



ELMEC SPORT ABETE

Registration Number: 6357/06/B/86/59

**96 Vouliagmenis Avenue, 16674 Glyfada
Tel.: +30 2109699300, Fax: +30 2109648336**

INTERIM FINANCIAL STATEMENTS

For the period from January 1st, 2006 to September 30th, 2006

According to International Accounting Standard 34

ELMEC SPORT ABETE

INTERIM FINANCIAL STATEMENTS

For the period from January 1st, 2006 to September 30th, 2006

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ELMEC SPORT ABETE

Interim Financial Statements for the 9-month period 1/1 - 30/9/2006

(The amounts in all the tables are expressed in EUROS)

General information

Full name

Elmec Sport Anonymous Industrial Commercial Technical Company

Registration Number

6357/06/B/86/59

Headquarters

96 Vouliagmenis Avenue 166 74 Glyfada

Tel.: +30210.9699300, fax: +30210.9648336

Board of Directors

Lucy Ino Fais, Chairperson

Sam Ino Fais, Chief Executive Officer

Pavlos Milt. Kalamaridis, Executive director

Christos Still. Hatzigiakoumis, Executive director

Lila Minoa's Mordohae, Independent non-executive director

Ilias Solomon Mordehae, Independent non-executive director

Contacts for Financial Information

Christos Hatzigiakoumis, Member of Board of Directors and Financial Director

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Auditors

Gregory Koutras, Auditor Identification Number SOEL 13601 (Regular Auditor)

Andreas Tsamakis, Auditor Identification Number SOEL, 17101 (Surrogate Auditor)

BKR Prottypos Elegktiki S.A.

Patision 81 & Heyden, Athens

Tel.: +30210 8894420, fax: +30210 8817483

Consolidated Income Statement

	Note	1/1 - 30/9/2006	1/1 - 30/9/2005	1/7 - 30/9/2006	1/7 - 30/9/2005
Turnover (Sales)		132.167.971	130.595.213	40.754.937	53.472.755
Cost of goods sold		<u>(76.075.377)</u>	<u>(67.840.939)</u>	<u>(23.392.559)</u>	<u>(29.653.726)</u>
Gross Profit		56.092.594	62.754.274	17.362.378	23.819.029
Other operating income	4	2.879.404	2.916.737	412.478	1.498.118
Operating expenses		<u>(43.349.106)</u>	<u>(39.370.419)</u>	<u>(12.632.156)</u>	<u>(16.410.796)</u>
EBITDA		15.622.892	26.300.592	5.142.700	8.906.351
Depreciation & Amortisation	8,9	<u>(2.804.575)</u>	<u>(2.326.035)</u>	<u>(967.568)</u>	<u>(878.095)</u>
EBIT		12.818.317	23.974.557	4.175.132	8.028.256
Financial income	5	1.122.222	2.364.371	269.698	1.390.959
Financial expenses	5	<u>(3.605.321)</u>	<u>(2.822.283)</u>	<u>(724.925)</u>	<u>(1.198.164)</u>
EBT		10.335.218	23.516.645	3.719.905	8.221.051
Income tax expense	7	<u>(4.101.138)</u>	<u>(7.779.773)</u>	<u>(1.130.690)</u>	<u>(3.023.698)</u>
Net Earnings		<u>6.234.080</u>	<u>15.736.872</u>	<u>2.589.215</u>	<u>5.197.353</u>
Parent company interest		5.315.589	15.369.184	2.259.030	5.694.089
Minority interest		<u>918.491</u>	<u>367.688</u>	<u>330.185</u>	<u>(496.736)</u>
		<u>6.234.080</u>	<u>15.736.872</u>	<u>2.589.215</u>	<u>5.197.353</u>
Earnings per share - basic		0,10	0,28	0,04	0,11

Income Statement of the Company

	Note	1/1 - 30/9/2006	1/1 - 30/9/2005	1/7 - 30/9/2006	1/7 - 30/9/2005
Turnover (Sales)		70.532.846	94.637.608	17.657.224	39.712.149
Cost of goods sold		<u>(42.012.971)</u>	<u>(48.158.627)</u>	<u>(9.999.284)</u>	<u>(21.658.399)</u>
Gross Profit		28.519.875	46.478.981	7.657.940	18.053.750
Other operating income	4	934.597	1.034.442	72.907	507.123
Operating expenses		<u>(19.565.836)</u>	<u>(23.873.792)</u>	<u>(5.083.143)</u>	<u>(7.427.945)</u>
EBITDA		9.888.636	23.639.631	2.647.704	11.132.928
Depreciation & Amortisation	8,9	<u>(1.527.888)</u>	<u>(1.541.478)</u>	<u>(525.325)</u>	<u>(545.019)</u>
EBIT		8.360.748	22.098.153	2.122.379	10.587.909
Financial income	5	657.349	1.965.476	42.348	1.091.903
Financial expenses	5	<u>(2.287.224)</u>	<u>(1.891.697)</u>	<u>(208.057)</u>	<u>(769.589)</u>
EBT		6.730.873	22.171.932	1.956.670	10.910.223
Income tax expense	7	<u>(2.814.204)</u>	<u>(6.957.153)</u>	<u>(562.981)</u>	<u>(3.371.054)</u>
Net Earnings		3.916.669	15.214.779	1.393.689	7.539.169
<hr/>					
Earnings per share - basic		0,07	0,27	0,02	0,13

