

**FOLLI FOLLIE A.B.E.E.**



**INTERIM FINANCIAL REPORT**

**PERIOD FROM 01/01/2009 UNTIL 31/03/2009**

**According to International Financial Reporting Standards**

The attached interim financial statements for the period of 01/01/2009 – 31/03/2009 are those that were approved by the board of directors of FOLLI FOLLIE ABEE on 27/05/2009 and have been posted on the company's web site [www.follifollie.com](http://www.follifollie.com)

# BALANCE SHEET

		The Group		The Company	
		31/3/2008	31/12/2008	31/3/2008	31/12/2008
<b>ASSETS</b>					
Tangible Assets	(4.1)	221.896.986,70	221.030.762,52	23.627.788,67	23.781.990,04
Investments in PPE	(4.1)	75.658.620,00	75.620.691,00	12.012.793,00	12.012.793,00
Goodwil	(4.2)	253.385.378,08	253.048.470,45	0,00	0,00
Intangible Assets	(4.2)	108.897.308,57	109.778.320,98	610.104,34	630.615,96
Investments in associates	(4.3)			419.573.216,57	419.566.288,35
Deferred income tax assets	(4.17)	7.732.209,35	6.456.405,50	2.407.512,43	229.959,65
Other long term receivables	(4.4)	14.544.702,26	14.690.743,70	321.564,56	327.809,72
<b>Total non-current assets (a)</b>		<b>682.115.204,96</b>	<b>680.625.394,15</b>	<b>458.552.979,57</b>	<b>456.549.456,72</b>
Inventories	(4.5)	273.571.796,03	245.760.983,79	15.822.642,00	15.382.354,24
Trade Receivables	(4.6)	237.157.421,00	286.358.008,54	14.057.925,81	14.488.839,37
Other Receivables	(4.6)	107.696.853,70	51.813.166,46	2.130.368,72	2.862.617,71
Other financial assets at fair value through profit or loss	(4.7)	540.776,95	388.228,08	540.776,95	388.228,08
Non Current assets clasified as available for sale	(4.14)		7.024.416,00		
Cash and cash equivalents	(4.8)	72.225.068,87	73.064.483,75	1.614.042,36	3.983.042,61
<b>Total current assets (b)</b>		<b>691.191.916,55</b>	<b>664.409.286,62</b>	<b>34.165.755,84</b>	<b>37.105.082,01</b>
<b>TOTAL ASSETS (a) + (b)</b>		<b>1.373.307.121,51</b>	<b>1.345.034.680,77</b>	<b>492.718.735,41</b>	<b>493.654.538,73</b>
<b>EQUITY &amp; LIABILITIES</b>					
Share capital	(4.9)	9.884.062,50	9.884.062,50	9.884.062,50 #	9.884.062,50
Share premium	(4.9)	62.531.731,47	62.531.731,47	62.531.731,47 #	62.531.731,47
Other reserves	(4.10)	20.944.799,68	28.713.434,37	5.450.644,95	13.144.804,26
Own Stock	(4.10)	-13.765.050,13	-13.559.552,05	-2.942.003,47 #	-2.942.003,47
Retained earnings	(4.10)	332.922.610,20	308.621.575,00	31.047.775,78	32.845.171,65
Exchange differences	(4.10)	-34.567.293,98	-46.463.425,24		
Other components of equity	(4.10)	-88.927.927,73	-88.927.927,73		
Total equity attributable to owners of the Parent (a)		<b>289.022.932,01</b>	<b>260.799.898,32</b>	<b>105.972.211,23</b>	<b>115.463.766,41</b>
<b>Non controlling interests (b)</b>	(4.10)	<b>116.899.274,15</b>	<b>115.422.340,20</b>		
<b>Total Equity (c) = (a) + (b)</b>		<b>405.922.206,16</b>	<b>376.222.238,52</b>	<b>105.972.211,23</b>	<b>115.463.766,41</b>
Long-term borrowings	(4.11)	624.851.677,82	613.874.811,39	334.145.000,00	334.500.000,00
Retirement benefit obligations	(4.11)	9.075.647,50	8.821.839,38	775.788,01	750.070,00
Deferred income tax liabilities	(4.17)	19.174.445,28	19.159.446,11	1.389.514,62 #	1.484.130,52
Provisions for other liabilities and charges	(4.11)	5.592.005,69	9.635.092,61	306.437,34	506.234,89
<b>Total non-current liabilities</b>		<b>658.693.776,29</b>	<b>651.491.189,49</b>	<b>336.616.739,97</b>	<b>337.240.435,41</b>
Trade payables	(4.12)	127.240.652,74	146.435.598,53	6.324.811,42	6.719.589,77
Short-term Borrowings	(4.12)	109.112.983,58	116.403.857,57	24.368.965,57	26.905.856,46
Other current liabilities	(4.12)	72.337.502,73	47.181.796,66	19.436.007,22	7.324.890,68
Liabilities related to non current assets clasified as available for sale	(4.14)		7.300.000,00		
<b>Total current liabilities</b>		<b>308.691.139,05</b>	<b>317.321.252,76</b>	<b>50.129.784,21</b>	<b>40.950.336,91</b>
<b>Total Liabilities (d)</b>		<b>967.384.915,34</b>	<b>968.812.442,25</b>	<b>386.746.524,18</b>	<b>378.190.772,32</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>		<b>1.373.307.121,51</b>	<b>1.345.034.680,77</b>	<b>492.718.735,41</b>	<b>493.654.538,73</b>

# DATA FROM INCOME STATEMENT FOR THE PERIOD

		The Group		The Company	
		1/1-31/3/2009	1/1-31/3/2008	1/1-31/3/2009	1/1-31/3/2008
Sales Revenue	(4.18)	210.859.708,43	189.254.998,30	6.714.919,76	7.502.988,78
Cost of goods sold		-104.599.825,87	-92.379.644,15	-2.466.564,21	-2.809.181,25
<b>Gross profit</b>		<b>106.259.882,56</b>	<b>96.875.354,15</b>	<b>4.248.355,55</b>	<b>4.693.807,53</b>
Other Operating income	(4.18)	10.367.622,80	6.873.933,56	1.794.077,78	503.070,76
Administrative expenses	(4.18)	-12.949.410,51	-11.558.232,91	-1.230.513,24	-1.397.129,80
Selling and marketing costs	(4.18)	-60.399.613,21	-52.662.118,87	-3.285.976,18	-3.122.446,75
Other expenses	(4.18)	-1.409.731,71	-998.714,04	-323.865,11	-459.535,16
<b>Earnings (profit) before taxes, financing and investing results (EBIT)</b>		<b>41.868.749,93</b>	<b>38.530.221,89</b>	<b>1.202.078,80</b>	<b>217.766,58</b>
Finance costs - profit	(4.18)	1.814.746,72	719.619,11	919.839,19	316.481,88
Finance costs - expenses	(4.18)	-9.707.676,87	-10.781.343,05	-3.957.694,36	-5.471.986,99
<b>Profit/Loss before taxes (EBT)</b>		<b>33.975.819,78</b>	<b>28.468.497,95</b>	<b>-1.835.776,37</b>	<b>-4.937.738,53</b>
Income tax expense	(4.19)	-7.255.145,32	-6.382.247,83	38.380,50	-43.413,40
<b>Profit/Loss for the period (after taxes)</b>		<b>26.720.674,46</b>	<b>22.086.250,12</b>	<b>-1.797.395,87</b>	<b>-4.981.151,93</b>
<u>Attributable to:</u>					
Equity holders of the Company		24.905.340,81	19.381.887,83		
Minority interest		1.815.333,65	2.704.362,29		
Earnings (after taxes) per share - basic (expressed in €) (4.20)		0,7614	0,5884	-0,0550	-0,1512
Amortisation - Depreciation		4.763.017,03	4.725.017,83	305.654,84	278.052,66
<b>Earnings (profit) before taxes, financing and investing results and depreciation - amortisation (EBITDA)</b>		<b>46.631.766,96</b>	<b>43.255.239,72</b>	<b>1.507.733,64</b>	<b>495.819,24</b>
Other comprehensive income for the period , net of tax (B)		3.054.345,13	-22.697.519,61	-7.694.159,31	-360.430,34
<b>Total comprehensive income for the period, net of tax (A) + (B)</b>		<b>29.775.019,59</b>	<b>-611.269,49</b>	<b>-9.491.555,18</b>	<b>-5.341.582,27</b>
-Owners of the parent Company		30.241.576,17	-150.544,29		
-Non controlling interests		-466.556,58	-460.725,20		

## OTHER COMPREHENSIVE INCOME

Exchange differences on translating foreign operations		10.804.788,63	-22.337.089,27		
Revaluation of financial instruments		-9.984.231,69	-465.071,34	-9.927.947,50	-465.071,34
Income tax relating to components of other comprehensive income		2.233.788,19	104.641,00	2.233.788,19	104.641,00
<b>Total comprehensive income for the period</b>		<b>3.054.345,13</b>	<b>-22.697.519,61</b>	<b>-7.694.159,31</b>	<b>-360.430,34</b>

## Statement of changes in the Group's equity

	Share Capital	Share Premium	Other Reserves	Own Shares	Retained earnings	Currency exchange differences	Other capital and reserves attributable to equity holders of the company	Total	Minority interest	Total net equity
Balance at 1.1.2008	9.884.062,50	62.531.731,47	25.443.170,44	-7.899.441,83	261.100.315,60	-59.101.599,04	-88.927.927,73	203.030.311,41	132.792.714,93	335.823.026,34
Dividends					-3.294.687,50			-3.294.687,50	-20.483.822,99	-23.778.510,49
Exchange differences on translating foreign operations						12638173,8		12.638.173,80		12.638.173,80
Minority interest due to new subsidiaries					599379,01			599.379,01	-14.573.239,52	-13.973.860,51
Net income recognised directly in equity			-4.192.656,54		495.540,84			-3.697.115,70	223.963,62	-3.473.152,08
Change in Goodwill accounting policy according to revised IAS 27					-24.248.723,89			-24.248.723,89		-24.248.723,89
Period results					76.953.558,48			76.953.558,48	22.296.140,49	99.249.698,97
Share buyback				-5.660.110,22				-5.660.110,22		-5.660.110,22
Other changes / Adjustments			7.462.920,47		-2.983.807,54			4.479.112,93	-4.833.416,33	-354.303,40
Balance at 31st of December 2008	9.884.062,50	62.531.731,47	28.713.434,37	-13.559.552,05	308.621.575,00	-46.463.425,24	-88.927.927,73	260.799.898,32	115.422.340,20	376.222.238,52
Balance at 1.1.2009	9.884.062,50	62.531.731,47	28.713.434,37	-13.559.552,05	308.621.575,00	-46.463.425,24	-88.927.927,73	260.799.898,32	115.422.340,20	376.222.238,52
Dividends								0,00		0,00
Deferred taxes in equity						10.753.663,71		10.753.663,71	51.124,93	10.804.788,64
Minority interest due to new subsidiaries			130.446,05					130.446,05		130.446,05
Financial Instruments Valuation			-7.750.443,50					-7.750.443,50		-7.750.443,50
Change in Goodwill accounting policy according to revised IAS 27								0,00		0,00
Period results					24.905.340,81			24.905.340,81	1.815.333,65	26.720.674,46
Share buyback				-205.498,07				-205.498,07		-205.498,07
Other changes / Adjustments			-148.637,24		-604.305,61	1.142.467,55		389.524,70	-389.524,63	0,07
Balance at 31st of March 2009	9.884.062,50	62.531.731,47	20.944.799,68	-13.765.050,12	332.922.610,20	-34.567.293,98	-88.927.927,73	289.022.932,02	116.899.274,15	405.922.206,17

Statement of changes in the Company's equity

	Share Capital	Share Premium	Other Reserves	Own Shares	Retained earnings	Other capital and reserves attributable to equity holders of the company	Total
Balance at 1.1.2008	9.884.062,50	62.531.731,47	16.762.729,75	-108.259,13	29.856.696,85	124.725,65	119.051.687,09
Dividends					-3.294.687,50		-3.294.687,50
Minority interest due to new subsidiaries							0,00
Net income recognised directly in equity						-4.058.038,65	-4.058.038,65
Period results					6.598.549,81		6.598.549,81
Share buyback				-2833744,34			-2.833.744,34
Other changes			-3.421.837,07		3.421.837,07		0,00
Balance at 31 st of December 2008	9.884.062,50	62.531.731,47	13.340.892,68	-2.942.003,47	36.582.396,23	-3.933.313,00	115.463.766,41
Balance at 1.1.2009	9.884.062,50	62.531.731,47	13.340.892,68	-2.942.003,47	36.582.396,23	-3.933.313,00	115.463.766,41
Dividends							0,00
Minority interest due to new subsidiaries							0,00
Financial Instruments Valuation			-7694159,31				-7.694.159,31
Period results					-1.797.395,87		-1.797.395,87
Share buyback							0,00
Other changes							0,00
Balance at 31 st of March 2009	9.884.062,50	62.531.731,47	5.646.733,37	-2.942.003,47	34.785.000,36	-3.933.313,00	105.972.211,23

# CASH FLOW STATEMENT 2η alternative: Indirect Method

	The Group		The Company	
	1/1-31/3/2009	1/1-31/3/2008	1/1-31/3/2009	1/1-31/3/2008
Cash Flows related to Operating Activities				
Net Profit before taxes	33.975.819,80	28.468.497,95	-1.835.776,37	-4.937.738,53
<i>Adjustments in respect of non-cash transactions:</i>				
Depreciation and Amortisation	4.763.017,03	4.725.017,83	305.654,84	278.052,66
Devaluation of tangible and intangible assets				
Provisions	278.135,91	529.573,50	26.750,01	30.875,01
Exchange differences	11.981.920,62	-11.341.132,28		
Cash flows from investing activities	-1.175.066,71	-430.160,50	-919.803,07	-283.099,64
Debit interest and similar expenses	9.033.338,44	10.308.851,09	3.953.337,00	5.438.564,75
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-27.810.812,24	-8.895.423,21	-440.287,76	-71.257,97
Decrease/(increase) of Receivables	-6.621.445,44	-10.559.210,92	1.977.070,54	2.476.252,73
Increase/(decrease) of payable accounts (except Banks)	-6.973.844,86	-183.238,43	773.653,16	-1.124.990,39
<u>Minus</u>				
Interest paid and similar expenses	-8.234.315,25	-3.401.765,00	-1.922.177,34	-1.647.623,75
Income Tax paid	-6.824.087,10	-7.647.749,18	0,00	-1.203.269,76
<i>Net cash inflows/(outflows) from Operating Activities (a)</i>	<b><u>2.392.660,20</u></b>	<b><u>1.573.260,85</u></b>	<b><u>1.918.421,01</u></b>	<b><u>-1.044.234,89</u></b>
Cash Flows related to Investing Activities				
Purchases of subsidiaries, associates and other investments	-81.674,00	-18.509.704,45	-27.931,89	-12.630.744,45
Purchases of tangible and intangible assets	-4.944.522,36	-4.139.866,95	-134.998,99	-629.357,30
Proceeds from sale of tangible and intangible assets	101.915,04	347.215,61	4.021,00	40,00
Proceeds from sale of financial assets	343.741,78			
Dividends received				
Interest received	1.069.384,55	553.092,35	767.290,32	316.481,88
Decrease/(increase) of other long-term receivables	-247.044,26	1.690.900,66	14.989,38	-3.180,23
<i>Net cash inflows/(outflows) from Investing Activities (b)</i>	<b><u>-3.758.199,25</u></b>	<b><u>-20.058.362,78</u></b>	<b><u>623.369,82</u></b>	<b><u>-12.946.760,10</u></b>
Cash Flows related to Financing Activities				
Own Stock	-205.498,00	-993.769,02	0,00	
Proceeds from Loans	1.180.516,70	15.901.490,34	-4.903.050,55	5.679.766,12
Repayment of Loans				
Payments for leases	-448.894,53	-82.909,21	-7.740,53	-7.737,59
Dividends paid	0,00	-499.934,16	0,00	-499.934,16
<i>Net cash inflows/(outflows) from Financing Activities (c)</i>	<b><u>526.124,17</u></b>	<b><u>14.324.877,95</u></b>	<b><u>-4.910.791,08</u></b>	<b><u>5.172.094,37</u></b>
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	<b><u>-839.414,88</u></b>	<b><u>-4.160.223,98</u></b>	<b><u>-2.369.000,25</u></b>	<b><u>-8.818.900,62</u></b>
Cash and cash equivalents at the beginning of the period	73.064.483,75	91.508.554,94	3.983.042,61	14.443.008,70
<u>Cash and cash equivalents at the end of the period</u>	<b><u>72.225.068,87</u></b>	<b><u>87.348.330,96</u></b>	<b><u>1.614.042,36</u></b>	<b><u>5.624.108,08</u></b>

## 1 General Information about the Group

### 1.1 The Company

The FOLLI FOLLIE Company has the legal entity of societe anonym and is the mother company of the FOLLI FOLLIE.

