments in respect of non-cash transactions:					
Depreciation and Amortisation	7.952.028,91	3.082.378,44	1.054.074,99	949.794,62	
Provisions	1.067.649,93	1.188.610,09	232.823,00	854.320,94	
Cash flows from investing activities	-6.005.841,35	-11.528.844,11	-21.500.927,58	-12.083.378,02	
Debit interest and similar expenses	8.029.971,77	4.724.103,21	7.952.112,89	4.668.063,61	
Other non-cash expense/income	0,00	0,00	0,00	0,00	
Operating profit before adjustments of working capital	117.070.512,89	67.520.829,20	3.395.749,04	13.177.800,96	
Decrease/(increase) of Inventories	5.492.850,82	-21.232.011,83	551.114,68	-2.703.139,87	
Decrease/(increase) of Receivables	-27.213.232,14	-28.318.885,55	5.048.631,02	-5.921.292,33	
Increase/(decrease) of payable accounts (except Banks)	-29.483.542,82	2.751.752,10	-529.254,41	1.573.232,40	
Interest paid and similar expenses	-10.648.306,80	-5.148.235,89	-8.433.121,20	-4.950.020,20	
Income Tax paid	-29.617.235,32	-11.332.373,00	-3.287.032,72	-1.950.571,40	
Net cash inflows/(outflows) from Operating Activities	25.601.046,63	4.241.075,03	-3.253.913,59	-773.990,44	
Cash Flows related to Investing Activities					
Purchases of subsidiaries, associates and other investments	-209.320.322,31	0,00	-227.789.431,30	-1.772.539,39	
Purchases of tangible and intangible assets	-9.755.667,43	-10.272.671,44	-927.023,46	-1.982.571,72	
Proceeds from sale of tangible and intangible assets	1.429.524,58	95.690,76	20.960,00	12.007,22	
Proceeds from sale of financial assets	2.070.853,98	643.044,41	1.961.153,98	643.044,41	
Dividends received	0,00	9.164.303,46	20.990.210,29	9.735.942,50	
Interest received	2.618.335,03	424.132,68	481.008,31	281.956,59	
Decrease/(increase) of other long-term receivables	3.292.142,66	1.272.691,65	-19.846,91	-42.682,56	
Net cash inflows/(outflows) from Investing Activities	-209.665.133,49	1.327.191,52	-205.282.969,09	6.875.157,05	
Cash Flows related to Financing Activities					
Cash received from issue of share capital					
Own Stock	-1339855,61		-108.985,61		
Proceeds from Loans	294.233.581,31	1.010.172,79	225.846.718,92	0,00	
Repayment of Loans	0,00	0,00	0,00	-27.604,87	
Payments for leases	-583.819,39	-632.199,66	-117.569,61	-123.547,81	
Dividends paid	-29.551.841,65	-8.069.321,96	-7.928.286,26	-7.211.863,40	
Net cash inflows/(outflows) from Financing Activities	262.758.064,66	-7.691.348,83	217.691.877,44	-7.363.016,08	
Net increase/(decrease) in cash and cash equivalents	78.693.977,80	-2.123.082,28	9.154.994,76	-1.261.849,47	
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	
Exchange rate differences from the conversion of cash equivalents	-3.275.433,68	2.291.692,98	0,00	0,00	
Cash and cash equivalents at the end of the period	109.310.713,75	33.892.169,63	22.402.656,98	13.247.662,22	



DATA FROM STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ( Amounts reported inEuro )					
	THE GROUP		THE COMPANY		
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	
Net equity of period Open.Balance (1/1/2006 and 1/1/2005 respectively)	161.972.461,22	95.908.062,29	109.329.437,59	101.349.048,11	
Issue of share capital					
Dividends	-43.611.451,25	-8.125.853,46	-8.566.187,50	-7.248.312,50	
Directors Fees	-313.514,50	-326.541,80	-250.000,00	-200.000,00	
Net income recognised directly in Equity	0,00	1.660,89	0,00	0,00	
Minority interest (Due to :New Subsidiaries / Increase of participation )	81.599.975,98	0,00	0,00	0,00	
Net amounts effected directly Equity(Due to:New Subsidiaries/Increase of participation )	9.439.947,00	0,00	0,00	0,00	
Profit for the period, after taxes	81.724.629,56	56.663.495,05	14.200.628,74	15.428.701,98	
Adjustment in foreign currency translation differences	-19.835.058,79	17.851.638,25	0,00	0,00	
Own Stock	-1.339.855,61	0,00	-108.985,61	0,00	
Net equity of period Closing Balance	269.637.133,61	161.972.461,22	114.604.893,22	109.329.437,59	

#### Remarks



Ø During Q4 of 2006, 6 new points of sale opened (including 2 relocations):

1 in Greece, 1 in Qatar, 1 in The Netherlands,

1 in Hong Kong and 1 in China, 1 in Korea, 2 in Singapore.

End of 2006 Folli Follie counted 335 points of sale in 24 countries

Ø 2% of total turnover in local currency accounted from new openings from 31/12/2005 till 31/12/2006



#### Links of London – new POS



Ø Since the acquisition of Links of London by HDFS in July 2006, 6 new points of sale have opened, increasing the total number to 48 points of sale worldwide:

Ø 2 in the United Kingdom

Ø 1 in Dublin

Ø 1 in Canada

Ø 2 in Chicago

#### **Disclaimer**

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this presentation that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of Folli Follie S.A.. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement.

Potential risks and uncertainties include, amongst other things, internal, industry and external factors, such as general economic conditions.