Consolidated Balance Sheet

ASSETS	Note	30/9/2006	31/12/2005
Non-current assets			
Tangible assets	8	99.287.847	88.165.452
Intangible assets	9	2.808.919	2.393.026
Goodwill		10.502.554	10.502.554
Investments available for sale		570.537	570.537
Deferred tax assets		671.086	631.461
Other long-term receivables		880.198	762.728
		<u>114.721.141</u>	<u>103.025.758</u>
Current assets			
Inventories		62.269.881	52.300.417
Trade and other receivables		54.430.766	75.068.217
Investments at fair value through profit & loss	10	2.829.140	3.158.966
Derivatives			75.003
Cash and equivalents		20.185.807	20.149.364
		<u>139.715.594</u>	<u>150.751.967</u>
TOTAL ASSETS		<u>254.436.735</u>	<u>253.777.725</u>
EQUITY & LIABILITIES	Note	30/9/2006	31/12/2005
Equity			
Issued capital		33.240.000	33.240.000
Share premiums		11.730	11.730
Reserves		17.537.387	17.537.387
Translation differences		(396.726)	(497.239)
Retained earnings		49.161.296	47.487.264
		<u>99.553.687</u>	<u>97.779.142</u>
Minority rights		15.863.496	15.015.862
		<u>115.417.183</u>	<u>112.795.004</u>
Non-current liabilities			
Loans and financial leases		23.159.549	24.351.727
Personnel defined benefit plans		722.602	722.602
Deferred tax liabilities		1.024.450	997.828
Provisions for additional taxes	7,12	141.800	441.800
		<u>25.048.401</u>	<u>26.513.957</u>
Current liabilities			
Trade and other payables		53.508.074	59.715.136
Current tax liabilities		6.092.559	5.611.652
Loans and financial leases		51.582.606	46.096.876
Provisions for expenses and risks	12	2.787.912	3.045.100
		<u>113.971.151</u>	<u>114.468.764</u>
TOTAL EQUITY & LIABILITIES		<u>254.436.735</u>	<u>253.777.725</u>

Balance Sheet of the Company

ASSETS	Note	30/9/2006	31/12/2005
Non-current assets			
Tangible assets	8	27.720.830	27.614.209
Intangible assets	9	2.241.414	2.043.372
Investments in subsidiary companies	11	48.418.488	44.488.432
Investments available for sale		486.795	486.795
Other long-term receivables		544.789	517.601
		<u>79.412.316</u>	<u>75.150.409</u>
Current assets			
Inventories		25.952.872	24.236.922
Trade and other receivables		46.809.671	64.913.332
Investments at fair value through profit & loss	10	2.829.140	3.158.966
Derivatives			75.003
Cash and equivalents		2.628.581	6.536.023
		<u>78.220.264</u>	<u>98.920.246</u>
TOTAL ASSETS		<u>157.632.580</u>	<u>174.070.655</u>
EQUITY & LIABILITIES	Note	30/9/2006	31/12/2005
Equity			
Issued capital		33.240.000	33.240.000
Share premium (Capital issued above par)		11.730	11.730
Reserves		15.764.204	15.764.204
Retained earnings		48.283.658	47.967.991
		<u>97.299.592</u>	<u>96.983.925</u>
Non-current liabilities			
Loans and financial leases		11.326.654	11.817.330
Personnel defined benefit plans		565.719	565.719
Deferred tax liabilities		755.390	641.113
Provisions for additional taxes	7,12		400.000
		<u>12.647.763</u>	<u>13.424.162</u>
Current liabilities			
Trade and other payables		10.392.668	17.159.499
Current tax liabilities		4.804.991	3.965.809
Loans and financial leases		29.956.841	40.006.535
Provisions for expenses and risks	12	2.530.725	2.530.725
		<u>47.685.225</u>	<u>63.662.568</u>
TOTAL EQUITY & LIABILITIES		<u>157.632.580</u>	<u>174.070.655</u>

Consolidated Statement of Changes in Equity

	Note	1/1 - 30/9/2006	1/1 - 30/9/2005
Last year closing balance (31.12.2005 and 31.12.2004 respectively)		112.795.004	104.729.804
Adoption of IAS 32 and IAS 39			(392.892)
Opening balance (01.01.2006 and 01.01.2005 respectively)		112.795.004	104.336.912
Deferred taxes recognised in equity		9.182	98.225
Cost of equity issues	11	(84.912)	
Exchange rate differences		100.513	299.643
Various income/(costs) recognised in equity		(984)	(137.666)
Total income/(costs) recognised in equity		23.799	260.202
Current period profits net of taxes		6.234.080	15.736.872
Total profits for the period		6.257.879	15.997.074
Declaration of dividends	13	(3.635.700)	(4.189.772)
Closing balance (30.09.2006 and 30.09.2005 respectively)		115.417.183	116.144.214

Statement of Changes in Equity of the Company

	Note	1/1 - 30/9/2006	1/1 - 30/9/2005
Last year closing balance (31.12.2005 and 31.12.2004 respectively)		96.983.925	90.604.905
Adoption of IAS 32 and IAS 39			(392.892)
Opening balance (01.01.2006 and 01.01.2005 respectively)		96.983.925	90.212.013
Various income/(costs) recognised in equity			98.225
Total income/(costs) recognised in equity			98.225
Current period profits net of taxes		3.916.667	15.214.779
Total profits for the period		3.916.667	15.313.004
Declaration of dividends	13	(3.601.000)	(4.155.000)
Closing balance (30.09.2006 and 30.09.2005 respectively)		<u>97.299.592</u>	<u>101.370.017</u>