The Company's seat is registered at 23<sup>rd</sup> Km ATHENS-LAMIA HIGHWAY, in Greece, where the company's headquarters are located.

The Company's shares are listed in the Securities Market of the Athens Stock Exchange, under the classification of Big Capitalization.

Each share provides the right of one vote.

### 1.2 Object of activity

The Group's primary activities are: a) the construction of Jewelries, Watches, and accessories, b) The representation of foreign Brands and the sales of clothing, c) the retail travel sector.

### 1.3 Structure of the Group

The companies of the Group, which are included in the consolidated financial statements, are as follows:

COMPANY	REGISTERED OFFICE	% PARTICIPATION	RELATION THAT COMMANDED THE CONSOLIDATION	UN-AUDITED TAX YEARS
FOLLI FOLLIE S.A.	GREECE		-	2006-2007
FOLLI FOLLIE HONG KONG LTD	HONG KONG	99,99%	Direct	2000-2007
FOLLI FOLLIE UK LTD	GREAT BRITAIN	99,99%	Direct	2005-2007
FOLLI FOLLIE FRANCE SA	FRANCE	100,00%	Direct	2006-2007
FOLLI FOLLIE SPAIN SA	SPAIN	100,00%	Direct	2002-2007
FOLLI FOLLIE CZECH SRO	CZECH REP.	100,00%	Direct	2001-2007
FOLLI FOLLIE POLAND SZOO	POLAND	100,00%	Direct	2001-2007
FOLLI FOLLIE SLOVAKIA SRO	SLOVAKIA	100,00%	Direct	2001-2007
FOLLI FOLLIE GERMANY Gmbh	GERMANY	100,00%	Direct	2005-2007
MFK FASHION LTD	CYPRUS	100,00%	Direct	2002-2007
PLANACO SA	GREECE	100,00%	Direct	2003-2007
HELLENIC DUTY FREE SHOPS	GREECE	56,78%	Direct	2005-2007
FOLLI FOLLIE JAPAN LTD	JAPAN	100,00%	Direct	2006-2007
FOLLI FOLLIE ASIA LTD	HONG KONG	99,99%	Indirect	2001-2007
FOLLI FOLLIE TAIWAN LTD	TAIWAN	99,99%	Indirect	2006-2007
FOLLI FOLLIE KOREA LTD	S.KOREA	99,99%	Indirect	2006-2007
FOLLI FOLLIE SINGAPORE LTD	SINGAPORE	99,99%	Indirect	2004-2007
BLUEFOL GUAM LTD	GUAM	99,99%	Indirect	2000-2007

BLUEFOL HAWAII LTD	HAWAII	99,99%	Indirect	2000-2008
BLUEFOL HONG KONG LTD	HONG KONG	99,99%	Indirect	2001-2008
FOLLI FOLLIE MALAYSIA LTD	MALAYSIA	99,99%	Indirect	2004-2008
FOLLI FOLLIE THAILAND LTD	THAILAND	99,99%	Indirect	2001-2008
FOLLI FOLLIE CHINA (PILION LTD)	CHINA	85,00%	Indirect	2006-2008
HELLENIC DISTRIBUTIONS SA	GREECE	56,77%	Indirect	2006-2008
LINKS (LONDON) LIMITED	GREAT BRITA	56,77%	Indirect	2006-2008
LINKS OF LONDON (INTERNATIONAL) LTD	GREAT BRITA	56,77%	Indirect	2006-2008
LINKS OF LONDON COM LTD (UK)	GREAT BRITA	56,77%	Indirect	2006-2008
LINKS OF LONDON ASIA LTD (HK)	HONG KONG	56,77%	Indirect	2006-2008
LINKS OF LONDON INC (USA)	U.S.A.	56,77%	Indirect	2006-2008
LINKS OF LONDON (FRANCE)	FRANCE	56,77%	Indirect	2006-2008
HDFS SKOPJE DOO (F.Y.R.O.M.)	F.Y.R.O.M.	56,78%	Indirect	2006-2008
HELLENIC TOURIST BUREAU A.E.	GREECE	56,77%	Indirect	2006-2008
LAPFOL (JOINT VENTURE)	HONG KONG	50,00%	Indirect	2007-2008
ELMEC SPORT ABETE	GREECE	54,21%	Indirect	2007-2008
FACTORY OUTLET A.E.E	GREECE	54,21%	Indirect	2007-2008
FACTORY OUTLET AIRPORT A.E.E	GREECE	54,21%	Indirect	2007-2008
ELMEC ROMANIA SRL	ROMANIA	54,21%	Indirect	2007-2008
ELMEC SPORT BULGARIA EOOD	BULGARIA	54,21%	Indirect	2003-2008
CHRONOSPORT A.E.	GREECE	27,11%	Indirect	2003-2008
MOUSTAKIS S.A.	GREECE	54,21%	Indirect	2002-2008
LOGISTICS EXPRESS A.E.	GREECE	54,21%	Indirect	2007-2008
ATTIKA DEPT.STORES SA	GREECE	27,09%	Indirect	2007-2008
IPIROTIKI S.A.	GREECE	54,15%	Indirect	2007-2008
NORTH LANDMARK SA	GREECE	18,97%	Indirect	Establishment 2008
ICS ELMEC SPORT SRL	MOLDAVIA	54,21%	Indirect	Establishment 2008

The Full consolidation method has been used for all subsidiaries except from LAPFOL Company (JOINT VENTURE), which was consolidated proportionately.

## 2 Basis of Preparation of Financial Statements

### 2.1 Compliance with the IFRS

The consolidated and separate financial statements of the FOLLI FOLLIE group are in accordance with the International Financial Reporting Standards (IFRS) as these have been published by the International Accounting Standards Board (IASB), as well as their interpretations, as published by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of the IASB and which have been adopted by the European Union as of 31 December 2008.

### 2.2 Basis of Preparation of Financial Statements

The consolidated and separate financial statements of the FOLLI FOLLIE group have been prepared under the going concern basis and the historic cost principle, as amended with the adjustment of certain items of assets and liabilities.

### 2.3 Approval of Financial Statements

The financial statements have been approved by the Group's Board of Directors on 27th March 2008 and are to obtain final approval by the Shareholders' Ordinary General Assembly.

### 2.4 Applicable Period

The present financial statements comprise the financial statements of the Company and its subsidiaries, which are jointly



referred to as the Group and are applicable over the period from 1 January 2009 until 31 March 2009.

## **2.5 Presentation of Financial Statements**

These financial statements are presented in €, which is the functional currency of the Group, meaning that it is the currency of the primary economic environment, in which the mother company operates, as well as most of its subsidiaries. It should be noted that for purposes of rounding, the actual sums of the figures indicated in the published by the press condensed separate and consolidated financial statements, are likely to differ from the sums indicated in the present financial statements.

## **2.6 Changes in accounting principles**

### **2.6.1 Standards, amendments and interpretations of already existing standards**

The changes in accounting principles which have been adopted and are consistent with those of the previous years, are analyzed as follows:

Amendments of IAS 39 and IFRS 7 "Reclassification of Financial Instruments" The amendment of IAS 39 issued in October 2008, allows an entity to reclassify non-derivative financial assets (except the ones classified at fair value through results at the initial recognition) in another category than the one of fair value through results, in specific cases. The amendments in IFRS 7 require additional disclosures in the financial statements of the entities that adopt the amendments of IAS 39. Such disclosures are shown in note 4.4 of the Financial Statements.

It is required that IFRS 7 is applied on the annual financial statements which are published as of 1/1/2007 or thereafter. IFRS 7 replaces and amends the necessary disclosures which were previously determined by IAS 32 and has been adopted by the Group for the 2007 consolidated financial statements.

All disclosures which refer to financial instruments as well as items of the comparative period have been updated so as to respond to the requirements of the new standard.

More specifically, the consolidated financial statements of the Group present for every reported financial statement: A sensitivity analysis which aims at justifying the exposure of the Group to market risks, associated with its financial instruments and An analysis of the termination of financial obligations which shows the conventional liabilities due (3.23).

### **2.6.2 Amendment of the IAS 1 Presentation of the Financial Statements**

Due to the publication of the IFRS 7, certain amendments were deemed necessary in IAS 1 Presentation of the Financial Statements and certain additional requirements were added in IAS 1, which pertain to the publication of information of an economic entity. The Group is publishing from now on information pertaining to the purpose of capital management, the processes and the strategy it follows.

#### **2.6.2.1 IFRIC 7 – Adoption of revision method of IAS 29**

This interpretation provides guidelines in regard to the implementation of IAS 29 in a period of presentation, in which a company acknowledges a state of hyperinflation in the economy of its functional currency, under the condition that the economy has not been hyperinflationary in the previous year. Given that none of the companies of the Group operates in a hyperinflationary economy, this interpretation has not affected the financial statements of the Group.

#### **2.6.2.2 IFRIC 8 – Scope of IFRS 2**

This interpretation examines the transactions which include the equity instruments issued – when the identifiable received price is smaller than the fair value of the equity instruments issued – so as to define whether or not they fall within the implementation scope of IFRS 2. This interpretation has not affected the financial statements of the Group.

#### **2.6.2.3 IFRIC 9 - Reassessment of Embedded Derivatives**

This interpretation requires an economic entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as if it were stand-alone derivative when the entity first becomes party to a contract. This interpretation does not apply to the Group.

#### **2.6.2.4 IFRIC 10 - Interim Financial Reporting and Impairment**

This interpretation requires an entity should not reverse in a subsequent interim period impairment loss on goodwill or an investment in an equity instrument or in a financial asset carried at cost that it had recognised in prior years balance sheets. This interpretation has not affected the financial statements of the Group.

### 2.6.3 Standard, amendments and interpretations in the existing standards, not yet in effect and not adopted.

#### New standards, amendments and interpretations effective for the year 2009

In addition, the following new amended and revised standards, and interpretations are not mandatory for the year 2008:

- IFRS 8 "Operating segments", mandatory for the financial year 2009, introduces the "management approach" in the information per segment. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Management, however, its implementation is not expected to have significant impact on the consolidated financial statements.
- IFRS 23 "Borrowing Costs" (amendment), mandatory for the financial year 2009, removes the option to expense the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset and requires the capitalization of this cost. The implementation of the amended IFRS 23 is not expected to affect the company's results, however the consolidated results for the years 2009 to 2011 will be positively effected towards future fiscal years.
- IAS 1 "Presentation of Financial Statements" (amendmet), mandatory for the financial year 2009, introduces the term "total comprehensive income" which represent changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income or in an income statement and a separate statement of comprehensive income. The implementation of the revised IAS 1 is not expected to have significant impact on the financial statements of the Group. For the financial statements of the year 2009, the Group plans to present the total comprehensive income in a separate statement of total comprehensive income.
- IAS 32 "Financial Instruments: Presentation" (amendment) and IAS 1 "Presentation of Financial Statements" (amendment): Puttable financial instuments and obligations arising from liquidation, mandatory from year 2009, requires puttable instruments and instruments that impose on the entity and obligation to deliver to another party a pro rata share of the net assets of the entity on liquidation to be classified as equity if certain conditions are met. The implementation of the said amendment is not expected to have significant impact on the financial statements of the Group.
- IAS 39 "Financial Instruments: Recognition and Measurement" (amendment): Eligible Hedged items clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment will become mandatory for year. The implementation of the said amendment is not expected to have significant impact on the financial statements of the Group.
- IFRS 3 "Business Combinations" (revision) mandatory from the year 2010, in accordance with (a) the definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations, (b) Contingent consideration will be measured at fair value, with subsequent changes to be recognized in profit or loss, (c) Transaction costs, other than costs of share issuance and debt issue costs, will be recongnized as expenses as incurred, (d) Any pre existing interest in the acquiree will be measured at fair value with the gain or loss recognized in profit and loss, (e) Any minority interest will be measured at either their fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis. The Group will implement the revised IAS 3 only in future business combinations.
- IAS 27 "Consolidated and separate Financial Statements" (amendment), become mandatory from year 2010, requires changes in ownerships interest by the Group in a subsidiary, while maintaining control, to be recognized as an equity transaction. The Company has taken into consideration following § 12 of IAS 8, the revised IAS 27, with regard to accounting policy of goodwill resulted from the acquisition of minority interest in subsidiaries, given that, before the amendment of IAS 27, such transaction was not regulated by any Standard in force.
- IFRS 2 "Share value-based payment" (amendment): Vesting conditions and Cancellations, mandatory from year 2009, clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires the non-vesting conditions to be reflected in grant-date fair value and provides the accounting policy for non-vesting conditions and cancellations. The implementation of the revised IFRS 2 is not expected to have a significant impact on the financial statements of the Group.
- IFRS 1 "First time adoption of International Financial Reporting Standards" (amendment) and IAS 27 "Consolidated and Company Financial Statements" (amendment): Cost of an Investment in Subsidiary, jointly controlled entity or associate, mandatory from year 2009. This amendment provides for those companies that adopt for the first time the International Financial Reporting Standards, relief form certain requirements of IAS 27. As all companies of the Group have already adopted the International Financial Reporting Standards, this amendment will not have an impact in the financial statements of the Group.
- IFRS 13 "Customer Loyalty Programmes", mandatory from year 2009, results to amendments in the measurement of

income, in cases of sale of goods when the customer can redeem credits for awards such as free or discounted goods or services. The Group has not defined as yet the probable impact of this interpretation in the financial statements.

- IFRS 15 "Agreements for the construction of real estate", mandatory from year 2009, broadens the cases of transactions incurred in IAS 18 instead of IAS 11. This interpretation will not have any impact in the financial statements of the Group.
- IFRS 16 "Hedges of a net investment in a foreign operation", mandatory from year 2009, clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and the hedging instrument may be held by any entity within the Group. The implementation of this interpretation is not expected to have any impact in the financial statements of the Group.
- IFRS 17 "Distributions of non-cash assets to owners", mandatory from year 2010, provides guidance on when and how a liability for certain distributions of non-cash assets, is recognized and measured and how to account for settlement of that liability. The implementation of this interpretation is not expected to have any impact in the financial statements of the Group.
- IFRS 18 "Transfer of Assets from Customers", mandatory from 2010, refers to entities that receive contributions in tangible assets from their customers and do not apply to the Group.

Besides the adoption of the provided policy by the amended IAS 27 for goodwill resulted from increase of percentage in existing subsidiaries, the Company has not as yet adopted the aforementioned new or amended/revised standards and interpretations, nor intends to adopt them before the date of their mandatory implementation.

#### **Amendments to existing standards as part of its first annual improvements effective on 2009**

The International Accounting Standard Board made certain amendments to existing standards as part of its first annual improvements.

The Group has not as yet adopted the said amendments, nor intends to adopt them before the date of their mandatory implementation. Based on the existing structure of the Company and the accounting policies applied, Management does not expect significant impact in the financial statements of the Group from the implementation of the said amendments when these become applicable, and therefore will not be presented in detail here below.

The amended standards are as follows:

IAS 1 "Presentation of the Financial Statements", mandatory from year 2009.

IAS 16 "Tangible fixed assets" and subsequent amendment to IAS 7 "Cash Flow statement", mandatory from year 2009.

IAS 19 "Employees Benefits", mandatory from year 2009.

IAS 20 "Accounting of state grants and disclosure of state support", mandatory from year 2009.

IAS 23 "Borrowing Costs", mandatory from year 2009

IAS 27 "Consolidated and company financial statements", mandatory from year 2009.

IAS 28 "Investments in related companies" and subsequent amendments in IAS 32

"Financial Instruments: Presentation" and in International Financial Report Standard 7 "Financial Instruments: Disclosures", mandatory from year 2009.

IAS 29 "Presentation of financial data in overinflated economies", mandatory from year 2009

IAS 31 "Participation in joint ventures" and subsequent amendments in IAS 32 "Financial Instruments: Presentation" and in International Financial Report Standard 7 "Financial Instruments: Disclosures", International Financial Report Standard

IAS 36 "Impairment of current assets value", mandatory from year 2009.

IAS 38 "Intangible assets mandatory from year 2009.

IAS 39 "Financial Instruments: Recognition and measurement", mandatory from year 2009

IAS 40 "Investment in Property" and subsequent amendments in IAS 16 "Tangible fixed assets", mandatory from year 2009.

IAS 41 "Agriculture", mandatory from year 2009.

IFRS 5 "Non current assets possessed for sale and interrupted activities" and subsequent amendments in IFRS 1 "First time adoption of IFRS" mandatory from year 2010.

## **2.7 Management's important judgments and assessments.**

The Financial Statements preparation according to the International Accounting Standards requires the formulation of assessments, judgements and acknowledgements which are likely to affect the assets and liabilities accounting balances, and necessary disclosures for contingent liabilities and claims, as well as the amount of recognized revenues and expenses.

Providing adequate reporting and applying subjective judgement are integral parts for the measurement of assets valuations, employees' benefits liabilities, devaluation of elements of assets, unaudited fiscal years and pending court cases. These assessments are considered important but not binding. The actual future results are likely to differ from the assessments above.

### **2.7.1 Judgements**

The basic judgements formulated by the Group Management (apart from the judgements that are associated with assessments, which are presented subsequently) and have greater impact on the amounts recognized in the financial statements is mainly related to:

#### **2.7.1.1 Classification of investments**

The Management decides during an investment acquisition, whether this investment will be classified into one of the three categories; trading, held-to-maturity, or available-for-sale.

For investments that are characterized as held-to-maturity, the management examines if the criteria of IAS 39 are met and in particular to what extent the Group has the intention and the ability to maintain them until their expiry. The Group classifies its investments as held for trading purposes if these have been acquired in order to generate mainly short-term profit. The classification of investments, measured in the fair value through the results, depends on the way the management monitors the performance of these investments. When they are not classified as held for trading purposes, but remain available and reliable fair values and the changes in the fair values are included in the profit or loss accounts of the management, they are classified as measured in the fair value through the results. All other investments are classified as available-for-sale.

### **2.7.2 Valuations**

Specific amounts, included in or affecting financial statements, as well as the relevant disclosures are assessed, εκτιμώνται, necessitating our formulation of estimates regarding values or circumstances which we are not in a position to know with certainty during the preparation of the financial statements. An accounting assessment is considered important when it is important for the image of the financial status of the company and its results and requires the most difficult, subjective or complex judgements of the management, resulting usually from the need to formulate assessments about the impact of uncertain assumptions. The Group evaluates such assessments constantly, based on previous years results and experience, consultations with specialists, trends and other methods, considered reasonable at the given circumstances, as well as predictions for potential future changes. In note X accounting policies are stated O which have been selected among acceptable alternatives.

#### **2.7.2.1 Income taxes**

The FOLLI FOLLIE Company and its subsidiaries are subject to Income taxes from different fiscal authorities. Significant assessments are required in order to define provisions for Income taxes. There are numerous transactions and calculations, for which the accurate measurement of tax is uncertain during the ordinary course of activities of the enterprise. The Group recognizes obligations stemming from expected issues of the fiscal audit based on valuation for the amount of additional taxes potentially due. When the final result of these tax estimates, differs from the amount which was initially recognized in the financial statements, the differences affect the Income taxes and the forecasts for the deferred taxation of the period when these amounts are finalised.

#### **2.7.2.2 Provisions**

The high risk accounts present amounts which are likely to be recovered. The estimates for the amounts expected to be reclaimed result from analysis and experience of the group regarding the likelihood of doubtful debt. As soon as it becomes known that a certain account is exposed to a greater risk than the ordinary credit risk (eg low creditability of client, dispute over the nature of the amount of the claim, etc. ), the account is analyzed and subsequently recorded as

high risk if conditions denote that the obligation is unpaid.

### 2.7.2.3 Contingent events

Defining the potential obligations which are related with judiciary claims and requirements is a complex procedure, which includes assessment bearing on the potential consequences and the interpretations of laws and regulations. Changes in judgement or interpretations are likely to lead in the future to the increase or decrease of the potential obligations of the Group.

## 3 Accounting policies summary

Below follows a summary of significant accounting policies which have been applied during the preparation of the present consolidated financial statements.

It is worth noting that accounting assessments and estimates are applied for the preparation of financial statements. Despite the fact that these estimates are based on the sound knowledge of the management regarding the current events and actions, the actual results are likely to differ in the end from those that have been assessed.

### 3.1 Consolidation **Ενοποίηση**

#### 3.1.1 Subsidiaries **Θυγατρικές**

Subsidiaries are all entities, whose economic and business policies the Group has the power to control. The Group considers that it holds and exerts control when it participates with a higher percentage than half of the voting rights.

While defining to what extent the Group exerts control over the voting rights of another economic entity, it is examined if potential voting rights exist and if influence, which can be exercised or changed, is exerted upon them.

The subsidiaries are consolidated with the method of full consolidation from the date when the Group acquires control, while consolidation is terminated from the date control ceases to exist. In addition, acquired subsidiaries are initially consolidated through the adoption of the market method. The latter includes the readjustment of all the recognized assets and liabilities to the fair value, including potential obligations of the subsidiary, during the time of acquisition, regardless of whether these have been included in the financial statements of the subsidiary before its acquisition. During the initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet in the rearranged values, which are also employed as the basis of their subsequent valuation according to the accounting policies of the Group.

The accounting policies of the subsidiaries are modified where deemed necessary so that they are consistent with the policies adopted by the Group.

Trade receivables and liabilities, as well as transactions, revenues and expenses and pending profits or losses among companies of the Group are omitted in consolidated financial statements.

#### 3.1.2 Affiliates

Affiliates are companies on which the Group has the right to exert significant influence and do not constitute subsidiaries or rights to joint venture. Significant influence is defined as the authority to participate in decisions for the economic and business policies of the company, but not have control over these policies. There is usually significant influence when the Group owns 20% to 50% of voting rights through share ownership μέσω κυριότητας μετοχών or through another kind of agreement.

Investments in affiliated companies are initially recognized at cost while for consolidation purposes the method of net equity is employed. Goodwill is included in the accounting value (cost) of the investment and it is monitored for devaluation as part of this investment.

All subsequent changes in the percentage of participation in the net equity of the affiliated company are recognized in the accounting value of the investment of the Group.

Changes resulting from profits and losses of the affiliated companies are entered in the consolidated financial results.

Changes that have been directly recognized in total equity of affiliated companies are recognized in the consolidated total equity of the Group.

Whichever changes recognized directly in the total equity and are not related to a result, like for instance the distribution of dividends or other transactions with the affiliated company's shareholders, are registered by the accounting value of the participation. Within this framework, no influence is recognized on the net result or total equity.

When the share of losses of the Group in an affiliated company equals or exceeds the accounting value of the investment, including also any other non secure receivables, the Group does not recognize further losses, except if the Group has undertaken commitments or has effected payments on behalf of the affiliated company.

The accounting policies of the affiliated companies are modified when deemed necessary in order to be consistent with the policies adopted by the Group.

### **3.2 Joint ventures**

Economic entities, whose financial activities are controlled jointly by the Group and by other joint ventures independent of the Group are treated accounting-wise by using the proportionate consolidation.

In the case when the Group sells assets to the joint venture, it recognizes only the profit or loss from the transaction that corresponds to the participation of the rest of the parties.

On the contrary, if the Group buys assets from the joint venture, it does not recognize its share on the profit or loss until it sells the asset to a third party. In the case when there are indications of losses due to the decrease of value of the acquired by the joint venture assets, then whichever loss is recognized in its entirety.

### **3.3 Foreign Currency Translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions.

Foreign exchange gains and losses resulting from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, with the rates prevailing at the date of Balance Sheet, are recognised in the income statement.

Translation differences on non-momentary financial assets and liabilities measured at fair value, are reported as part of the fair value and therefore recognised as also the differences of the fair value.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

The financial statements of all the Group companies, which participate in the consolidation and have a functional currency different from the presentation currency, are translated into €.

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet (see par.2.6). Income and expenses are translated at average exchange rates of the period. (See par. 2.6).

All resulting exchange differences are transferred to the income statement recognised as part of the gain or loss on sale when a foreign operation is sold.

### **3.4 Financial information per segment**

#### **3.4.1 IAS 14**

A business segment is defined as a group of assets and activities which provide products and services that is subject to different risks and returns from those of other business segments.

A geographical segment is defined as an economic environment (geographical region) where products and services are provided and that subject to different risks and returns from those of other economic environments.

As primary type of segment information, the Group has selected the geographical information per segment.

### **3.5 Goodwill**

Goodwill which results from a merger between two enterprises is initially recognised at its cost, which exceeds the cost of merger, and is more than the Group's portion in the fair value of the net assets acquired.

### **3.6 Intangible assets (excluding goodwill), Research and Development activities**

The Group intangible assets are recognised initially at the cost of their acquisition. After the initial recognition, intangible assets are measured in their cost less accumulated depreciation and any devaluation loss that may have incurred.

#### **3.6.1 Other intangible assets**

Other intangible assets include the acquired software used by production or management.

The acquired licenses, referring to software are capitalised based on the expenses incurred for the acquisition and instalment of the specific software. Expenses linked with software maintenance are recognised in the costs of the period when incurred.

### 3.6.2 Trademarks and licenses

The acquired trademarks and licenses are initially recognised at their historical cost. Licenses have a limited useful life and are recognised at cost less the accumulate epreciation. Depreciation is measured by using the method of useful life with a view to distributing the trademark and licenses in the course of their estimated useful life.

### 3.7 Tangible assets

Property, plant and equipment is stated at historical cost less subsequent depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Installations on third parties' property (establishment of stores) are depreciated over the estimated term of the lease.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over their estimated useful lives, as follows:

Assets Category	Years of useful life	
- Buildings (privately owned)	50	Years
- Electro-Mechanical etc. Installations on privately owned buildings	20-25	«
- Installations on third parties' property	8-12	«
- Mechanical equipment	6,67-9,0	«
- Motor vehicles	6,67-9,0	«
- Other equipment	6,67	«

The self constructed tangible assets consist an addition to the acquisition cost of the tangible assets at values which comprise the direct payroll cost of personnel that participates in manufacturing, the consumed materials cost and other general costs.

Tangible assets' residual values and useful lives are subject to review at the date of the balance sheet. If the residual values, the expected useful life or the expected consumption rate of future benefits that are incorporated in an asset, change, these changes are treated accounting-wise as changes in accounting valuations.

During the sale of tangible assets, the differences between the component received and and its accounting value are recognised as profit or losse in the results.

The accounting value of tangible assets is monitored for devaluation when there are relevant indications, i.e events or changes in circumstances show that the accounting value may not be recoverable. If there is such an indication and the accounting value exceeds the estimated recovered amount, assets or cash flow generating units are devaluated at the recoverable amount. The recoverable amount of property, installations and equipment is greater than the one between their net selling price and their usage value. To calculate the usage value, the expected future cash flow is prepaid at their current value by using a pre-tax interest rate that reflects market's current valuations for the money value and the risks linked to this asset.

When the tangible assets accounting values exceed their recoverable value, the difference (devaluation) is initially recognised as the decrease in the fair value created which is reported on the accounts of net equity. Every devaluation loss incurred that exceeds the created reserve for the specific asset is directly recognised as expense in the income statement.

### 3.8 Investments on property

Investments in property refer to investments on all property (including land, buildings or parts of buildings μέρη κτιρίων) which are in the Group's possession (either by purchase, or lease) in order to receive either rent from their lease , or to increase their value (capital increase ενίσχυση κεφαλαίου), or for both purposes and are not owned for:

- Ø Used in production or material/service procurement or administrative purposes and
- Ø Sale in the ordinary company's course of activities.

Investments on property are recognised initially at their acquisition cost κόστος κτήσης, including transactions expenses.

Subsequently, they are recognised at their fair value. The fair value is determined annually by independent estimators, with adequate experience as to the location and the nature of property investment. The accounting value reported in the Group's financial statements reflects the purchase condition at the balance sheet date. Every profit or loss that stems from change in the fair value of property investment is recognised in the results of the period it is incurred.

Rearrange to the tangible asset (or vice versa) category is acceptable only when there is a change in usage.

For the transfer of the asset from the property investments category that is reported at fair value and its designation as own used, the asset's the cost for its subsequent accounting treatment, constitutes its fair value at the date of the rearranged use.

A property investment is erased (eliminated from the balance sheet) when it is has sold or when no future financial benefits are expected from a potential sell.

Profits or losses resulting from its elimination or sell of the investment in property are recognised in the results of the period of its elimination.

### 3.9 Non-current assets held-for-sale

Assets held for sale include assets that the Group intends to sell in the due course of one year from the date of their recognition as "Held-for-sale". These items may constitute a constituent part of the Group, a group of assets and liabilities or an independent non current asset.

These assets, recognition as "Held-for-sale" are measured in the lowest price between the accounting and fair value, less the expenses that the company will be called to pay in order to conclude the sale and are not subject to depreciation. Profit or loss from the sale or the readjustment of "Held-for-sale" assets is reported in the income statement at other revenues or other expenses respectively.

### 3.10 Financial assets

The Group's financial assets are categorized as follows:

- Ø Loans and receivables,
- Ø Financial assets at fair value through profit and loss,
- Ø Held-for-sale assets and
- Ø Held-to-maturity investments

Financial assets are distinguished into different categories by management according to their characteristics and the purpose of their acquisition.

Each category of financial asset is distinguished from others as different regulations are applicable per category with regards to valuation and recognition method of every potential outcome either in the income statement or directly in Own Capitals.

Financial assets are recognised at the effective accounting date of the commercial transaction.

#### 3.10.1 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial asset with fixed or determinable payments and fixed maturities. Such financial assets are recognized as held-to-maturity investments as long as the management has the positive intention and ability to hold to maturity.

After the initial recognition, investments classified in this category, are subsequently measured at amortised cost, using the effective interest method. Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition, less principal repayments and plus or minus any unamortised original premium or discount, calculated with the effective interest method. Inclusive in the calculation are all fees and units hat have been paid or received between the contracting parties which constitute and integral part of the effective interest, transaction cost and every increase or discount.

In addition, if there is objective evidence that the financial asset has undergone devaluation of its value, then the investment is measured at present value of estimated future cash flows and every difference with the investment's accounting value is recognised in the profit or loss as liability.



### 3.10.2 Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss comprise financial assets held principally for trading purposes and are determined by the Group as measured at fair value through profit or loss upon their initial recognition. Furthermore, in this category derivative financial assets are classified that do not meet the criteria of hedging accounting

Financial assets included in this category are measured at fair value through profit or loss and cannot be reclassified in a different category.

Financial assets classified in this category by the Group include shares listed in Athens and Cyprus Stock Exchanges.

### 3.10.3 Loans and Receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that have no quoted stock price in the active market. They come into existence when the Group provides money, products or services directly to a debtor with no intention of commercial claim εμπορικής εκμετάλλευσης.

Loans and receivables are measured at amortised cost, using the effective interest method, less any devaluation provision. Every change in the value of loans and receivables is recognised in profit or loss when loans and receivables are eliminated or undergo value discount, as well as during the application of the effective interest method.

For certain receivables a review is conducted for potential devaluation separately in cases when the receivable payment has been designated overdue at the date of financial statements or in cases when objective evidence indicate devaluation need. Other receivables are grouped and reviewed for potential devaluation in their entirety. The grouping of receivables is affected on the basis of common credit risk characteristic that they manifest.