Consolidated Cash Flow Statement

	1/1 - 30/9/2006	1/1 - 30/9/2005
Operating activity		
Earnings before taxes (EBT)	10.335.218	23.516.645
Plus adjustments for:		
Depreciation and Amortisation	2.804.575	2.326.035
Provisions	(683.472)	
Asset impairment loss	329.826	7.200
Financial expenses	2.954.107	2.141.483
Losses on the sale of fixed assets	49.757	99.854
Losses on the sale of financial assets		55.674
Foreign exchange differences	106.102	312.726
Less adjustments for:		
Assets revaluations	(979)	(998.010)
Financial income	(511.149)	(368.604)
Gain on the sale of fixed assets	(47.008)	(45.668)
Plus changes in working capital:		
Decrease/(increase) in inventories	(9.969.464)	(26.234.399)
Decrease/(increase) in receivables	21.021.259	(23.275.674)
Increase/(decrease) in liabilities (except loans)	(6.162.375)	38.595.631
Less:		
Interest and other bank expenses paid	(2.954.107)	(2.139.416)
Taxes paid	(3.929.640)	(6.312.381)
Net cash provided by operating activities (a)	<u>13.342.650</u>	<u>7.681.096</u>
Investing Activity		
Proceeds from sold financial assets		390.000
Proceeds from sold tangible assets	2.362.664	1.192.706
Proceeds from sold intangible assets		62.448
Interest received	307.234	220.946
Dividends received	203.915	147.658
Other investment inflows (net)		(2.067)
Less:		
Purchase of financial assets		(20.040)
Purchase of tangible assets	(16.034.158)	(15.674.235)
Purchase of intangible assets	(674.115)	(371.982)
Net cash provided by investing activities (b)	<u>(13.834.460)</u>	<u>(14.054.566)</u>
Financing activity		
Less:		
Increase/(decrease) in borrowings	5.420.505	5.038.324
Capital issue costs	(84.912)	
Increase/(decrease) in financial leases	(1.126.953)	257.189
Dividends paid	(3.680.387)	(1.702.101)
Net cash provided by financing activities (c)	<u>528.253</u>	<u>3.593.412</u>
Cash and equivalents at the beginning of the year	20.149.364	22.318.597
Plus: Net cash inflows/(outflows) (a+b+c)	<u>36.443</u>	<u>(2.780.058)</u>
Cash and equivalents at the end of the period	<u>20.185.807</u>	<u>19.538.539</u>

Cash Flow Statement of the Company

	1/1 - 30/9/2006	1/1 - 30/9/2005
Operating activity		
Earnings before taxes (EBT)	6.730.873	22.171.932
Plus adjustments for:		
Depreciation and Amortisation	1.527.888	1.541.478
Provisions	(501.284)	
Asset impairment loss	329.826	7.200
Financial expenses	1.637.336	1.220.546
Losses on the sale of fixed assets	48.945	98.982
Losses on the sale of financial assets		55.674
Less adjustments for:		
Assets revaluations		(998.010)
Financial income	(455.995)	(299.167)
Gain on the sale of fixed assets	(35.078)	(45.541)
Plus changes in working capital:		
Decrease/(increase) in inventories	(1.715.950)	(5.268.708)
Decrease/(increase) in receivables	18.652.757	(18.003.348)
Increase/(decrease) in liabilities (except loans)	(6.730.976)	1.447.480
Less:		
Interest and other bank expenses paid	(1.637.336)	(1.218.479)
Taxes paid	(2.260.745)	(4.568.844)
Net cash provided by operating activities (a)	<u>15.590.261</u>	<u>(3.858.805)</u>
Investing Activity		
Proceeds from sold financial assets		390.000
Proceeds from sold tangible assets	236.493	425.401
Proceeds from sold intangible assets		62.448
Interest received	238.188	150.486
Dividends received	217.807	148.681
Other investment inflows (net)		(2.067)
Less:		
Purchase of financial assets	(3.930.056)	(59.400)
Purchase of tangible assets	(1.660.796)	(5.801.792)
Purchase of intangible assets	(422.114)	(290.337)
Net cash provided by investing activities (b)	<u>(5.320.478)</u>	<u>(4.976.580)</u>
Financing activity		
Less:		
Increase/(decrease) in borrowings	(10.069.639)	2.885.996
Increase/(decrease) in financial leases	(470.731)	(27.926)
Dividends paid	(3.636.855)	(1.661.901)
Net cash provided by financing activities (c)	<u>(14.177.225)</u>	<u>1.196.169</u>
Cash and equivalents at the beginning of the year	6.536.023	11.690.156
Plus: Net cash inflows/(outflows) (a+b+c)	<u>(3.907.442)</u>	<u>(7.639.216)</u>
Cash and equivalents at the end of the period	<u>2.628.581</u>	<u>4.050.940</u>

1.Description of the Company

Elmec Sport S.A (from now on the "Company") was founded in 1981 (Official Journal of the Hellenic Republic 3801/19-10-1981) and her duration was set to 100 years. It is a Societe Anonyme operating under the Greek legislation. Its full name is "Elmec Sport S.A Industrial Commercial and Technical". It is registered with Ministry of Commerce under the number 6357/06/B/86/59. Its Headquarters are located in the Municipality of Glyfada Attica, in 96 Vouliagmenis Avenue.

Elmec Sport S.A is the parent company of a group of enterprises active in the countries of South-eastern Europe, and more specifically in Greece, Cyprus, Romania and Bulgaria.

The Company has listed its shares in the Athens Stock Exchange since 1991.

The attached financial statements include the corporate ("plain") financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (henceforth the "Group").

The website of the Company is to be found at the address www.elmec.gr. The financial statements of the Company are published in the above-mentioned web page and are available for at least two years after their publication. A short summary of the financial statements is published in the daily press, according to the current legislation.