Receivables and loans are included in current assets, excluding those that expire after twelve months time from the date of the balance sheet. These are designated as non current assets. In the balance sheet they are classified as commercial and other claims and constitute the greatest part of the Group's financial assets.

### 3.10.4 Financial assets available-for-sale

Financial assets available-for-sale comprise non-derivative financial assets which are classified as available-for-sale or do not meet the criteria for classification in other financial assets categories. All financial assets that are classified in this category are measured at fair value, assuming that this can be determined reliably, while changes in their value are recognised in net equity, after calculation of any effect incurred by taxes.

Upon the sale or devaluation of the available-for-sale assets, the cumulative profits or losses, that have been recognised in net equity are recognised in the profit or loss statement.

In a case of permanent devaluation, the sum of cumulative losses which is transferred from the income statement and recognised in the profit or loss is a result of the difference between the acquisition value and the fair value.

Devaluation losses that have been recognised in profit or loss for equity investment classified as available-for-sale are not reversed through profit or loss.

Losses that have been recognised in previous years' financial statements and do not result from devaluation of debit titles are reversed through profit or loss, if the increase (devaluation reversal) is associated with events that occurred before the devaluation recognition in the profit and loss statement.

The Group has not classified financial assets in this category.

### 3.10.5 Fair Value

The fair value of investments occurring in an active market is evidenced by mention of stock prices at the date of balance sheet. If the market for an investment is inactive, the Management determines the fair value by using valuation techniques. The purpose of using a valuation technique is to determine the transaction price quoted at valuation date for this transaction on a purely commercial basis, triggered by ordinary business factors. Included in valuation techniques are among others the use of recent transactions on a purely commercial basis, the reference to the current fair value of similar asset and its prepaid cash flow analysis.

### 3.11 Financial liabilities

The Group's financial liabilities consist in bank loans and overdraft accounts, commercial and other obligations/liabilities and financial leasing.

### 3.11.1 Financial liabilities (other than loans)

Financial liabilities are recognised when the Group participates in a conventional agreement of financial instrument and are eliminated when the Group is relieved of this obligation or if this obligation is cancelled or expires.

Liabilities incurring from financial leasing are measured at their initial value less the amount of capital payments while interests are recognised as expense in "financial expenses" account of the income statement.

Commercial liabilities are initially recognised at their nominal value and subsequently measured at amortised cost.

Gains and losses are recognised in the profit or loss statement when liabilities are eliminated and when effective interest method is applied.

Dividends to shareholders are recognised in κονδύλι "Other short-term financial liabilities", when dividends are approved by the General Annual Shareholders Meeting.

### 3.11.2 Loans

Bank loans provide long-term financing to the Group's functions. All loans are initially recognised at cost, which is the fair value of the received payment, other than the direct issuance expenses.

## 3.12 Financial assets and liabilities

### 3.12.1 Initial recognition

Financial assets and financial liabilities are reported in the Group's balance sheet, at the moment that the Group becomes one of the contracting parties of the financial instrument.

The Group's financial instruments consist in:

- Ø deposits
- Ø Trade receivables
- Ø Trade payables
- Ø bank loans
- Ø common shares

### 3.12.2 Classification and valuation

#### 3.12.2.1 Cash equivalents

Cash and cash equivalents comprise cash in the bank and in the cash in hand as well as short-term high liquidity investments such as repos and deposits with less than three months maturity date.

For the preparation of the Cash Flow Statement, cash and cash equivalents consist of those as determined above, excluding pending ones of bank overdrafts.

#### 3.12.2.1 Trade receivables

Claims from commercial activities are initially recognised at their fair value and subsequently measured at undepreciated cost with the effective interest method.

Appropriate provisions for estimated non recoverable amounts are recognized in profit or loss when there is factual evidence that the asset has been devaluated. The recognized provision is measured as the difference between the asset's accounting value and the current value of the estimated cash flows, prepay able with the prevailing effective interest during the initial recognition.

#### 3.12.2.1 Trade liabilities

Trade liabilities are initially recognized at their fair value and subsequently measured at the undepreciated cost by using the effective interest method.

#### 3.12.2.1 Bank loans

Bank loans provide long-term financing of the Group's operations. All loans are initially recognized at cost, which is the fair value of the received return, net of the issuance cost related to the loan.

After the initial recognition, loans are measured at their amortised cost on the basis of the effective interest method and

any difference is recorded in the income statement at the period of the borrowing.

### **3.12.2.1 Common shares**

The company's issued share capital is recognized at net revenues minus direct issuance costs, after corresponding income tax calculation.

When the Group acquires own shares, they are deducted from equity. At the time of the acquisition, sale, issuance or cancellation of the financial entity's own shares no profit or loss is recorded in the income statement.

### **3.13 Inventories**

Inventories include raw materials and goods purchased for the purpose of future sale.

Inventories cost is calculated using the weighted average cost method and includes all the expenses incurred to bring the inventories at their current location and condition which are directly attributable to the production process, as well as a portion of general expenses that is related to the production process and it is absorbed on the basis of the production facilities regular capacities.

Inventories cost does not include financial expenses.

At the balance sheet date, inventories are valued at the lowest between the acquisition cost and net realisable value.

Net realisable value is the estimated sales price during the normal course of business, less any estimated relevant sales expenses.

### **3.14 Income tax accounting**

#### **3.14.1 Current income tax**

Current income tax claim/liability includes all the liabilities or claims from tax authorities that relate to the current or previous reference periods and have not been paid until the balance sheet date. Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate based on the taxable profit for the fiscal year. All changes to the tax claims or liabilities are recognized as tax expense in the income statement.

#### **3.14.2 Deferred Income tax**

Deferred income taxes are measured with the liability method that focuses on temporary differences. This includes the comparison of the book value of assets and liabilities of consolidated financial statements with their respective tax bases. Deferred tax assets are recognized to the extent that it is possible to be offset by future income taxes.

The Group recognizes a previously not recognized deferred tax asset to the extent that it is possible that future taxable profit will allow the recovery of the deferred tax asset.

Deferred tax assets are re-examined at every balance sheet date and are reduced to the extent that it is no longer possible that a taxable income will be available to allow the use of benefit in total or partially of the deferred tax asset.

Deferred tax liabilities are recognized for all temporary tax differences.

Tax losses that can be carried forward to upcoming periods are recognized as deferred tax claims.

Deferred tax assets and liabilities are measured at tax rates that are expected to be enacted when the asset will be recovered or the liability settled taking into account the tax rates (and tax laws) enacted or materially enacted up to the date of the balance sheet.

Most changes in deferred tax assets or liabilities are recognized as a part of income tax in the income statement. Only changes in deferred assets or liabilities related with change in the amount of a claim or liability that is directly recorded in the Group's equity, such as assets revaluation and changes resulting in deferred tax claims or liabilities are debited or credited in equity.

### **3.15 Grants**

The Group recognises government grants which cumulatively meet the following criteria:

- Ø There is presumed certainty that the undertaking has complied or will comply with the terms of the grant and
- Ø It is fairly probable that the grant's amount will be collected.

Grants relating to fixed assets are recorded under liabilities as deferred income and transferred to the income statement

over the useful life of these assets.

### **3.16 Employee benefits due to retirement and short-term benefits to employees**

#### **3.16.1 Short-term benefits**

Employee short-term benefits (with the exception of employment termination benefits) in money and in kind are recognized as an expense when they become accrued. Any unpaid amount will be recorded as a liability while in the event that the amount already paid exceeds the benefits amount, the Group will recognize the excess amount as an asset item (prepaid expense) only to the extent that prepayment will lead to a reduction of future payments or to a refund.

#### **3.16.2 Benefits due to retirement**

The Group has set defined benefits schemes as well as defined contribution schemes.

##### **3.16.2.1 Specified benefits scheme**

The liability recorded in the balance sheet in respect of specified benefit pension schemes is the present value of the specified benefit obligation for the specified benefit based on law 2112/20 and the changes resulting from any actuarial gains and losses and past service costs. The specified benefit obligation is calculated annually by independent actuary using the projected unit credit method.

Actuarial gains and losses arising from empirical adjustments and changes in actuarial assumptions in the end of the previous period in excess of the greater of 10 per cent of the fair value of scheme assets are debited or credited on the basis of the extended average remaining working lives of the employees included in the scheme. Past service costs are recognized directly in income unless the changes to the pension scheme are conditional on the employee's remaining in service for a specified period of time (the vesting period).

In this case, the past service costs are amortized on a straight line basis over the vesting period.

##### **3.16.2.2 Specified contribution schemes**

The Group's employees are primarily insured by the Public Insurance Fund which refers to the private sectors (IKA) that provides retirement and medical benefits. Every employee is required to contribute a portion of its monthly salary to the fund, while part of the total contribution is covered by the Group. Upon retirement, the retirement fund is responsible for providing retirement benefits to the employees. Consequently, the Group has no legal or constructive obligations for further payment of future benefits on the basis of this scheme.

Under the specified contributions scheme, the Group's obligation (legal or presumptive) is limited to the amount it has agreed to contribute to the organization (e.g. fund) that manages contributions and provides benefits.

Consequently, the amount of benefits that the employee will receive shall be determined by the amount paid by the Group (and/or the employee) and by the paid investment return on these contributions. The contribution payable by the Group to a specified contributions scheme is recognized either as a liability after the deduction of the contribution paid, or as an expense.

#### **3.16.3 Termination benefits**

Termination benefits are payable when employment is terminated in the Group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

### **3.17 Other provisions**

Provisions are recognized when a present obligation is possible to lead to an outflow of the Group's financial resources and it be measured accurately. The materialization time or the amount of the outflow can be uncertain. An existing obligation originates from the presence of a legal or constructive liability that has occurred from events of the past. A provision is used only for expenses that it was originally made for. Provisions are tested at every balance sheet date and adjusted in order to illustrate the best current estimation.

Provisions are evaluated at the expected cost that is required for the determination of the current commitment, on the

basis of reliable evidence that is available at the balance sheet date including all risks and uncertainties related to the current commitment.

When the effect of the time value of money is significant the amount of the provision is the present value of the expenses that are expected to be claimed in order to settle the liability.

When the discount method is used, the book value of a provision increases in every period in order to reflect the lapse of time. This increase is recognized as financial cost in the income statement.

When a number of similar commitments exists the possibility that an outflow will be needed for settlement, is determined by taking into account the category of commitments as a whole. A provision is recognized even if the possibility of an outflow for an element included in the commitments category is small.

If an outflow of resources that encompass financial benefits is henceforth not possible to be claimed for liability settlement, the provision is reversed.

### **3.18 Contingent liabilities**

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of the outflow of resources incorporated in the financial benefits is minimal.

### **3.19 Contingent assets**

Possible financial benefits inflows for the Group that do not yet fulfill the criteria of an asset are considered as possible claim and are reported in the financial statements notes.

### **3.20 Leasing**

The estimate on whether an agreement contains the element of leasing is made at the beginning of the agreement taking into account all available data and specific prevailing conditions.

#### **3.20.1 Group as the leaseholder**

##### **3.20.1.1 Financial Lease contracts**

The ownership of a leased asset is transferred to the leaseholder if all risks and benefits related to the leased asset are transferred to the leaseholder regardless of the legal type of the contract. At the beginning of the lease the asset is recognized at its fair value or if lower at the present value of the minimum lease payment, including additional payments if any, that are covered by the leaseholder.

A relevant amount is recognized as financial lease liability regardless of the fact that some of the lease payments may be in advance at the beginning of the lease.

The posterior accounting treatment of assets that have been acquired through financial lease contracts i.e. the used depreciation method and the determination of its useful life, is identical to the one applied in comparatively acquired, except leasing contract, assets.

The accounting treatment of the respective liability concerns its gradual decrease on the basis of the minimum lease payments less financial charges, which are recognized as an expense in the financial expenses. Financial charges are allocated throughout the leasing period and represent a fixed periodic interest rate on the remaining financial liability.

##### **3.20.1.2 Operational Leases**

Other leases are treated as operational leases. The payments of operational leases contracts are recognized as an expense in the income statement using the straight method (association of fiscal years revenue and expense). The associated expenses such as maintenance and insurance are recognized as expenses when they occur.

#### **3.20.2 Group Company as the lessor**

##### **3.20.2.1 Operational Leases**

The leases, where the Group does not in effect transfer all risks and benefits of the assets are classified as operational leases. Initial direct costs charged to the lessors at the negotiation and agreement of an operational lease are added to the book value of the leased asset and recognized throughout the entire period of the lease as leasing revenues.

### 3.21 Recognition of revenue

Revenue is recognized when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is net of value added tax, discount and returns. Revenues among group companies which are consolidated with the full consolidation method, are entirely eliminated.

The recognition of revenue is as follows:

#### 3.21.1 Sales of goods

Revenue on sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

#### 3.21.1 Provision of service

Revenue from service contracts with specified price is recognized on the basis of transaction completion at the balance sheet date. According to this method, revenue is recognized on the basis of the completion percentage of the service rendered at the financial statements date in relation to the total service package to be rendered.

When the outcome of this service related transaction cannot be estimated reliably, the revenue is recognized only to the extent that the recognizable expenses are recoverable.

If the initial revenue estimates, expenses or completion percentage change these changes may lead to the increase or reduction of the estimated revenue or cost and are reported in the period's revenue.

#### 3.21.2 Dividend income

Dividend income is recognized when the collection right of shareholders is finalized.

### 3.22 Borrowing cost

Borrowing cost is recognized at the date it occurs, according to the basic method of IAS 23 "Borrowing cost".

### 3.23 Elements of Risk Management

#### 3.23.1 Exchange rates for the financial statements translation from activities abroad

The exchange rates used for the translation of the financial statements of subsidiaries and branches abroad in € are the following:

	USD	GBP	JPY
31/3/2009	1,3308	0,9308	131,17
1/1-31/03/2009	1,3029	0,9088	122,04
31/3/2008	1,3917	0,9525	126,10
1/1-31/03/2008	1,4981	0,7569	157,72

#### 3.23.2 Capital Management

The Capital Management intends to secure the continuation of the operations of the Group in order to provide profits to the shareholders and benefits to other interested parties. The tools for the capital management are the dividend policy the issuance or return of capital and sale and purchase of assets.

The basic Factor that capital management uses and is calculated as net debit divided to the total capital is Leveraged Factor. The above Factor as of 31/03/2009 and 31/12/2008 respectively is:

	The Group		The Company	
	31/3/2009	31/12/2008	31/3/2009	31/12/2008
Loans	733.964.661	730.278.669	358.513.966	361.405.856
Less: Cash	(72.225.069)	(73.064.484)	(1.614.042)	(3.983.043)
Net debt	661.739.593	657.214.185	356.899.923	357.422.814
Net Equity	405.922.206	376.222.239	105.972.211	115.463.766
<b>Συντελεστής μόχλευσης</b>	<b>62,0%</b>	<b>63,6%</b>	<b>77,1%</b>	<b>75,6%</b>

## 4 Notes on the interim financial statements

### 4.1 Property, plant and equipment

#### The Group

	Land	Buildings & Building Installations	Investment Property Buildings	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total
<b>01.01.2008</b>								
Cost	34.578.772,88	117.107.085,19	82.921.784,00	10.034.080,42	3.348.161,53	61.669.327,50	40.496.688,32	350.155.899,84
Additions	2.324.270,00	24.659.111,80	224.844,00	1.568.289,29	280.098,08	13.232.482,16	2.718.837,99	45.007.933,32
New subsidiary								0,00
Disposals		-8.893.659,03	-7.245.013,48	-591.255,23	-197.451,46	-3.718.001,61	-21.836,00	-20.667.216,81
Adjustments		3.728.379,91	54.781,00					3.783.160,91
<b>Balance 31.12.2008</b>	<b>36.903.042,88</b>	<b>136.600.917,87</b>	<b>75.956.395,52</b>	<b>11.011.114,48</b>	<b>3.430.808,15</b>	<b>71.183.808,05</b>	<b>43.193.690,31</b>	<b>378.279.777,26</b>
Accumulated amortisation								
Balance 01.01.2008		-25.025.408,50		-5.343.555,42	-2.114.467,08	-36.331.241,04		-68.814.672,04
Amortisation charge		-3.428.717,70	-343.960,52	-2.159.917,98	-375.510,50	-8.497.214,21		-14.805.320,91
New subsidiaries depreciation								
Decrease of amortisation		770.434,90	8.256,00	588.033,46	92.788,05	2.909.182,07		4.368.694,48
Adjustments Decrease of amortisation								
<b>Balance 31.12.2008</b>	<b>0,00</b>	<b>-27.683.691,30</b>	<b>-335.704,52</b>	<b>-6.915.439,94</b>	<b>-2.397.189,53</b>	<b>-41.919.273,18</b>	<b>0,00</b>	<b>-79.251.298,47</b>
Exchange differences	-711.781,21	-1.159.949,91		-536.818,50	-4.121,90	-66.521,80	102.168,05	-2.377.025,27
<b>Net book amount</b>								
<b>31.12.2008</b>	<b>36.191.261,67</b>	<b>107.757.276,66</b>	<b>75.620.691,00</b>	<b>3.558.856,04</b>	<b>1.029.496,72</b>	<b>29.198.013,07</b>	<b>43.295.858,36</b>	<b>296.651.453,52</b>
<b>01.01 – 31.03.2009</b>								
Additions		1.630.961,57		644.772,50	58.000,00	1.526.955,79	850.643,16	4.711.333,02
New subsidiary		139.312,04		-4.420,50		-242.088,63		-107.197,09
Disposals		-25.727,99		-97.342,84	-22.000,00	-194.826,83		-339.897,66
Adjustments								0,00
Amortisation charge		-1.677.303,94		-298.994,79	-71.396,41	-1.693.745,97		-3.741.441,11
New subsidiaries depreciation		168.905,08		-3.127,51	0,00	-199.641,33		-33.863,76
Decrease of amortisation		24203,27		91446,04	6000	330759,8		452.409,11
Exchange differences	-105.777,92	34.997,05	37.929,00	8.574,42	-6.533,84	543.664,40	-550.042,44	-37.189,33
<b>Net book amount</b>								
<b>31.03.2009</b>	<b>36.085.483,75</b>	<b>108.052.623,74</b>	<b>75.658.620,00</b>	<b>3.899.763,36</b>	<b>993.566,47</b>	<b>29.269.090,30</b>	<b>43.596.459,08</b>	<b>297.555.606,70</b>

#### The Company



	Land	Investment Property Land	Buildings & Building Installations	Investment Property Buildings	Plant & Machinery	Vehicles	Furniture, fittings & equipment	PPE in course of construction	Total
<b>01.01.2008</b>									
Cost	7.165.044,74	1.400.000,00	16.002.589,04	8.100.000,00	1.653.250,70	587.185,83	4.250.143,63	0	39.158.213,94
Additions			778.947,24		29.699,21		1.290.818,03	10.000,00	2.109.464,48
Disposals			-95.506,61		-541.555,46		-1.048.612,61		-1.685.674,68
Adjustments									0,00
Reevaluation		161.420,80		2.351.372,20					2.512.793,00
<b>Balance 31.12.2008</b>	<b>7.165.044,74</b>	<b>1.561.420,80</b>	<b>16.686.029,67</b>	<b>10.451.372,20</b>	<b>1.141.394,45</b>	<b>587.185,83</b>	<b>4.492.349,05</b>	<b>10.000,00</b>	<b>42.094.796,74</b>
<b>Accumulated amortisation</b>									
Balance 01.01.2008			-2.137.888,16		-1.340.821,29	-331.301,28	-2.886.479,08	0	-6.696.489,81
Amortisation charge			-477.211,84		-89.983,88	-40.375,06	-467.029,80	0	-1.074.600,58
Decrease of amortisation			86987,68		541555,46	0	842.533,55	0	1.471.076,69
<b>Balance 31.12.2008</b>	<b>0,00</b>	<b>0,00</b>	<b>-2.528.112,32</b>	<b>0,00</b>	<b>-889.249,71</b>	<b>-371.676,34</b>	<b>-2.510.975,33</b>	<b>0,00</b>	<b>-6.300.013,70</b>
<b>Net book amount</b>									
<b>31.12.2008</b>	<b>7.165.044,74</b>	<b>1.561.420,80</b>	<b>14.157.917,35</b>	<b>10.451.372,20</b>	<b>252.144,74</b>	<b>215.509,49</b>	<b>1.981.373,72</b>	<b>10.000,00</b>	<b>35.794.783,04</b>
<b>01.01 – 31.03.2009</b>									
Additions			75.351,34		1.500,00		47.515,65		124.366,99
Disposals			-20.000,61				-8,01		-20.008,62
Adjustments									0,00
Reevaluation									0,00
Amortisation charge			-137.867,80		-22.554,40	-10.134,91	-103.954,11		-274.511,22
Decrease of amortisation			15.935,47				16,01		15.951,48
<b>Net book amount</b>									
<b>31.03.2009</b>	<b>7.165.044,74</b>	<b>1.561.420,80</b>	<b>14.091.335,75</b>	<b>10.451.372,20</b>	<b>231.090,34</b>	<b>205.374,58</b>	<b>1.924.943,26</b>	<b>10.000,00</b>	<b>35.640.581,67</b>

## 4.2 Intangible assets

### The Group

	Special assessment	Concessions, Licenses & Similar Rights	Amortisable expenses	Total
<b>01.01.2008</b>				
Cost	252.770.491,80	117.476.634,76	19.917.270,04	390.164.396,60
New subsidiary				0,00
Additions		775.564,18	1.348.142,03	2.123.706,21
Disposals		-6.005,00	0,00	-6.005,00
<b>Balance 31.12.2008</b>	<b>252.770.491,80</b>	<b>118.246.193,94</b>	<b>21.265.412,07</b>	<b>392.282.097,81</b>
<b>Accumulated amortisation</b>				
Balance 01.01.2008		-15.175.286,45	-6.318.524,55	-21.493.811,00
Amortisation charge		-3.044.370,03	-1.223.820,74	-4.268.190,77
New subsidiaries depreciation				0,00
Decrease of amortisation				0,00
<b>Balance 31.12.2008</b>	<b>0,00</b>	<b>-18.219.656,48</b>	<b>-7.542.345,29</b>	<b>-25.762.001,77</b>
Exchange differences	277.978,65		-3.971.283,26	-3.693.304,61
<b>Net book amount 31.12.2008</b>	<b>253.048.470,45</b>	<b>100.026.537,46</b>	<b>9.751.783,52</b>	<b>362.826.791,43</b>
<b>01.01 – 31.03.2009</b>				
Additions		64.000,00	51.109,77	115.109,77
New subsidiary				0,00
Disposals				0,00
Amortisation charge		-426.229,46	-292.494,25	-718.723,71
Adjustments		203.641,08	-217.648,74	-14.007,66
Decrease of amortisation				0,00
Exchange differences	336.907,62	-303.228,27	39.837,47	73.516,82
<b>Net book amount 31.03.2009</b>	<b>253.385.378,07</b>	<b>99.564.720,81</b>	<b>9.332.587,77</b>	<b>362.282.686,65</b>

## The Company

	Concessions, Licenses & Similar Rights	Amortisable expenses	Total
<b>01.01.2008</b>			
Cost	1.084.400,21	578.964,84	1.663.365,05
New subsidiary			
Additions	996,18	37.049,60	38.045,78
Disposals			
<b>Balance 31.12.2008</b>	<b>1.085.396,39</b>	<b>616.014,44</b>	<b>1.701.410,83</b>
<b>Accumulated amortisation</b>			
Balance 01.01.2008	-455.188,15	-480.767,76	-935.955,91
Amortisation charge	-73.484,17	-61.354,79	-134.838,96
New subsidiaries depreciation			
Decrease of amortisation			
<b>Balance 31.12.2008</b>	<b>-528.672,32</b>	<b>-542.122,55</b>	<b>-1.070.794,87</b>
Exchange differences			
<b>Net book amount 31.12.2008</b>	<b>556.724,07</b>	<b>73.891,89</b>	<b>630.615,96</b>
<b>01.01 – 31.03.2009</b>			
Additions		10.632,00	10.632,00
Disposals			
Amortisation charge	-14.744,46	-16.399,16	-31.143,62
Decrease of amortisation			
Exchange differences			
<b>Net book amount 31.03.2009</b>	<b>541.979,61</b>	<b>68.124,73</b>	<b>610.104,34</b>

## 2006 Acquisitions

A) During the year 2006 Folli Follie acquired consequently the percentages of 24,6777% and 2,92% of the share capital of HDFS. The full consolidation for the period between the acquisition date and the closing date (31.12.2006) had the following results:

Positive change in Turnover of the Group (in 000's) 238.120,00 €

Increase of operating profit before taxes (EBITDA) (in 000's) 52.464,00 €

Increase of Equity (in 000's) 98.792,00 €

If the Group of Hellenic Duty Free Shops had been fully consolidated from the beginning of the period (1.1.2006), the effect at 31.12.2006 would have been positive both on Turnover (by € 300.047,00) and on Operating profits before taxes (by 64.823,00 €).

From the specific increase – acquisition of the additional percentage of 24.6777% - the Group acquired goodwill of 151.266.165, 00 euros which has been determined as follows:

### ASSETS

#### Fixed assets

Tangible fixed assets	25,856,000.00
Intangible fixed assets	103,551,000.00
Deferred taxation	467,000.00
Other long-term debtors	3,268,000.00
	<u>133,142,000.00</u>

#### Current assets

Inventory	54,299,000.00
Trade and other short-term receivables	12,556,000.00
Investments fairly valued	1,826,000.00
Cash and other cash equivalents	77,580,000.00
	<u>146,261,000.00</u>

<b>TOTAL ASSETS</b>	<b><u>279,403,000.00</u></b>
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### LIABILITIES

#### Long-term liabilities

Loans & financial leasing	-4,484,000.00
Deferred taxation	-12,750,000.00
	<u>-17,234,000.00</u>

#### Short-term liabilities

Loans & financial leasing	-49,211,000.00
Current tax liabilities	-3,369,000.00
Dividends	-42,140,000.00
	<u>-94,720,000.00</u>

<b>TOTAL LIABILITIES</b>	<b><u>-111,954,000.00</u></b>
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<b>TOTAL EQUITY ( Assets - Liabilities )</b>	<b>167,449,000.00</b>
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Group's acquisition percentage	24.6777%
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Assets Fair value	41,322,561.87
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Goodwill of acquisition	151,266,165.00
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Cost of acquisition	192,588,745.00
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Less cash and other cash equivalents	-77,580,000.00
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Net cash outflow (of subsidiary's acquisition)	125,407,184.00
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It should be noted that, the Company performed a first estimation of all assets acquired and also of all liabilities and contingent liabilities.

Also, an independent surveyor performed an estimation of intangible assets, assignment of licenses (royalties) of exclusive use (article 120 of Law 2533/1997) of tax free sales based on future cash flows.

From the increase – acquisition of the additional percentage of 2.92% - the Group acquired a goodwill of €13.490.439,09.

B) At the end of May 2006, the Company acquired 76.67% of the Share Capital of the company PLANACO ABEE by participating in the partial share capital increase with an amount of 2.700.000,00 €. PLANACO ABEE was consolidated for first time at this current period. The Group consolidated PLANACO ABEE in its financial statements since 01/06/2006, date of verification of the share capital increase.

The results of the period ended at 31.12.2006 were not affected by the aforementioned acquisition, while if Planaco S.A. had been consolidated at the beginning of the period, the influence would be immaterial. It should be noted that, the fair value of all assets acquired by the Group, and of all liabilities, and contingent liabilities undertaken as well as the fair value of the Company's intangible assets were estimated by an independent surveyor.

## 2007 Acquisitions

On 05.10.2007, the affiliate Company HDFS acquired 51.84% of Elmec Sport S.A. Since with this transaction the Company exceeded one third (1/3) of the voting rights of Elmec, the Company submitted a Mandatory Public Offer for the acquisition of the entirety of Elmec shares pursuant to the provisions of Law 3461/2006, at the price of €4.00/ per share. On 15.11.2007 Hellenic Capital Market Commission approved the Public Offer, submitted by the Company. As a result, on 31.12.2007 the Company owned 91.12% of the share capital and the voting rights of Elmec Sport S.A. Acquiring 51.84% of Elmec Sport S.A. had as a result a €70,372,973 goodwill, which was amounted as follows:

### ASSETS

Fixed assets	
Tangible fixed assets	106,855,455.00
Intangible fixed assets	3,560,318.00
Consolidation goodwill	11,170,682.00
Investments available for selling	545,346.00
Deferred taxation	1,566,467.00
Other long-term debtors	1,491,681.00
	<u>125,189,949.00</u>
Current assets	
Inventory	68,069,210.00
Trade and other short-term receivables	75,849,814.00
Investments fairly valued	2,640,094.00
Cash and other cash equivalents	20,927,417.00
	<u>167,486,535.00</u>
<b>TOTAL ASSETS</b>	<u><b>292,676,484.00</b></u>

### LIABILITIES

Long-term liabilities	
Loans & financial leasing	-45,916,145.00
Deferred taxation	-1,847,374.00
Employees' retirement	-925,291.00
Tax provision	-840,271.00
	<u>-49,529,081.00</u>
Short-term liabilities	
Loans & financial leasing	-58,404,977.00
Trade creditors and other liabilities	-68,562,595.00
Current tax liabilities	-9,383,474.00
Provisions for risks and expenses	-2,664,375.00
	<u>-139,015,421.00</u>
<b>TOTAL LIABILITIES</b>	<u><b>-188,544,502.00</b></u>
Minority interests	-6,508,143.00
<b>TOTAL EQUITY ( Assets - Liabilities )</b>	<b>97,623,839.00</b>
Group's acquisition percentage	51.8390%

Assets Fair value	50,607,222.00
Goodwill of acquisition	70,372,973.00
Cost of acquisition	120,980,195.00
Less cash and other cash equivalents	-20,927,417.00
Net cash outflow (of subsidiary's acquisition)	100,052,778.00

During the period 08.10.2007 – 31.12.2007 the Company purchased 21,760,115 shares of Elmec Sport S.A. for €86,680,445.67 which resulted in an additional goodwill of €48,763,141. Consequently, on 31.12.2007 the total temporary known goodwill came up to €119,136,114. The additional goodwill was counted as follows:

#### ASSETS

Fixed assets	
Tangible fixed assets	109,334,834.00
Intangible fixed assets	3,562,885.00
Consolidation goodwill	11,170,682.00
Investments available for selling	411,746.00
Deferred taxation	1,634,473.00
Other long-term Receivables	1,448,325.00
	<u>127,562,945.00</u>
Current assets	
Inventory	69,181,805.00
Trade and other short-term receivables	53,908,024.00
Investments fairly valued	2,561,537.00
Cash and other cash equivalents	26,923,944.00
	<u>152,575,310.00</u>
<b>TOTAL ASSETS</b>	<u><b>280,138,255.00</b></u>

#### LIABILITIES

Long-term liabilities	
Loans & financial leases	-45,833,839.00
Deferred taxation	-1,863,575.00
Retirement benefit obligations	-1,017,161.00
Tax provision	-610,459.00
	<u>-49,325,034.00</u>
Short-term liabilities	
Loans & financial leases	-44,973,024.00
Trade creditors and other liabilities	-74,200,107.00
Current tax liabilities	-5,868,734.00
Provisions for risks and expenses	-2,664,375.00
	<u>-127,706,240.00</u>
<b>TOTAL LIABILITIES</b>	<u><b>-177,031,274.00</b></u>
Minority interests	-5,952,194.00

<b>TOTAL EQUITY ( Assets - Liabilities )</b>	<b>97,154,787.00</b>
Group's acquisition percentage	0.91117
Assets Fair value	88,524,527.00
Goodwill of acquisition	119,136,114.00
Cost of acquisition	207,660,641.00
Less cash and other cash equivalents	-26,923,944.00
Net cash outflow (of subsidiary's acquisition)	180,736,697.00
Less goodwill 05.10.2007	70,372,973.00

Goodwill for the acquisition period

06.10.2007 - 31.12.2007

48,763,141.00

**Total goodwill**

**119,136,114.00**

During the third quarter of 2008, the Group proceeded with the valuation at fair values of the property (land – buildings) of the acquired during the previous fiscal year (5.10.2007) subsidiary “ELMEC SPORT S.A.”, as well as the assets of its subsidiaries FACTORY OUTLET S.A., FACTORY OUTLET AIRPORT S.A., IPIROTIKI AEKE, ELMEC ROMANIA SRL, ELMEC SPORT BULGARIA EOOD.