2.Framework for the preparation and presentation of the financial statements

The attached financial statements of the Group and of the Parent Company (from now on referred to as "financial statements") cover the 9-month period from January 1st to September 30th 2006. The Board of Directors of the Company approved the attached financial statements on Monday the 27th of November 2006.

The financial statements have been prepared in accordance with International Accounting Standard 34 "interim financial statements". They have been prepared with the use of the same accounting principles and valuation methods followed for the preparation of the financial statements of the Group and the parent Company for the accounting year ended on December 31st 2005, which have been prepared in accordance to the International Accounting Standards adopted by the European Union. All the revised or newly issued standards and SICs which become operative from January 1st 2006 on and concern the Group's activities have been taken into account by the Group for the preparation of the attached financial statements. However, their application had no effect on the Group's figures.

The attached condensed interim financial statements should be read in conjunction with the full annual financial statements for the year ended at 31/12/2005, available from the website of the Company. These statements include detailed analysis of the accounting policies, methods and estimations applied, as well as analysis of the most important items of the financial statements.

3.Basis of consolidation

The following table presents the consolidated subsidiary companies with the relative percentages of Group and the registered office of each subsidiary:

Company	Registered Offices	Direct %	Indirect %	Total
A&A Holdings SA	Luxembourg	61,16%		61,16%
Factory Outlet SA	Greece		60,24%	60,24%
Factory Outlet Airport SA	Greece	99,00%	0,60%	99,60%
Elmec Romania Srl	Romania	100,00%		100,00%
Elmec Sport Bulgaria EOOD	Bulgaria	100,00%		100,00%
Chronosport SA	Greece	50,00%		50,00%
Moustakis SA	Greece	100,00%		100,00%
Logistics Express SA	Greece	99,99%	0,01%	100,00%
Attica Department Stores SA	Greece	25,00%	21,07%	46,07%
Ipirotiki Commercial SA	Greece	84,29%		84,29%

The above companies are consolidated by means of the total consolidation method.

Elmel Com Ltd is not included in the consolidated financial statements of the period under examination, while it was included in the relative period of the previous year, because it was sold to third parties at November 18th, 2005. For the period 1/1/-30/9/2005 Elmel Com Ltd contributed 0,07% of Group's turnover, and 0,15% of the Group's total assets. Consequently, the disposal of that company does not influence significantly the figures and results of Group.

On June 16th 2006, the Company set into liquidation process its subsidiary A&A Holdings SA, with the ultimate objective to fully distribute to the A&A shareholders the only asset of the company, namely the 98,5% of the Factory Outlet SA shares.

Logistics Express SA was founded at 28/4/2006 and is consolidated for the first time. For the examined period, Logistics Express represents 0,004% of the Group's turnover and 0,05% of the Group's total assets. The company provides services of loading, discharging and warehousing of goods.

4. Other Income

4.1. "Other Operating Income" of the Group:

The account "Other Operating Income" of the consolidated income statement includes non-financial income of the Group not included in Sales. A further analysis is as follows:

	<i>1/1 - 30/9/2006</i>	<i>1/1 - 30/9/2005</i>	<i>1/7 - 30/9/2006</i>	<i>1/7 - 30/9/2005</i>
Income from rents	162.999	49.682	101.952	39.546
Subsidies	69.604		69.604	
Compensations	29.222	126.568	4.059	97.753
Gains on the sale of fixed assets	47.008	45.668	9.499	27.073
Revenues from non-primary activities	1.552.295	2.165.321	102.799	1.051.931
Expenses charged to customers	9.485	232.032	2.078	164.427
Income from provisions	758.472		(5.907)	
Other income	250.319	297.466	128.394	117.388
	<u>2.879.404</u>	<u>2.916.737</u>	<u>412.478</u>	<u>1.498.118</u>

4.2. "Other Operating Income" of the Company:

The account "Other Operating Income" of the Company's income statement includes non-financial income of the Company not included in Sales. A further analysis is as follows:

	<i>1/1 - 30/9/2006</i>	<i>1/1 - 30/9/2005</i>	<i>1/7 - 30/9/2006</i>	<i>1/7 - 30/9/2005</i>
Income from rents	147.096	2.475	94.896	1.265
Subsidies	64.333		64.333	
Compensations	23.700	126.568		97.753
Gains on the sale of fixed assets	35.078	45.541	9.289	26.954
Revenues from non-primary activities	55.096	332.522	(112.531)	100.368
Expenses charged to customers	9.485	232.032	2.078	164.427
Income from provisions	501.284		(5.907)	
Other income	98.525	295.304	20.749	116.356
	<u>934.597</u>	<u>1.034.442</u>	<u>72.907</u>	<u>507.123</u>

5. Financial results

The income resulting from investments and other financial activities of the Company and the Group, as presented in the attached income statements, is as follows:

5.1. Financial income of the Group:

	<i>1/1 - 30/9/2006</i>	<i>1/1 - 30/9/2005</i>	<i>1/7 - 30/9/2006</i>	<i>1/7 - 30/9/2005</i>
Dividends from investments	35.124		108	
Dividends from stocks traded in ASE	168.791	147.658	20	
Revaluation of stocks traded in ASE		605.118		263.166
Interest income	292.019	220.946	35.703	61.443
Discount for one-off payment of taxes	15.215			
Gains from derivatives		590.063		590.063
Foreign exchange differences	<u>611.073</u>	<u>800.586</u>	<u>233.867</u>	<u>476.287</u>
	<u>1.122.222</u>	<u>2.364.371</u>	<u>269.698</u>	<u>1.390.959</u>

5.2. Financial expenses of the Group:

	<i>1/1 - 30/9/2006</i>	<i>1/1 - 30/9/2005</i>	<i>1/7 - 30/9/2006</i>	<i>1/7 - 30/9/2005</i>
Impairment of securities traded in ASE	329.826	7.200	(372.655)	
Expenses on the sale of securities traded in ASE		2.067		
Losses on the sale of securities traded in ASE		55.674		
Interest expenses for financial leases	773.978	382.747	274.612	129.276
Loan interest and other bank expenses	2.180.129	1.756.669	797.351	767.977
Foreign exchange differences	<u>321.388</u>	<u>617.926</u>	<u>25.617</u>	<u>300.911</u>
	<u>3.605.321</u>	<u>2.822.283</u>	<u>724.925</u>	<u>1.198.164</u>

5.3. Financial income of the Company:

	<i>1/1 - 30/9/2006</i>	<i>1/1 - 30/9/2005</i>	<i>1/7 - 30/9/2006</i>	<i>1/7 - 30/9/2005</i>
Dividends from subsidiaries	14.000	1.023		
Dividends from other investments	35.016			
Dividends from stocks traded in ASE	168.791	147.658	20	
Revaluation of stocks traded in ASE		605.118		263.166
Interest income	238.188	150.486	26.532	34.746
Gains from derivatives		590.063		590.063
Foreign exchange differences	<u>201.354</u>	<u>471.128</u>	<u>15.796</u>	<u>203.928</u>
	<u>657.349</u>	<u>1.965.476</u>	<u>42.348</u>	<u>1.091.903</u>

5.4. Financial expenses of the Company:

	<i>1/1 - 30/9/2006</i>	<i>1/1 - 30/9/2005</i>	<i>1/7 - 30/9/2006</i>	<i>1/7 - 30/9/2005</i>
Impairment of securities traded in ASE	329.826	7.200	(372.655)	
Expenses on the sale of securities traded in ASE		2.067		
Losses on the sale of securities traded in ASE		55.674		
Interest expenses for financial leases	373.961	16.054	131.725	5.257
Loan interest and other bank expenses	1.263.375	1.202.425	423.973	469.772
Foreign exchange differences	<u>320.062</u>	<u>608.277</u>	<u>25.014</u>	<u>294.560</u>
	<u>2.287.224</u>	<u>1.891.697</u>	<u>208.057</u>	<u>769.589</u>

6.Segment Reporting

6.1.Examined period (1/1 - 30/9/2006):

	Department stores	Apparel & Footwear [Wholesale]	Apparel & Footwear [Retail]	Gym equipment	Other sectors	Intercompany	Totals
Revenue from external customers	53.368.915	35.842.098	38.325.216	2.883.710	3.979.273	(2.231.241)	132.167.971
Revenue from other business segments	361.148	8.133.221	3.856.730			(12.351.099)	
Total revenue from external customers	<u>53.730.063</u>	<u>43.975.319</u>	<u>42.181.946</u>	<u>2.883.710</u>	<u>3.979.273</u>	<u>(14.582.340)</u>	<u>132.167.971</u>
Gross profit of segment	<u>17.682.346</u>	<u>16.070.168</u>	<u>21.990.248</u>	<u>638.094</u>	<u>(21.213)</u>	<u>(267.049)</u>	<u>56.092.594</u>
Segment result	5.883.511	12.149.248	9.786.893	(242.081)	(1.156.215)	94.099	26.515.455
Non-allocated income/(costs)							<u>(10.892.563)</u>
EBITDA							15.622.892
Financial income/(expenses)							(2.483.099)
Depreciation & amortisation							(2.804.575)
Income tax expense							(4.101.138)
Minority interest							<u>(918.491)</u>
Profit after taxes							<u>5.315.589</u>

6.2. Relative period of the previous year (1/1 - 30/9/2005):

	Department stores	Apparel & Footwear [Wholesale]	Apparel & Footwear [Retail]	Gym equipment	Other sectors	Intercompany	Totals
Revenue from external customers	31.774.938	62.212.250	33.259.994	1.760.563	2.832.448	(1.244.980)	130.595.213
Revenue from other business segments	449.126	5.624.089	3.327.279			(9.400.494)	
Total revenue from external customers	<u>32.224.064</u>	<u>67.836.339</u>	<u>36.587.273</u>	<u>1.760.563</u>	<u>2.832.448</u>	<u>(10.645.474)</u>	<u>130.595.213</u>
Gross profit of segment	<u>11.578.091</u>	<u>29.839.948</u>	<u>21.465.627</u>	<u>604.069</u>	<u>806.842</u>	<u>(1.540.303)</u>	<u>62.754.274</u>
Segment result	2.970.090	24.046.658	11.497.658	(153.519)	(565.194)	(1.091.177)	36.704.516
Non-allocated income/(costs)							<u>(10.403.924)</u>
EBITDA							26.300.592
Financial income/(expenses)							(457.912)
Depreciation & amortisation							(2.326.035)
Income tax expense							(7.779.773)
Minority interest							<u>(367.688)</u>
Profit after taxes							<u>15.369.184</u>

7. Income tax expense

7.1. Current and deferred taxes

The income tax included in the consolidated income statement is presented in detail below:

	1/1 - 30/9/2006	1/1 - 30/9/2005
Current tax	3.130.011	7.930.465
Deferred taxes	(9.409)	(150.692)
Taxes from previous tax audits	880.536	
Provisions for additional taxes	100.000	
	<u>4.101.138</u>	<u>7.779.773</u>

In the above and in the next table a positive amount in the item "deferred taxes" produces a deferred tax liability, whereas a negative one produces a deferred tax asset.

The income tax appearing in the income statement of the Company is analyzed as follows:

	1/1 - 30/9/2006	1/1 - 30/9/2005
Current tax	1.819.391	6.464.776
Deferred taxes	114.277	492.377
Taxes from previous tax audits	880.536	
	<u>2.814.204</u>	<u>6.957.153</u>

The income tax rate for Greece-based companies of the Group is 29% for the examined period and 32% for the relative period of the previous year, and will drop to 25% for years 2007 onwards. Income tax rate for Romania and Bulgaria is 16%, and 15% respectively. A&A Holdings SA, which is based in Luxembourg, does not have any income tax obligations.

The income tax presented in the attached income statements, analysed to its components in the previous two tables, differs from the amount that would result from the simple multiplication of the earnings before taxes times the tax rate that corresponds to each company and operating period.

This happens, firstly, because from 2007 period onwards the tax rate applied on profits of the Greek based companies is less than the current tax rate. The resulting deferred tax is less than the one that would result if the reduction of tax rates had not been announced, and secondly, because certain deferred tax assets were not recognised for prudence reasons.

7.2.Tax audit

The Greek tax legislation and the relevant regulations are subject to interpretation from the tax authorities. The income tax statements are submitted each year, but the profits and losses that are stated for tax purposes are temporary until the tax authorities audit tax statements and books, at which time the relevant tax liabilities will be settled. Similar procedures are exercised in Romania and Bulgaria.

The Company's Tax Audit for fiscal years 2004 and 2005, which was completed in the current year, has as a result the imposition of additional taxes and additions of 1.280.536€, against a respective provision of 400.000€ formed on 31/12/2005. Therefore, the results of the period under examination were charged with the amount of 880.536€ and the above provision was fully utilised (debited).

The up-to-date unaudited tax years for the remaining companies of the Group is as follows:

Company	Country	% of interest	Non-audited periods
A&A Holdings SA	Luxembourg	61,16%	-----
Factory Outlet SA	Greece	60,24%	2004 - 2005
Factory Outlet Airport SA	Greece	99,60%	-----
Elmec Romania Srl	Romania	100,00%	2005
Elmec Sport Bulgaria EOOD	Bulgaria	100,00%	2001 - 2005
Chronosport SA	Greece	50,00%	2003 - 2005
Moustakis SA	Greece	100,00%	2002 - 2005
Logistics Express SA	Greece	100,00%	-----
Attica Department Stores SA	Greece	46,07%	2005
Ipirotiki SA	Greece	84,29%	2003 - 2005

The tax audit of the Attica Department Stores S.A. for the financial year 2005 is under development.

Due to the fact that additional taxes may occur as a result of future audits of the above un-audited periods, the Group's companies form the relevant provisions that are depicted in a separate line of the liabilities of the attached balance sheets. Analysis of the changes of these provisions is presented under Note 12.

8. Tangible assets

The tangible assets of the Group and the Company, their depreciation, and changes during the current and the previous periods, are as follows:

(a) AT COST	Group	Company
At January 1st, 2005	80.708.530	30.092.312
Exchange rate differences	20	
Additions	15.674.773	5.801.792
Disposals	(1.323.609)	(555.526)
At September 30th, 2005	<u>95.059.714</u>	<u>35.338.578</u>
 At January 1st, 2006	 99.514.054	 36.257.092
Additions	16.034.158	1.660.796
Disposals	(2.525.253)	(402.711)
At September 30th, 2006	<u>113.022.959</u>	<u>37.515.177</u>
 (b) ACCUMULATED DEPRECIATION	 Group	 Company
At January 1st, 2005	(8.440.353)	(6.871.178)
Depreciation charge	(2.134.635)	(1.373.889)
Disposals	76.717	76.684
At September 30th, 2005	<u>(10.498.271)</u>	<u>(8.168.383)</u>
 At January 1st, 2006	 (11.348.602)	 (8.642.883)
Depreciation charge	(2.546.350)	(1.303.815)
Disposals	159.840	152.351
At September 30th, 2006	<u>(13.735.112)</u>	<u>(9.794.347)</u>
 (c) NET VALUE	 Group	 Company
At January 1st, 2005	72.268.177	23.221.134
At September 30th, 2005	84.561.443	27.170.195
At January 1st, 2006	88.165.452	27.614.209
At September 30th, 2006	99.287.847	27.720.830

Pledges

There is a mortgage charge for the amount of 700.000€ on the 4.800 m² building at the junction of Magheru and Campineanu streets in Bucharest, owned by Elmec Romania SRL, to the benefit of Bankpost of the EFG Eurobank Group for securing the obligations of Elmec Romania SRL to the bank result from a short-term credit line of 12.000.000€.

There are no other pledges, apart from the above-mentioned, imposed on the fixed assets of the Group. Fixed assets acquired through financial leases remain in the ownership of others until the lease contract expires and the relevant liability is settled.

9.Intangible assets

The intangible assets of the Group and the Company, their depreciation, and changes during the current and the same period in the previous year, are as follows:

(a) AT COST	Group	Company
At January 1st, 2005	2.522.046	2.173.391
Exchange rate differences	(11)	
Additions	371.982	290.337
Disposals	(62.448)	(62.448)
At September 30th, 2005	<u>2.831.569</u>	<u>2.401.280</u>
At January 1st, 2006	3.581.866	3.166.860
Additions	674.115	422.114
Disposals		
At September 30th, 2006	<u>4.255.981</u>	<u>3.588.974</u>
(b) ACCUMULATED AMORTISATION	Group	Company
At January 1st, 2005	(928.737)	(894.878)
Amortisation charge	(191.939)	(167.589)
At September 30th, 2005	<u>(1.120.676)</u>	<u>(1.062.467)</u>
At January 1st, 2006	(1.188.840)	(1.123.488)
Amortisation charge	(258.222)	(224.072)
At September 30th, 2006	<u>(1.447.062)</u>	<u>(1.347.560)</u>
(c) NET VALUE	Group	Company
At January 1st, 2005	1.593.309	1.278.513
At September 30th, 2005	1.710.893	1.338.813
At January 1st, 2006	2.393.026	2.043.372
At September 30th, 2006	2.808.919	2.241.414

10. Investments at fair values

This account comes entirely from the assets of the parent company and consists of shares of companies listed in the Athens Stock Exchange (ASE), mainly those of the "Hellenic Duty Free Shops SA" company.

The shares are valued at their closing prices at the last session of the ASE before the balance sheet date. The gains and losses resulting from this valuation are recognized in the income statement.

The detailed changes in this account are the following:

	Hellenic Duty Free Shops SA	Other stocks	Total
Balance at 1/1/2005	3.137.039	20.960	3.157.999
Valuation gains	605.118		605.118
Valuation losses		(7.200)	(7.200)
Sale of stocks	(445.674)		(445.674)
Balance at 30/9/2005	<u>3.296.483</u>	<u>13.760</u>	<u>3.310.243</u>
Balance at 1/1/2006	3.143.006	15.960	3.158.966
Valuation losses	(329.066)	(760)	(329.826)
Balance at 30/9/2006	<u>2.813.940</u>	<u>15.200</u>	<u>2.829.140</u>

11. Investments in subsidiary companies

This account exists only on the non-consolidated (plain) Balance Sheet, because in the consolidated it is cancelled out with the share capital of the consolidated subsidiaries. The changes in this account for the examined period and the relative period of the previous year are presented in the following two sectors.

11.1. Examined period (1/1 - 30/9/2006)

For the examined period:

- Factory Outlet Airport SA has proceeded to an increase of its share capital at the amount of 2.394.000€ with preference right to the existing shareholders. The Company has paid the respective amount, namely 2.370.060€, maintaining its controlling percentage at 99%. The expenses of the share capital increase were 26.344€ and were directly debited to the Equity of Factory Outlet

Airport SA. In the consolidated Balance Sheet they were debited pro rata to "Retained Earnings" and "Minority Rights".

- Elmec Sport Bulgaria EOOD has increased its share capital by 1.500.002€, which was covered in full by the Company.
- Logistics Express SA was incorporated in April 2006 with initial share capital of 60.000€, which was covered at a 99,99% or 59.994€ by the Company. The issue expenses of the initial capital of the mentioned company were 3.000€ and were directly debited to the Equity of Logistics Express SA.

The changes are presented in the following table:

<i>Company</i>	<i>Balance at 1/1/2006</i>	<i>Founding of new sub- sidiaries</i>	<i>Share capital increase</i>	<i>Balance at 30/9/2006</i>
A&A Holdings SA	10.654.319			10.654.319
Factory Outlet Airport SA	3.029.400		2.370.060	5.399.460
Elmec Romania Srl	2.968.803			2.968.803
Elmec Sport Bulgaria EOOD	44.021		1.500.002	1.544.023
Chronosport SA	117.392			117.392
Moustakis SA	943.650			943.650
Logistics Express SA		59.994		59.994
Attica Department Stores SA	2.500.000			2.500.000
Ipirotiki SA	24.230.847			24.230.847
	<u>44.488.432</u>	<u>59.994</u>	<u>3.870.062</u>	<u>48.418.488</u>

11.2. Relative period of the previous year (1/1 - 30/9/2005):

The changes for the same period in the previous year are presented in the following table:

<i>Company</i>	<i>Balance at 1/1/2005</i>	<i>Founding of new sub- sidiaries</i>	<i>Balance at 30/9/2005</i>
A&A Holdings SA	10.654.319		10.654.319
Factory Outlet Airport SA	0	59.400	59.400
Elmec Romania Srl	2.968.803		2.968.803
Elmec Sport Bulgaria EOOD	44.021		44.021
Chronosport SA	117.392		117.392
Moustakis SA	943.650		943.650
Elmel Com. Ltd	91.800		91.800
Attica Department Stores SA	2.500.000		2.500.000
Ipirotiki SA	19.486.026		19.486.026
	<u>36.806.011</u>	<u>59.400</u>	<u>36.865.411</u>

12.Provisions for extraordinary expenses and risks

The changes of the balance of the provisions are as follows:

	Litigation provision	Restru cturing	Penalties	Additional taxes	Total
Balance at 1/1/2005	2.150.000	380.725			2.530.725
Balance at 30/9/2005	<u>2.150.000</u>	<u>380.725</u>			<u>2.530.725</u>
Formation of provision			514.375	441.800	956.175
Balance at 31/12/2005	<u>2.150.000</u>	<u>380.725</u>	<u>514.375</u>	<u>441.800</u>	<u>3.486.900</u>
Formation of provision				100.000	100.000
Utilisation of provision				(400.000)	
Reversal of provision			(257.188)		(257.188)
Balance at 30/9/2006	<u>2.150.000</u>	<u>380.725</u>	<u>257.187</u>	<u>141.800</u>	<u>2.929.712</u>

For the examined period:

- The company has utilised in total the provision of 400.000€ formed on 31/12/2005 against additional taxes for the then tax unaudited fiscal years of 2004 and 2005. More details are reported in Note 7.2.
- Factory Outlet SA increased by 100.000€ its provision for additional taxes to arise from a future tax audit of the fiscal years 2004 and 2005.
- Attica Department Stores SA reversed half – namely 257.188€ - of the provision formed in 31/12/2005 against possible losses as a result of forfeiture of penalties included in the shop-in-shop contracts with its suppliers.

13.Dividends

The Annual General Meeting of the company's Shareholders, that took place on the 23rd of June 2006, decided the distribution of a dividend of 3.601.000€ (0,065 € per share) from the profits of the fiscal year 2005 (1/1 – 31/12/2005).

The distribution of the above-referred dividend to the beneficiaries commenced on 21st August 2006. By 30th September a small amount (34.587 €) of this had still not been distributed to the beneficiaries, and is included in short-term liabilities in the attached Balance Sheets.

14.Related parties

During the current period, compensations amounting to 145.800 €, were paid to the members of the Board of Directors against 145.800 € of the relative period of the previous year.

The sale of merchandise and services from the Group to related parties are as follows: (transactions between consolidated companies have been eliminated):

	1/1 - 30/9/2006	1/1 - 30/9/2005
Concept One SA	361.723	381.498
BoD members and their companies	112.021	1.084
	<u>473.744</u>	<u>382.582</u>

The sale of merchandise and services from the Company to related parties are as follows:

	1/1 - 30/9/2006	1/1 - 30/9/2005
Factory Outlet SA	397.642	165.309
Factory Outlet Airport SA	2.243	
Elmec Romania SRL	7.733.336	5.458.780
Elmec Bulgaria EOOD	1.698.089	1.156.395
Chronosport SA	533.152	88.585
Moustakis SA	715.738	657.704
Elmel LTD		67.995
Attica Department stores S.A.	3.140.992	2.601.580
Concept One SA	361.723	381.498
Members of the BoD and companies of their interests	112.021	1.084
	<u>14.694.936</u>	<u>10.578.930</u>

Purchases of merchandise and services by the Group from related parties is as follows (transactions between consolidated companies have been eliminated):

	1/1 - 30/9/2006	1/1 - 30/9/2005
BoD members and their companies	177.620	200.273
	<u>177.620</u>	<u>200.273</u>

Purchases of merchandise and services by the Company from related parties are as follows:

	1/1 - 30/9/2006	1/1 - 30/9/2005
Factory Outlet SA	361.148	449.126
Attica Department stores S.A.	55.345	
Members of the BoD and companies of their interests	177.620	172.773
	<u>594.113</u>	<u>621.899</u>

The receivables of the Group from related parties are as follows (balances between consolidated companies have been eliminated):

	30/9/2006	31/12/2005
Concept One SA	464.189	404.038
Evenis SA	38.400	41.388
BoD members and their companies	391.822	248.777
	<u>894.411</u>	<u>694.203</u>

The receivables of the Company from related parties are depicted here:

	30/9/2006	31/12/2005
Factory Outlet SA	204.008	
Elmec Romania SRL	12.103.508	8.450.043
Elmec Bulgaria EOOD	1.771.980	1.565.942
Chronosport SA	243.430	93.003
Moustakis SA	1.113.697	1.291.478
Attica Department Stores SA	3.785.839	2.068.545
Concept One SA	464.189	404.038
Members of the BoD and companies of their interests	391.822	242.734
	<u>20.078.473</u>	<u>14.115.783</u>

Payables of the Group to related parties are as follows (balances between consolidated companies have been eliminated):

	30/9/2006	31/12/2005
Concept One SA	331	
Internet Store SA	24.573	24.573
Members of the BoD and companies of their interests	22.499	324.941
	<u>47.403</u>	<u>349.514</u>

Payables of the Company to related parties are depicted here:

	30/9/2006	31/12/2005
Factory Outlet SA	208.810	41.919
Elmec Romania SRL		2.814
Elmec Bulgaria EOOD	4.551	840
Chronosport SA		19.160
Attica Department Stores SA	12.012	79.530
Concept One SA	331	
Internet Store SA	24.573	24.573
Members of the BoD and companies of their interests	16.053	324.941
	<u>266.330</u>	<u>493.777</u>

15. Contingent liabilities

The Group's companies have provided third parties with letters of guarantee amounting to 21.997.006 € (18.346.393 € at 31/12/2005) to ensure those parties on the liabilities of the Group towards them which do not appear in the consolidated balance sheet.

The corresponding amount for the parent company is 11.668.740€ (31/12/2005: 9.142.393 €).

16. Partial interruption of distribution agreement

From June 1st 2006 onwards, the Group does not wholesale distribute Nike products in Greece and Cyprus. On the contrary, the Group will continue to wholesale distribute the above products in Romania and Bulgaria at least until the 31st of May 2009, when the negotiations with the supplier company Nike European Operations Netherlands BV for further renewal will be repeated, according to a relevant announcement of the company on the 26th of June 2006. In addition, the Group will continue to develop the chain of retail shops "exclusive sports", which sell exclusively Nike products, in Greece, Romania and Bulgaria.

The wholesale distribution of Nike products in Greece and Cyprus corresponds to 15,04% of the consolidated turnover for the examined period 1/1 - 30/9/2006 and it is included in the sector of activity "Apparel-Footwear Wholesale (see note number 6).

The Management of the Group has already taken care for the substitution of the above loss of the turnover with new activities of the Group that are described extensively in the Report of the Company's Board of Directors for the year 1/1 - 31/12/2005.

17.Events after the balance sheet date

There are no post balance sheet events that would influence the financial position and the results of the Company and the Group as at September 30th, 2006.

Glyfada, November 27th, 2006

The Chairperson of the BoD

Lucy Fais

ID X091336

The Managing Director

Sam Fais

ID X091240

The Chief Accountant

Theodora Kaloplastou

ID T542192