The valuation has been realised by an Independent Auditor following the IFRS 3 and within the provided 12month period from the said acquisition.

The Group increased the value on which the said assets of the aforementioned companies are recognized in the consolidated balance sheet at the amount of their estimated purchase-fair value, classified them either in tangible assets or in investments in property.

The valuation of property (land – buildings) of the aforementioned companies is as follows:

**A. TANGIBLE ASSETS**

		RESIDUAL VALUE	FAIR VALUE	DIFFERENCE
1.	ELMEC SPORT BULGARIA EOOD	127.513,00	156.408,00	-28.895,00
2.	ELMEC ROMANIA SRL			
	Land	5.275.959,00	13.665.000,00	
	Buildings	5.242.672,00	8.952.000,00	
		10.518.631,00	22.617.000,00	-12.098.369,00
3.	ELMEC SPORT S.A.	12.283.890,00	22.290.971,00	-10.007.081,00
4.	IPIROTIKI S.A.	36.518.980,00	36.728.109,00	-209.129,00
	TOTAL ( 1 )	59.449.014,00	81.792.488,00	-22.343.474,00
B.	INVESTMENT IN PROPERTY			
1.	FACTORY OUTLET S.A.	8.041.753,00	57.975.539,00	-49.933.786,00
2.	IPIROTIKI S.A.	2.133.799,00	7.024.416,00	-4.890.617,00
3.	FACTORY OUTLET AIRPORT S.A.	16.209.167,00	17.647.268,00	-1.438.101,00
	TOTAL ( 2 )	26.384.719,00	82.647.223,00	-56.262.504,00
	GRAND TOTAL	85.833.733,00	164.439.711,00	-78.605.978,00

Based on the above, the accounting and fair value of the ELMEC Group at 05.10.2007 is as follows:

(Amounts in €)	Book Value	Fair Value
<b>ASSETS</b>		
Tangible fixed assets		
Property	106.855.455,00	129.198.929,00
		56.262.504,00
Intangible fixed assets	3.560.318,00	3.560.318,00
Consolidation goodwill	11.170.682,00	0,00

Investments available for sale	545.346,00	545.346,00
Deferred tax receivables	1.566.467,00	1.566.467,00
Other long-term receivables	1.491.681,00	1.491.681,00
	<u>125.189.949,00</u>	<u>192.625.245,00</u>
Current assets		
Inventory	68.069.210,00	68.069.210,00
Trades and other short-term receivables	75.849.814,00	75.849.814,00
Investment at fair value through valuations	2.640.094,00	2.640.094,00
Cash and bank deposits	20.927.417,00	20.927.417,00
	<u>167.486.535,00</u>	<u>167.486.535,00</u>
<b>TOTAL ASSETS</b>	<u><b>292.676.484,00</b></u>	<u><b>360.111.780,00</b></u>
<b>LIABILITIES</b>		
Long-term liabilities		
Loans and leasing	-45.916.145,00	-45.916.145,00
Deferred tax liabilities	-1.847.374,00	-1.847.374,00
Employees retirement obligations	-925.291,00	-925.291,00
Provision for additional taxes	-840.271,00	-840.271,00
	<u>-49.529.081,00</u>	<u>-49.529.081,00</u>
Short-term liabilities.		
Loans and leasing	-58.404.977,00	-58.404.977,00
Suppliers and other liabilities	-68.562.595,00	-68.562.595,00
Current tax obligations	-9.383.474,00	-9.383.474,00
Provision for risk and expenses	-2.664.375,00	-2.664.375,00
	<u>-139.015.421,00</u>	<u>-139.015.421,00</u>
<b>TOTAL LIABILITIES</b>	<u><b>-188.544.502,00</b></u>	<u><b>-188.544.502,00</b></u>
Minority interest	-6.508.143,00	-6.508.143,00
<b>TOTAL NET EQUITY</b> (Assets-Liabilities)	<b>97.623.839,00</b>	<b>165.059.135,00</b>
Group's acquisition percentage	51,8390%	51,8390%
Value of assets purchased by the Group	50.607.222,00	85.565.004,99
 Cost of acquisition	 120.980.195,00	 120.980.195,00
Less: Value of assets purchased	50.607.222,00	85.565.004,99
Goodwill	70.372.973,00	35.415.190,01

The Group implemented optionally the accounting policy described in the revised IAS 27 which has been issued in January 2008, for the acquisition of minority percentages in existing subsidiaries. Specifically, in par. 30 and 31 of the revised standard it is reported that the changes in participation percentages in the existing subsidiaries that do not lead in the loss of control, are considered as transactions with the owners of the company under their capacity as such. It is therefore evident that in such cases no additional goodwill will be recorded during the acquisition of minority percentages in subsidiary companies.

Therefore, the Group by implementing the above, in accordance with the revised IAS 27, changed the accounting policy and register the goodwill resulted from the successive purchases following the initial acquisition at 05.10.2007, in the reduction of net equity.

Based on the above, the revised goodwill since the initial acquisition of ELMEC amounted to € 35.415.190,01.

The temporary goodwill resulted from the purchases following 8.10.2008 (date of initial acquisition of ELMEC Group) and until 31.12.2007 amounted to € 48.763.141. The above goodwill after the fixing of the fair value of ELMEC Group that amounted to € (165.059.135 – 97.623.839=) 67.435.296 was revised by € 29.592.536 (corresponds to the share percentage acquired in the period 8.10.2007 – 31.12.2007, € 67.435.296 \* 39,278%=29.592.536). The remaining amount of € (48.763.141 – 29.592.536=) 19.170.605 was registered to reduction of net equity.

Within the period 1/1/2008 to 31/12/2008 the company purchased through successive purchases 2.390.104 shares of ELMEC SPORT S.A. for a total price of € 9.470.963. The resulted goodwill of € 4.207.270 was registered in the reduction

of net equity. Thus, the total revised goodwill registered in the reduction of net equity on 31.12.2008 amounted to € (19.170.605 + 23.377.875=) 23.377.875.

Additionally,

-Mother company FOLLI FOLLE on 25/01/2008 bought the rest of the share capital (60%) of its subsidiary FOLLI FOLLIE JAPAN at € 12.630.744,45. The Goodwill from the above acquisition amounted at € 6.857.793,21

- On 31/07/2008 bought the rest of the share capital (23,33%) of its subsidiary PLANACO ABEE at €2.576.220,41. The total Goodwill after the above acquisition amounted at €272.304, 62.

Thus, the total revised goodwill registered in the reduction of net equity on 31.12.2008 for the whole group amounted to €30.507.972.83

#### 4.3 Participations to subsidiaries

COMPANY	31.03.2009	31.12.2008
<u>FOLLI-FOLLIE HONG KONG Ltd</u>	22.627.986,94	22.627.986,94
<u>FOLLI-FOLLIE UK Ltd</u>	3.110.450,19	3.110.450,19
<u>FOLLI-FOLLIE FRANCE SA</u>	7.155.791,41	7.155.791,41
<u>FOLLI FOLLIE JAPAN Ltd</u>	16.534.950,28	16.534.950,28
<u>FOLLI-FOLLIE SPAIN SA</u>	5.018.267,21	5.018.267,21
<u>MFK FASHION Ltd</u>	367.395,18	367.395,18
<u>PLANACO S.A.</u>	5.276.220,41	5.276.220,41
<u>HDF'S</u>	358.995.153,88	358.967.225,66
<u>FOLLI-FOLLIE POLAND</u>	1.017.353,47	1.017.353,47
<u>FOLLI-FOLLIE SLOVAKIA</u>	299.200,00	299.200,00
<u>FOLLI-FOLLIE CZECH</u>	1.299.952,58	1.299.952,58
<u>FOLLI-FOLLIE GMBH</u>	50.000,00	50.000,00
<u>IMPAIREMENT</u>	-2.179.504,98	-2.179.504,98
<u>Purchase Advances</u>		21.000,00
<u>Grant total</u>	<u>419.573.216,57</u>	<u>419.566.288,35</u>

#### 4.4 Receivables and other non current assets

Long Term Receivables	THE GROUP		THE COMPANY	
	<u>31/3/2009</u>	<u>31/12/2008</u>	<u>31/3/2009</u>	<u>31/12/2008</u>
Post Dated Checks Receivables	1.674.311,00	583.460,00	0,00	0,00
Rental Deposits	10.975.718,64	11.901.053,69	321.564,56	327.809,72
Long Term Loans To Third Parties	1.275.624,62	1.214.307,05	0,00	0,00
Investments Available for Sale	619.048,00	991.922,92	0,00	0,00
Deffered Tax Assets	7.732.209,35	6.456.405,50	2.407.512,43	229.959,65
	<u>22.276.911,61</u>	<u>21.147.149,16</u>	<u>2.729.076,99</u>	<u>557.769,37</u>



Investment Available for Sale	THE GROUP			THE COMPANY		
	Listed Shares	Non listed Shares	Σύνολο	Listed Shares	Non listed Shares	Σύνολο
Balance as of 1/1/2008	0,00	411.746,00	411.746,00	0,00	0,00	0,00
Additions	0,00	35.660,00	35.660,00	0,00	0,00	0,00
Reductions	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments	806.000,00	13.100,00	819.100,00	0,00	0,00	0,00
Impairmentantes	0,00	-35.660,00	-35.660,00	0,00	0,00	0,00
Valuation	-233.770,00	-5.500,00	-239.270,00	0,00	0,00	0,00
Foreing Exchange Diffs	0,00	0,00	0,00	0,00	0,00	0,00
Balance as of 31/12/2008	572.230,00	419.346,00	991.576,00	0,00	0,00	0,00
Balance as of 1/1/2009	572.230,00	419.346,00	991.576,00	0,00	0,00	0,00
Additions	0,00	0,00	0,00	0,00	0,00	0,00
Reductions	-327.757,00	0,00	-327.757,00	0,00	0,00	0,00
Adjustments	5.757,00	0,00	5.757,00	0,00	0,00	0,00
Impairmentantes	0,00	0,00	0,00	0,00	0,00	0,00
Valuation	-47.578,00	-2.950,00	-50.528,00	0,00	0,00	0,00
Foreing Exchange Diffs	0,00	0,00	0,00	0,00	0,00	0,00
Balance as of 31/03/2009	202.652,00	416.396,00	619.048,00	0,00	0,00	0,00

#### 4.5 Inventories

Inventories	THE GROUP		THE COMPANY	
	<u>31/3/2009</u>	<u>31/12/2008</u>	<u>31/3/2009</u>	<u>31/12/2008</u>
Merchandise (& Goods in transit)	272.137.950,03	244.224.629,53	12.139.337,71	12.021.788,63
Products,Row and Packing Material	5.728.945,19	5.211.835,46	4.342.308,48	4.019.569,80
Less:Provisions for Obsolence	-4.295.099,19	-3.675.481,20	-659.004,19	-659.004,19
	273.571.796,03	245.760.983,79	15.822.642,00	15.382.354,24

#### 4.6 Trade and other Receivables

Short Term Receivables	THE GROUP		THE COMPANY	
	<u>31/3/2009</u>	<u>31/12/2008</u>	<u>31/3/2009</u>	<u>31/12/2008</u>
Trade Receivables (Customers)	221.516.793,08	271.112.881,72	11.376.187,64	12.274.397,27
Post Dated Checks Receivables	16.489.000,00	16.111.083,90	2.656.321,21	2.239.859,00
Trade Receivables (Credit Card)	19.848.818,29	20.660.211,56	922.663,81	951.715,76
Less:Provisions for Bad Debts	-848.372,08	-865.958,08	-25.416,96	-25.416,96
Receivables From Public Sector	11.806.881,04	12.592.414,66	343.682,26	14.957,18
Advances to Suppliers	5.776.071,25	1.365.296,70	729.099,30	588.811,97
Purchases Under Settlement	2.198.133,99	580.023,71	39.364,16	0,00
Other Receivables	13.588.561,53	5.364.310,14	10.818,80	314.221,87
Other Debtors	46.198.227,61	7.942.686,28	80.137,38	493.252,78
Accrued Income	4.033.203,81	88.120,02	0,00	0,00
Prepayments	4.246.956,18	3.220.104,39	55.436,93	499.658,21
	344.854.274,70	338.171.175,00	16.188.294,53	17.351.457,08

#### 4.7 Financial assets fair value through Results

Fair value investments	THE GROUP			THE COMPANY		
	Listed Shares	Mutual Funds and other securities	Σύνολο	Listed Shares	Mutual Funds and other securities	Σύνολο
Balance as of 1/1/2008	479.269,41	1.150.123,57	1.629.392,98	479.269,41	1.150.123,57	1.629.392,98
Additions	0,00	0,00	0,00	0,00	0,00	0,00
Reductions	0,00	-1.150.123,57	-1.150.123,57	0,00	-1.150.123,57	-1.150.123,57
Adjustments	0,00	0,00	0,00	0,00	0,00	0,00
Impairmentantes	0,00	0,00	0,00	0,00	0,00	0,00
Valuation	-91.041,33	0,00	-91.041,33	-91.041,33	0,00	-91.041,33
Foreing Exchange Diffs	0,00	0,00	0,00	0,00	0,00	0,00
Balance as of 31/12/2008	388.228,08	0,00	388.228,08	388.228,08	0,00	388.228,08
Balance as of 1/1/2009	388.228,08	0,00	388.228,08	388.228,08	0,00	388.228,08
Additions	0,00	0,00	0,00	0,00	0,00	0,00
Reductions	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments	0,00	0,00	0,00	0,00	0,00	0,00
Impairmentantes	0,00	0,00	0,00	0,00	0,00	0,00
Valuation	152.548,87	0,00	152.548,87	152.548,87	0,00	152.548,87
Foreing Exchange Diffs	0,00	0,00	0,00	0,00	0,00	0,00
Balance as of 31/03/2009	540.776,95	0,00	540.776,95	540.776,95	0,00	540.776,95

#### 4.8 Cash and Cash Equivalents

CASH AT BANKS AND ON HAND	THE GROUP		THE COMPANY	
	31/3/2009	31/12/2008	31/3/2009	31/12/2008
Cash on Hand	3.924.850,18	4.042.189,40	65.850,18	657.741,52
Bank Accounts	68.300.218,69	69.022.294,35	1.548.192,18	3.325.301,09
	72.225.068,87	73.064.483,75	1.614.042,36	3.983.042,61

#### 4.9 Share Capital

	Number of shares	Ordinary shares	Authorised capital	Share premium	Total	Own shares (qty )
31st December 2007	32.946.875,00	32.946.875,00	9.884.062,50	62.531.731,47	72.415.793,97	6.054,00
31st December 2008	32.946.875,00	32.946.875,00	9.884.062,50	62.531.731,47	72.415.793,97	238.810,00
31st March 2009	32.946.875,00	32.946.875,00	9.884.062,50	62.531.731,47	72.415.793,97	238.810,00

The total authorized number of ordinary shares is 32.946.875 million shares with a par value of € 0,30 per share. All issued shares are fully paid.

#### 4.10 Retained earnings and other reserves

	The Group		The Company	
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
<b>Profit carried forward</b>	332.922.610,20	308.621.575,00	31.047.775,78	32.845.171,65
<b>Reserves</b>	20.944.799,68	28.713.434,37	5.450.644,95	13.144.804,26
<b>Own Shares</b>	-13.765.050,12	-13.559.552,05	-2.942.003,47	-2.942.003,47
<b>Consolidation differences according to previous Accounting Standards</b>	-88.927.927,73	-88.927.927,73		
<b>Consolidated exchange differences</b>	-34.567.293,98	-46.463.425,24		
<b>Third party rights</b>	116.899.274,15	115.422.340,20		
	<b>333.506.412,20</b>	<b>303.806.444,55</b>	<b>33.556.417,26</b>	<b>43.047.972,44</b>

#### 4.11 Long term liabilities

Long Term Liabilities	THE GROUP		THE COMPANY	
	<u>31/3/2009</u>	<u>31/12/2008</u>	<u>31/3/2009</u>	<u>31/12/2008</u>
Provision For Personnel Compensation	9.075.647,50	8.821.839,38	775.788,01	750.070,00
Rental Deposits/Guarantees	450.653,34	609.291,23	246.437,34	246.437,34
Leasing	19.237.000,00	19.777.409,75	145.000,00	167.409,95
Deferred Tax Liability	19.174.445,28	19.159.446,11	1.389.514,62	1.484.130,52
Other Provisions	5.129.335,25	3.021.769,78	60.000,00	60.000,00
Banks and Financial Institutions	605.614.677,82	594.097.401,64	334.000.000,00	334.332.590,45
Other Long-term Liabilities	12.017,10	6.004.031,60	0,00	199.797,55
	<b>658.693.776,29</b>	<b>651.491.189,49</b>	<b>336.616.739,97</b>	<b>337.240.435,81</b>

#### 4.12 Trade payables and other liabilities

Suppliers and Other Liabilities	THE GROUP		THE COMPANY	
	<u>31/3/2009</u>	<u>31/12/2008</u>	<u>31/3/2009</u>	<u>31/12/2008</u>
Suppliers	122.084.103,83	139.575.001,95	6.324.811,42	5.986.773,93
Customer Advances	5.156.548,91	6.860.596,58	0,00	732.815,84
Short-Term Bank Loans	109.112.983,58	116.403.857,57	24.368.965,57	26.905.856,46
Personnel Payroll Payable	1.724.506,17	1.848.162,73	338.678,41	5.185,11
Divident Payable	214.467,44	214.824,94	17.091,44	17.091,44
Other Creditors Payable	4.472.967,42	11.663.982,55	413.691,04	2.169.198,52
Income Taxes Payable	18.432.707,09	19.088.701,25	142.989,48	502.748,57
Liabilities to Social Security	1.970.525,01	4.215.943,46	214.187,03	460.645,62
Other Liabilities	17.646.010,70	3.425.939,22	4.026.359,30	0,00
Accrued expenses	5.468.058,39	2.626.637,95	421.750,02	72.416,86
Accrued income	8.547.000,00	164.291,56	0,00	164.291,56
Financial Instrument Valuation	13.861.260,50	3.933.313,00	13.861.260,50	3.933.313,00
	<b>308.691.139,05</b>	<b>310.021.252,76</b>	<b>50.129.784,21</b>	<b>40.950.336,91</b>

#### 4.13 Liabilities Maturity

<b>Leasing</b>	THE GROUP		THE COMPANY	
	<u>31/3/2009</u>	<u>31/12/2008</u>	<u>31/3/2009</u>	<u>31/12/2008</u>
Over 5 Years	11.940.000,00	12.549.379,95	28.000,00	31.379,95
1 to 5 Years	7.297.000,00	7.228.029,60	117.000,00	136.029,60
Up to 1 year	1.801.057,02	1.708.388,00	47.057,02	32.388,00
	<b>21.038.057,02</b>	<b>21.485.797,55</b>	<b>192.057,02</b>	<b>199.797,55</b>

<b>Loans: Analysis</b>	THE GROUP		THE COMPANY	
	<u>31/3/2009</u>	<u>31/12/2008</u>	<u>31/3/2009</u>	<u>31/12/2008</u>
Bond Loans	489.500.000,00	479.562.000,00	334.000.000,00	334.500.000,00
Bank Loans	223.426.604,38	229.230.871,41	24.321.908,55	26.706.058,91
Leasing	21.038.057,02	21.485.797,55	192.057,02	199.797,55
	<b>733.964.661,40</b>	<b>730.278.668,96</b>	<b>358.513.965,57</b>	<b>361.405.856,46</b>
Long-Term Loans	624.851.677,82	613.874.811,39	334.145.000,00	334.500.000,00
Short-Term Loans	109.112.983,58	116.403.857,57	24.368.965,57	26.905.856,46
	<b>733.964.661,40</b>	<b>730.278.668,96</b>	<b>358.513.965,57</b>	<b>361.405.856,46</b>

#### 4.14 Non Current assets Classified as available for Sale

During 2008 (1 / 1 - 31/12/2008), a company of the group signed a preliminary agreement to sell property with a total area of 488 sq.m., located at the intersection of routes Ermou 54 and Kapnikareas Street in Athens. Therefore, the Group classified the property as "non-current assets intended for sale" in accordance with IFRS 5, discontinued making the building depreciation, and valued at the lower of (a) of this residual value, and (b) that the fair value less costs of transfer. As fair value, was shown the preliminary sale price, ie 7.3 million. The final contract of sale of the property was signed in January 2009, at a price equal to the agreed.

#### 4.15 Retirement Benefit Obligation

Based on the provisions of L. 2112/20 the company is obliged to pay to the retired employees a lump sum multiple amount of the monthly salary at the time of retirement (determined by the Law), on the basis of the years of service. These benefits were determined by an independent actuary. The main actuarial assumptions used are as follows:

	<b>2008</b>	<b>2007</b>
Discount interest rate (%)	4,7 - 4,1%	4,7 - 4,1%
Future salary increases	3,0 - 4,0%	3,0 - 4,0%

The relevant obligations of the Group and the amounts that have been recorded on the income statement are:

	The Group		The Company	
	1/1-31/03/2009	1/1-31/03/2008	1/1-31/03/2009	1/1-31/03/2008
<b>Υποχρεώσεις ισολογισμού αρχής</b>	8.821.839,38	10.271.467,22	750.070,00	674.362,00
Από αγορά Νέων Θυγατρικών				
Συνταξιοδοτικές παροχές (προβλέψεις και καταβολές)	253.808,12	555.474,00	25.718,01	20.727,01
<b>Σύνολο</b>	<b>9.075.647,50</b>	<b>10.826.941,22</b>	<b>775.788,01</b>	<b>695.089,01</b>
<b>Χρεώσεις στα αποτελέσματα</b>				
Συνταξιοδοτικές παροχές (προβλέψεις και καταβολές)	283.331,60	558.706,01	40.563,35	60.017,52
<b>Σύνολο</b>	<b>283.331,60</b>	<b>558.706,01</b>	<b>40.563,35</b>	<b>60.017,52</b>

## 4.16 Segment Reporting

<b>OPERATING SEGMENTS</b>							
<p>The group, according to the nature of the goods and services sold and the distribution channel, separates the business for internal analysis in 4 functional segments. The accounting policies for these functions are identical to those described in the financial statements. The efficiency is measured on basis of operating results. Monitoring of performance by the Managing Director of the Company and is updated periodically by the Board of Directors. Units sold to external customers and represent less than 5% of the total are presented in the category others.</p>							
Consolidated Data for 1/1-31/03/2009	Jewel-Watches - Accessories	Travel Retail	Department Stores	Clothing - Footwear	Other Segments	Deletion	Consolidated Data
<b>Amounts in € 000s</b>							
Sales to third Parties	107.038	39.517	33.954	28.472	1.879		210.860
Intrasegment Sales	693	99	290	8.386	156	-9.624	0
Direct Expenses	-78.634	-37.812	-31.263	-21.621	-2.019		-171.349
Operating Results per segment	<b>29.097</b>	<b>1.804</b>	<b>2.981</b>	<b>15.237</b>	<b>16</b>	<b>-9.624</b>	<b>39.511</b>
Non allocated Expenses							-9.030
Non allocated Revenues							11.387
Financial Income							1.815
Financial Expenses							-9.707
Pre Tax Results							<b>33.976</b>
Consolidated Data for 1/1-31/03/2008	Jewel-Watches - Accessories	Travel Retail	Department Stores	Clothing - Footwear	Other Segments	Deletion	Consolidated Data
<b>Amounts in € 000s</b>							
Sales to third Parties	89.582	43.199	25.183	28.426	2.865		189.255
Intrasegment Sales	521	13	208	7.363	506	-8.611	0
Direct Expenses	-64.252	-40.158	-23.025	-20.099	-2.176	67	-149.643
Operating Results per segment	<b>25.851</b>	<b>3.054</b>	<b>2.366</b>	<b>15.690</b>	<b>1.195</b>	<b>-8.544</b>	<b>39.612</b>
Non allocated Expenses							-7.867
Non allocated Revenues							6.874
Financial Income							720
Financial Expenses							-10.871
Pre Tax Results							<b>28.468</b>
<b>Geographical segments</b>							
<p><b>Ποσά σε χιλιάδες Ευρώ</b>  <small>The segments are mainly the points of sales of inventories and services. The presentation is in thousands of Euros.</small></p>							
	<b>Greek Market</b>		<b>European Markets</b>		<b>Asian Markets</b>		<b>Consolidated Data</b>
	31/3/2009	31/3/2008	31/3/2009	31/3/2008	31/3/2009	31/3/2008	
"Net" sales	95.104	89.954	30.901	30.924	84.855	68.377	210.860
Operating profit/Segment result	16.882	17.288	65	1.717	29.685	24.250	46.632
							189.255
							43.255

#### 4.17 Deferred Income Tax

The Deferred tax claims and obligations are as follow:

	The Group				The Company			
	31/3/2009		31/12/2008		31/3/2009		31/12/2008	
	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation	Deferred Tax Claim	Deferred Tax Obligation
<b>Fixed Assets</b>								
Tangible Fixed Assets	500.818,45	3.920.587,44	385.370,00	3.356.522,62		1.267.612,87		1.453.147,71
Intangible Fixed Assets	-270.427,22	12.169.971,99	-248.453,17	13.457.151,84	-73.427,22		-75.853,17	
Leases		1.530.518,74		1.447.212,54		35.518,74		30.982,54
Valuations at Fair Value		71.000,00						
<b>Current Assets</b>								
Receivables	39.000,00	138.968,32	1.353.126,73	898.559,11				
<b>Long Term Liabilities</b>								
Tax losses / Def.Tax recognised in Equity	4.191.613,78		1.706.771,01		2.233.788,19			
Other Provisions	1.277.800,84		1.837.839,77		131.800,84		159.261,16	
Post Employment Benefits	1.432.733,50		1.421.751,16		126.733,50		146.551,66	
Accruals	572.068,78	1.332.000,01				75.000,01		
Adjustments	-11.398,78	11.398,78			-11.382,88	11.383,00		
<b>Total</b>	<b>7.732.209,35</b>	<b>19.174.445,28</b>	<b>6.456.405,50</b>	<b>19.159.446,11</b>	<b>2.407.512,43</b>	<b>1.389.514,62</b>	<b>229.959,65</b>	<b>1.484.130,25</b>

#### 4.18 Operating Results (expenses-revenues)

<b>Sales</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
Merchandise Sales	206.032.272,48	184.186.675,03	5.041.183,55	5.478.661,16
Product and Other Goods Sales	694.842,39	1.338.229,16	473.767,39	1.018.796,06
Services Sales	4.132.593,56	3.730.094,11	1.199.968,82	1.005.531,56
	<b>210.859.708,43</b>	<b>189.254.998,30</b>	<b>6.714.919,76</b>	<b>7.502.988,78</b>

<b>Other Operating Income</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
Income From Secondary Activities	23.397,00	50.131,22	23.397,00	50.131,22
Income From Marketing/promotion HDF Group	6.912.000,00	5.307.000,00	0,00	0,00
Rental Income	250.150,92	235.327,72	246.437,24	231.614,04
Profit from Assets' Disposal	8,02	57.392,59	8,02	850,00
Foreing excainge Gain	2.747.826,03	368.585,35	1.497.488,85	77.648,50
Other Operating Income	434.240,83	855.496,69	26.746,67	142.827,00
	<b>10.367.622,80</b>	<b>6.873.933,56</b>	<b>1.794.077,78</b>	<b>503.070,76</b>

<b>Administration Expenses</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
Wages/Salaries/Expenses	6.033.367,25	6.482.968,81	661.516,72	724.413,17
Legal/Professional/ Other Fees	1.568.647,44	497.994,05	48.159,41	19.325,00
Rent Expenses	566.675,63	489.995,57	16.698,14	15.424,03
Postage and Telecommunications	86.335,54	83.795,13	12.595,10	10.521,69
Insurance (Other than Staff)	73.982,69	43.971,05	41.005,51	10.934,81
Repairs and Maintainance	59.481,58	58.422,03	29.135,86	30.238,87
Utilities and Cleaning	2.412.992,60	1.437.643,15	0,00	0,00
Other Taxes (not income)	108.337,83	160.334,92	17.008,21	27.145,99
Transportation Expenses	41.391,01	43.323,76	0,00	0,00
Fair and Exhibitions Expenses	0,00	0,00	0,00	0,00
Advertizing and Promotion Expenses	23.174,37	125.998,68	13.377,83	59.798,79
Stationary and Consumables	56.250,12	60.602,18	20.485,52	23.745,65
Other Expenses	909.175,21	1.190.326,62	304.002,66	415.787,60
Depreciation & Amortization	995.880,58	666.234,99	55.394,91	49.963,59
Provisions	13.718,67	216.621,97	11.133,37	9.830,61
	<b>12.949.410,51</b>	<b>11.558.232,91</b>	<b>1.230.513,24</b>	<b>1.397.129,80</b>



<b>Selling Expenses</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
Wages/Salaries/Expenses	23.947.813,66	18.462.341,20	1.482.629,28	1.398.377,04
Legal/Professional/ Other Fees	5.223.983,03	5.294.516,74	22.733,44	7.131,06
Rent Expenses	5.234.234,28	4.390.209,38	547.106,24	468.318,40
Postage and Telecommunications	139.361,97	105.067,27	25.629,23	18.245,09
Insurance (Other than Staff)	103.717,28	60.166,91	92.948,08	51.994,46
Repairs and Maintenance	349.525,76	405.832,80	81.154,55	98.217,75
Utilities and Cleaning	14.098.179,53	13.200.547,64	0,00	0,00
Other Taxes (not income)	414.620,76	102.542,90	8.861,91	9.463,29
Transportation Expenses	356.104,59	357.971,10	29.760,52	64.106,22
Fair and Exhibitions Expenses	1.097,00	916,00	0,00	0,00
Advertisizing and Promotion Expenses	1.367.634,28	1.682.918,50	242.545,48	162.760,29
Stationary and Consumables	185.446,20	213.246,54	26.160,12	23.048,41
Other Expenses	5.237.707,36	4.462.636,81	594.923,53	704.348,00
Credit Card Fees	157.609,44	135.197,88	0,00	0,00
Depreciation & Amortization	3.517.503,33	3.667.143,81	119.622,68	98.683,59
Provisions	65.074,73	120.863,38	11.901,12	17.753,15
	<b>60.399.613,21</b>	<b>52.662.118,87</b>	<b>3.285.976,18</b>	<b>3.122.446,75</b>

<b>Other Operating Expenses</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
Penalties and Fines	9.591,75	15.175,84	347,20	175,84
Losses from Assets' Disposal	19.984,44	2.763,42	44,14	0,00
Assets Devaluation	0,00	0,00	0,00	0,00
Stock Losses and Damage	25.662,79	6.686,60	0,00	0,00
Provision for bad Debts	0,00	1.472,98	0,00	0,00
Provision for Risk Exposure and Expenses	0,00	-3.997,40	0,00	0,00
Foreing excainge Losses	1.161.471,52	814.858,27	308.595,01	436.873,92
Other Expenses	193.021,21	161.754,32	14.878,76	22.485,40
	<b>1.409.731,71</b>	<b>998.714,04</b>	<b>323.865,11</b>	<b>459.535,16</b>

<b>Financial Income</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
Sale of Participations and other Investments	303.000,00	0,00	0,00	0,00
Forex Instruments	0,00	14.000,00	0,00	0,00
Fair Value Revaluation	152.548,87	20.717,27	152.548,87	0,00
Derivatives income	876.593,22	251.479,19	767.262,96	251.479,19
Dividends from Subsidiaries	0,00	0,00	0,00	0,00
Other Investments' Divident	0,00	0,00	0,00	0,00
Interest Income	326.101,38	247.419,96	0,00	0,00
Other Financial Income	156.503,24	186.002,69	27,36	65.002,69
	<b>1.814.746,72</b>	<b>719.619,11</b>	<b>919.839,19</b>	<b>316.481,88</b>

<b>Financial Expenses</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
Sale of Participations and other Investments	0,00	0,00	0,00	0,00
Forex Instruments	0,00	125.000,00	0,00	0,00
Fair Value Revaluation	0,00	33.422,24	0,00	33.422,24
Derivatives Revaluation	169.445,30	493.255,55	0,00	255,55
Acquisition Expenses	0,00	0,00	0,00	0,00
Interest Expenses (Loans)	8.436.568,06	9.600.379,77	3.717.759,93	5.424.655,53
Interest Expenses (Leases)	199.761,27	4.791,39	4.077,07	4.791,39
Bank Commission and Fees	901.902,24	524.494,10	235.857,36	8.862,28
	<b>9.707.676,87</b>	<b>10.781.343,05</b>	<b>3.957.694,36</b>	<b>5.471.986,99</b>

#### 4.19 Income Tax Expense

<b>Tax Liabilities: Analysis</b>	THE GROUP		THE COMPANY	
	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>	<u>1/1-31/3/2009</u>	<u>1/1-31/3/2008</u>
<b>Taxes for the Period</b>				
Current Taxes	6.286.739,65	6.394.663,21	0,00	0,00
Deferred Tax Liabilities	903.405,67	-12.415,38	-38.380,50	43.413,40
Additional Taxes for Previous Periods	0,00	0,00	0,00	0,00
Provision for Additional Income taxes	65.000,00	0,00	0,00	0,00
	<b>7.255.145,32</b>	<b>6.382.247,83</b>	<b>-38.380,50</b>	<b>43.413,40</b>

#### 4.20 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

	<b>31.03.2009</b>	<b>31.03.2008</b>
Net profit for the period (Group)	26.720.674,46	22.086.250,12
<b>Attributable to:</b>		
Equity holders of the Company	24.905.340,81	19.381.887,83
Minority interest	1.815.333,65	2.704.362,29
Weighted average number of ordinary shares in issue	32.708.065	32.940.821
<b>Basic earnings per share</b>	<b>0,7614</b>	<b>0,5884</b>

### 5 Additional Information (according to IAS 24)

#### 5.1 Related- Party Transactions

<b>i) Sales of goods and services</b>		
	<b>31.03.2009</b>	<b>31.03.08</b>
Sales of goods to subsidiaries	2.767.999,41	2.405.419,29
Sales of goods to associates and other related parties as set out in IFRS 24	0,00	0,00
	<b>2.767.999,41</b>	<b>2.405.419,29</b>

ii)Acquisitions from related parties		
	31.03.09	31.03.08
Mother Company from Subsidiaries	559.793,98	494.776,78
FF Group with other related parties as set out in IFRS 24		24.000,00
	559.793,98	518.776,78

## 5.2 Claims/obligations to Related- Party

i)Year-end balances arising from sale of goods and services		
	31.03.09	31.03.08
Between Mother Company and Subsidiaries	4.786.807,75	6.862.617,13
Between FF Group and other related parties as set out in IFRS 24	186.000,00	0,00
	4.972.807,75	6.862.617,13

ii)Payables to related parties		
	31.03.09	31.03.08
Mother Company to Subsidiaries	5.892.217,00	596.802,64
FF Group to other related parties as set out in IFRS 24	69.909,00	225.000,00
	5.962.126,00	821.802,64

## 5.3 Number of employed personnel

The total number of employed personnel at 31<sup>st</sup> of March 2009 for the Group was 5,808 and for the Company 286 and at the same period of 2008, 5.610 and 277 respectively.

## 5.4 Real Liens

A pre-notice of mortgage has been registered on items of Fixed Assets of the Group as a collateral of loan obligations currently amounting to €4 million, whereas, there are not other liens on any fixed assets or buildings/plots of land.

## 5.5 Contested or under arbitration disputes

A company of the Group has pending judicial cases against the Greek State, for which a provision of € 2.150.000 has been made.

## 5.6 Contingencies and undertakings

The companies of the Group have signed over letters of guarantee of €18,733,334 to third parties, against €17,865,692 on 31.12.2007, to secure contingent liabilities of the Group towards those parties, which do not appear in the consolidated balance sheet.

The subsidiary of the group, Elmec Sport, has undertaken the commitment to pay €1,05 million within 2010, due to its participation in the share capital of North Landmark S.A.

## 5.7 Financial Data and Information for the period 1 JANUARY 2009 - 31 March 2009



### FOLLI - FOLLIE S.A.

Koite Anonyme Register No. 18989/06/B/9/17  
23rd Km Athens - Lamia 145 65 Ag.Stefanos  
Financial Data and Information for the period 1 JANUARY 2009 - 31 MARCH 2009

The following data and information that result from Financial statements aim to provide a general briefing for the financial position and the results of operations of "FOLLI - FOLLIE" S.A and the Group. Therefore, it is recommended, to any reader, before with the Company, to visit the Company's web site, where are posted the Financial Statements as well as the relevant Certified Auditors Report.

Supervisory Authority:  
Internet address:  
Certified Auditor Accountant:  
Auditing Company:  
Type of Auditors' Report:  
Approval Date of the Financial Statement:  
**BALANCE SHEET (Amounts reported in Thousand Euros)**

MINISTRY OF DEVELOPMENT/  
www.follifollie.com  
Varfakis Georgios  
BAKER TILLY HELLAS SA  
:  
27/05/2009

Board of Directors:  
Chairman , Executive Member  
Vice Chairman ,Executive Member  
Executive Member  
Non Executive Member  
Independent Non Executive Member

Dimitrios Koutsoliotouts -  
Georgios Koutsoliotouts  
Alexandros Koutsoliotouts  
Zaharias Mantzavinos - Law Chiu Chuen  
Elias Kouloukouris - Haralambos Papadopoulos

	THE GROUP		THE COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>ASSETS</b>				
Property, plants and equipment	221.897	221.681	23.628	23.782
Investments in PVE	75.659	75.601	12.012	12.012
Other Intangible Assets	362.283	362.827	610	631
Other non-current assets	22.277	21.147	422.302	420.124
Inventories	273.572	245.341	15.823	15.382
Trade Receivables	237.157	286.358	14.058	14.490
Other current assets	180.462	125.244	4.285	7.232
Non Current assets classified as available for sale	0	3.084	0	0
<b>TOTAL ASSETS</b>	<b>1.373.307</b>	<b>1.345.035</b>	<b>492.719</b>	<b>493.655</b>
<b>EQUITY &amp; LIABILITIES</b>				
Share capital	9.884	9.884	9.884	9.884
Other components of equity	279.139	250.916	96.088	105.580
Total equity attributable to owners of the Parent (a)	289.023	260.800	105.972	115.464
Non controlling interests (b)	156.699	155.422	0	0
<b>Total Equity (c) = (a)+(b)</b>	<b>445.722</b>	<b>416.222</b>	<b>105.972</b>	<b>115.464</b>
Long-term borrowings	624.852	613.875	334.145	334.500
Provisions (other long-term liabilities)	31.842	37.616	2.473	2.740
Short-term borrowings	109.113	116.404	24.349	26.906
Other current liabilities	199.578	193.618	25.760	14.045
Liabilities related to non-current assets classified as available for sale	0	7.300	0	0
<b>Total Liabilities (d)</b>	<b>865.185</b>	<b>868.813</b>	<b>386.747</b>	<b>378.191</b>
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>1.373.307</b>	<b>1.345.035</b>	<b>492.719</b>	<b>493.655</b>

#### DATA FROM STATEMENT OF COMPREHENSIVE INCOME (Amounts reported in Thousand Euros )

	THE GROUP		THE COMPANY	
	1/1-31/12/2009	1/1-31/12/2008	1/1-31/12/2009	1/1-31/12/2008
Sales Revenue	210.860	189.255	6.715	7.503
Gross profit	106.268	96.875	4.248	4.694
Profit/Loss before tax, financial and investing results (EBIT)	41.849	38.530	1.202	218
Profit/Loss before tax (EBIT)	33.976	28.448	-1.836	-4.908
Profit/Loss for the period (after tax)	<b>26.721</b>	<b>22.886</b>	<b>122</b>	<b>190</b>
<b>Available to:</b>				
Owners of the parent Company	24.906	19.382		
Non controlling interests	1.815	2.704		
Other comprehensive income for the period, net of tax (B)	3.054	22.498	-7.494	-360
Total comprehensive income for the period, net of tax (A) + (B)	29.775	-151	-4.492	-5.342
Owners of the parent Company	30.242	-151		
Non controlling interests	467	467		
Basic Earnings (after tax) per share (expressed in €)	0,1614	0,5884	-0,0550	-0,1512
Profit/Loss before taxes, financing and investing results, depreciation and amortisation (EBITDA)	46.632	43.255	1.508	496

#### DATA FROM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD (Amounts reported in Thousand Euros )

	THE GROUP		THE COMPANY	
	1/1-31/12/2009	1/1-31/12/2008	1/1-31/12/2009	1/1-31/12/2008
Opening Balance (1/1/2009 and 1/1/2008 respectively)	376.222	353.749	115.464	119.052
Total comprehensive income for the period, net of tax	29.775	-151	-4.492	-5.342
Dividends paid	0	0	0	0
Issue of share Capital	0	0	0	0
Minority interest (due to new subsidiaries/increase of participation)	130	-4.909	0	0
Own Stock	205	-986	0	0
Closing Balance (31/12/2009 and 31/12/2008 respectively)	<b>405.922</b>	<b>348.275</b>	<b>105.972</b>	<b>113.710</b>

	THE GROUP		THE COMPANY	
	1/1-31/12/2009	1/1-31/12/2008	1/1-31/12/2009	1/1-31/12/2008
<b>CASH FLOW STATEMENT-indirect method (Amounts reported in Thousand Euros )</b>				
Cash Flows related to Operating Activities	33.976	28.448	-1.836	-4.938
Net Profit before taxes	33.976	28.448	-1.836	-4.938
Adjustments in respect of non-cash transactions:				
Depreciation and Amortisation	4.763	4.725	306	278
Devaluation of tangible and intangible assets	0	278	530	27
Provisions	11.962	-11.341	0	0
Exchange differences	-1.175	-430	-400	-283
Cash Flows from Investing activities	9.033	10.309	3.953	5.439
Debit interest and similar expenses	-27.811	-8.895	-440	-71
Adjustments related to working capital or other operating activities	-6.421	-10.559	1.977	2.476
Decrease/(increase) of Inventories	-6.974	-183	774	-1.125
Decrease/(increase) of Receivables	-8.234	-3.402	-1.922	-1.448
Increase/(decrease) of payable accounts (except Banks)	-6.804	-7.448	0	2.203
Minus	0	0	0	0
Interest paid and similar expenses	-8.234	-3.402	-1.922	-1.448
Income Tax paid	-2.893	-1.524	-1.619	-1.044
<b>Net cash inflows/(outflows) from Operating Activities (a)</b>	<b>-2.893</b>	<b>-2.893</b>	<b>1.619</b>	<b>-1.044</b>
Cash Flows related to Investing Activities				
Purchases of subsidiaries, associates and other investments	-82	-18.510	0	0
Purchases of tangible and intangible assets	-4.945	-4.140	-135	-429
Proceeds from sale of tangible and intangible assets	152	347	4	0
Proceeds from sale of financial assets	344	0	0	0
Dividends received	1.069	553	167	316
Interest received	-247	1.621	15	-3
Decrease/(increase) of other long-term receivables				
<b>Net cash inflows/(outflows) from Investing Activities (b)</b>	<b>-3.759</b>	<b>-20.059</b>	<b>623</b>	<b>-12.947</b>
Cash Flows related to Financing Activities				
Own Stock	-205	0	0	0
Proceeds from Loans	1.181	15.901	-4.903	5.680
Repayment of Loans	0	0	0	0
Payments to lenders	-449	43	-8	-8
Dividends paid	0	-500	0	-500
Net cash inflows/(outflows) from Financing Activities (c)	<b>527</b>	<b>16.324</b>	<b>-4.911</b>	<b>5.172</b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>126</b>	<b>-4.518</b>	<b>-2.669</b>	<b>3.125</b>
Cash and cash equivalents at the beginning of the period	73.004	93.509	3.983	14.443
<b>Cash and cash equivalents at the end of the period</b>	<b>73.130</b>	<b>88.991</b>	<b>1.314</b>	<b>17.568</b>

	GROUP	COMPANY
A) Income	0	2.768
B) Expenses	0	540
C) Receivables	186	4.787
D) Payables	0	5.892
E) Directors' and members' of the Board of the Directors transactions and fees	1.170	77
F) Receivables from the Directors' and the members' of the Board of the Directors	0	0
G) Payables to the Directors' and the members' of the Board of the Directors	70	70

#### Additional notes and information:

1. a. The name and the registered office of each company that included in the consolidated Financial Statements for the period 01.01.2008 - 31.12.2008, along with the respective participation percentage of the Company, direct or indirect, in each of their share capital and b. the consolidation method, which was applied, for each company included in the consolidated Financial Statements for the period 01.01.2008 - 30.12.2008, are mentioned in note 1.2 of the Financial Statements. 2. The un-audited tax fiscal years of the parent Company and its subsidiaries are mentioned in note 1.2 of the Financial Statements. 3. The personnel employed in the Group, as at 31.12.2008, amounted to 5,913 persons and in the Company amounted to 285 persons. The respective period of 2007 the personnel employed amounted 5,310 persons in the Group and 285 in the Company. 4. The mother company acquired on 25.01.2008 the remaining share capital (60%) of Folli Follie Japan. The effect of the total (100%) consolidation of the above company in sales, profit after taxes and total equity, is less than 25% 5. The Financial statements include in total the following provisions a) for the Group: €2,150 thousand and for contested disputes, €1,663 thousand and for un-audited tax fiscal years and €14,692 thousand and for other provisions b) for the Company: €60 thousand and for un-audited tax fiscal years and € 2,655 thousand and for other provisions. 6. In the consolidated Financial Statements for the period 01.01.2008 - 31.12.2008 the following companies are included for the first time a) North Landmark S.A., incorporated on February of 2008 and b) ICS Elmec Sport SRL, incorporated on September of 2008. 7. The total number of Own shares owned by the Company is 238.810 shares of € 2,943 thousand. 8. The Group finalised the temporary goodwill which had been accounted during the acquisition of ELMEC SPORT S.A. the previous fiscal year (on 05.10.2007), according to IFRS 3 and optionally applied the accounting policy according to revised IAS 27, according the goodwill from the acquisition of the minority interest in subsidiaries. These changes resulted in a decrease of €16,182 thousand on the consolidated equity of the Shareholders of the Company and an increase of €103 thousand on the consolidated EAT of the Shareholders' of the Company, compared to respective fiscal year of 2007. 9. A preliminary share transfer agreement was signed by a subsidiary of the Group for the acquisition of the entirety of the shares of the companies of the group Lapin House. On 30.10.2008, it was agreed a six-month extension of the time schedule set forth in the abovementioned preliminary agreement. 10. The amounts of income/expenses posted directly in net equity were for a. the Company, €4,058 thousand and resulting from evaluations of financial instruments (hedging), concerning loss from valuation of investments classified as available for sale at fair value and b. the Group, €3,473 thousand and concerning expenses of €110 thousand and from share increase, €240 thousand concerning loss from valuation of investments classified as available for sale at fair value, €935 thousand concerning income from deferred taxation, €4,058 thousand and concerning evaluations of financial instruments. 11. Every transaction in total (inflows & outflows) from the beginning of the fiscal year of 2008, along with the balance of the receivable and the liabilities of the Company and the Group, at the end of the current fiscal year, that came from transactions with related parties, according to IAS 24 is presented as follows: