



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 June 30th, 2006**

According to International Accounting Standard 34



ELMEC SPORT ABETE

INTERIM FINANCIAL STATEMENTS

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

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ELMEC SPORT ABETE

Interim Financial Statements for the 6-month period 1/1 - 30/6/2006

(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 Protypos Elegktiki S.A.

Patision 81 & Heyden, Athens

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



Review Report

To the Shareholders of "ELMEC SPORT ABETE"

We have reviewed the accompanying interim financial statements as well as the interim consolidated financial statements of «**ELMEC SPORT ABETE**», as of and for the six-month period ended 30 June 2006. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the Greek Review Standard, which is based on the International Standard on Review Engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as well as the interim consolidated financial statements do not give a true and fair view in accordance with the International Financial Reporting Standards that have been adopted by the European Union (I.A.S. 34).

Athens, 28 August 2006

The Certified Auditor Accountant

Gregory El. Koutras

S.O.E.L. Registration Number 13601

BKR PROTYPOS ELEGKTIKI S.A.

Consolidated Income Statement

	Note	1/1 - 30/6/2006	1/1 - 30/6/2005	1/4 - 30/6/2006	1/4 - 30/6/2005
Turnover (Sales)		91.413.034	77.122.458	43.131.632	42.150.439
Cost of goods sold		(52.682.818)	(38.187.213)	(25.515.054)	(22.564.985)
Gross Profit		38.730.216	38.935.245	17.616.578	19.585.454
Other operating income	4	2.466.926	1.418.619	1.669.263	1.104.955
Operating expenses		(30.716.950)	(22.959.623)	(17.501.289)	(12.919.996)
EBITDA		10.480.192	17.394.241	1.784.552	7.770.413
Depreciation & Amortisation	8,9	(1.837.007)	(1.447.940)	(900.231)	(743.324)
EBIT		8.643.185	15.946.301	884.321	7.027.089
Financial income	5	852.524	973.412	36.578	763.452
Financial expenses	5	(2.880.396)	(1.624.119)	(1.936.461)	(455.972)
EBT		6.615.313	15.295.594	(1.015.562)	7.334.569
Income tax expense	7,17	(2.970.448)	(4.756.075)	(1.245.441)	(2.179.870)
Net Earnings		3.644.865	10.539.519	(2.261.003)	5.154.699
Parent company interest		3.056.559	9.675.095	(2.626.900)	4.066.016
Minority interest		588.306	864.424	365.897	1.088.683
		3.644.865	10.539.519	(2.261.003)	5.154.699
Earnings per share - basic		0,06	0,17	(0,04)	0,07

Income Statement of the Company

	Note	1/1 - 30/6/2006	1/1 - 30/6/2005	1/4 - 30/6/2006	1/4 - 30/6/2005
Turnover (Sales)		52.875.622	54.925.459	23.041.040	22.607.605
Cost of goods sold		<u>(32.013.687)</u>	<u>(26.500.228)</u>	<u>(14.029.701)</u>	<u>(10.572.982)</u>
Gross Profit		20.861.935	28.425.231	9.011.339	12.034.623
Other operating income	4	861.690	527.319	294.791	219.949
Operating expenses		<u>(14.482.693)</u>	<u>(16.445.847)</u>	<u>(7.924.337)</u>	<u>(8.551.353)</u>
EBITDA		7.240.932	12.506.703	1.381.793	3.703.219
Depreciation & Amortisation	8,9	<u>(1.002.563)</u>	<u>(996.459)</u>	<u>(474.405)</u>	<u>(509.644)</u>
EBIT		6.238.369	11.510.244	907.388	3.193.575
Financial income	5	615.001	873.573	238.282	689.544
Financial expenses	5	<u>(2.079.167)</u>	<u>(1.122.108)</u>	<u>(1.498.869)</u>	<u>(388.884)</u>
EBT		4.774.203	11.261.709	(353.199)	3.494.235
Income tax expense	7,17	<u>(2.251.223)</u>	<u>(3.586.099)</u>	<u>(802.154)</u>	<u>(1.107.889)</u>
Net Earnings		<u>2.522.980</u>	<u>7.675.610</u>	<u>(1.155.353)</u>	<u>2.386.346</u>
Earnings per share - basic		0,05	0,14	(0,02)	0,04

Consolidated Balance Sheet

ASSETS	Note	30/6/2006	31/12/2005
Non-current assets			
Tangible assets	8	93.740.396	88.165.452
Intangible assets	9	2.851.392	2.393.026
Goodwill		10.502.554	10.502.554
Investments available for sale		570.537	570.537
Deferred tax assets		801.791	631.461
Other long-term receivables		878.258	762.728
		<u>109.344.928</u>	<u>103.025.758</u>
Current assets			
Inventories		56.949.975	52.300.417
Trade and other receivables		61.881.702	75.068.217
Investments at fair value through profit & loss	10	2.456.485	3.158.966
Derivatives			75.003
Cash and equivalents		21.193.548	20.149.364
		<u>142.481.710</u>	<u>150.751.967</u>
TOTAL ASSETS		<u>251.826.638</u>	<u>253.777.725</u>
<u>EQUITY & LIABILITIES</u>		30/6/2006	31/12/2005
Equity			
Issued capital		33.240.000	33.240.000
Share premium (Capital issued above par)		11.730	11.730
Reserves		17.537.387	17.537.387
Translation differences		(436.712)	(497.239)
Retained earnings		46.907.469	47.487.264
		97.259.874	97.779.142
Minority rights		15.533.655	15.015.862
		<u>112.793.529</u>	<u>112.795.004</u>
Non-current liabilities			
Loans and financial leases		23.557.513	24.351.727
Personnel defined benefit plans		722.602	722.602
Deferred tax liabilities		935.283	997.828
Provisions for additional taxes	7,12	141.800	441.800
		<u>25.357.198</u>	<u>26.513.957</u>
Current liabilities			
Trade and other payables		52.470.533	59.715.136
Current tax liabilities		6.177.336	5.611.652
Loans and financial leases		52.240.130	46.096.876
Provisions for expenses and risks	12	2.787.912	3.045.100
		<u>113.675.911</u>	<u>114.468.764</u>
TOTAL EQUITY & LIABILITIES		<u>251.826.638</u>	<u>253.777.725</u>

Balance Sheet of the Company

ASSETS	Note	30/6/2006	31/12/2005
Non-current assets			
Tangible assets	8	27.988.377	27.614.209
Intangible assets	9	2.286.187	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		543.859	517.601
		<u>79.723.706</u>	<u>75.150.409</u>
Current assets			
Inventories		23.246.475	24.236.922
Trade and other receivables		53.943.901	64.913.332
Investments at fair value through profit & loss	10	2.456.485	3.158.966
Derivatives			75.003
Cash and equivalents		6.987.747	6.536.023
		<u>86.634.608</u>	<u>98.920.246</u>
TOTAL ASSETS		<u>166.358.314</u>	<u>174.070.655</u>
EQUITY & LIABILITIES		30/6/2006	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		46.889.969	47.967.991
		<u>95.905.903</u>	<u>96.983.925</u>
Non-current liabilities			
Loans and financial leases		11.488.756	11.817.330
Personnel defined benefit plans		565.719	565.719
Deferred tax liabilities		727.560	641.113
Provisions for additional taxes	7,12		400.000
		<u>12.782.035</u>	<u>13.424.162</u>
Current liabilities			
Trade and other payables		13.194.094	17.159.499
Current tax liabilities		5.058.741	3.965.809
Loans and financial leases		36.886.816	40.006.535
Provisions for expenses and risks	12	2.530.725	2.530.725
		<u>57.670.376</u>	<u>63.662.568</u>
TOTAL EQUITY & LIABILITIES		<u>166.358.314</u>	<u>174.070.655</u>

Consolidated Statement of Changes in Equity

	Note	1/1 - 30/6/2006	1/1 - 30/6/2005
Previous year closing balance (31.12.2005 and 31.12.2004 respectively)		112.795.004	104.729.804
Adoption of IAS 32 and IAS 39			<u>(392.892)</u>
Beginning balance (01.01.2006 and 01.01.2005 respectively)		112.795.004	104.336.912
Deferred taxes recognised in equity		7.334	
Capital issue expenses	11	(77.515)	
Foreign exchange differences		60.527	297.542
Other income/(expenses) recognised in equity		<u>(986)</u>	<u>255.229</u>
Total profits/(losses) recognised in equity		(10.640)	552.771
Net earnings		<u>3.644.865</u>	<u>10.539.519</u>
Total Profits/(Losses) of current period		3.634.225	11.092.290
Dividend payment	13	(3.635.700)	(4.189.773)
Closing balance (30.06.2006 and 30.06.2005 respectively)		<u><u>112.793.529</u></u>	<u><u>111.239.429</u></u>

Statement of Changes in Equity of the Company

	Note	1/1 - 30/6/2006	1/1 - 30/6/2005
Previous year closing balance (31.12.2005 and 31.12.2004 respectively)		96.983.925	90.604.905
Adoption of IAS 32 and IAS 39		<u> </u>	<u>(392.892)</u>
Beginning balance (01.01.2006 and 01.01.2005 respectively)		96.983.925	90.212.013
Other income/(expenses) recognised in equity		<u> </u>	<u>392.892</u>
Total profits/(losses) recognised in equity		<u> </u>	<u>392.892</u>
Net earnings		<u>2.522.978</u>	<u>7.675.612</u>
Total Profits/(Losses) of current period		<u>2.522.978</u>	<u>8.068.504</u>
Dividend payment	13	<u>(3.601.000)</u>	<u>(4.155.000)</u>
Closing balance (30.06.2006 and 31.06.2005 respectively)		<u><u>95.905.903</u></u>	<u><u>94.125.517</u></u>

Consolidated Cash Flow Statement

	1/1 - 30/6/2006	1/1 - 30/6/2005
Operating activity		
Earnings before taxes (EBT)	6.615.313	15.295.594
Plus adjustments for:		
Depreciation and Amortisation	1.837.007	1.447.940
Provisions	(689.379)	9.554
Asset impairment loss	702.481	7.200
Financial expenses	1.882.144	1.244.230
Losses on the sale of fixed assets	9.202	78.000
Losses on the sale of financial assets		55.674
Foreign exchange differences	64.443	297.538
Less adjustments for:		
Assets revaluations	(980)	(341.952)
Financial income	(475.318)	(307.161)
Gain on the sale of fixed assets	(37.509)	(18.595)
Plus changes in working capital:		
Decrease/(increase) in inventories	(4.649.558)	(18.748.369)
Decrease/(increase) in receivables	13.578.175	(25.453.202)
Increase/(decrease) in liabilities (except loans)	(10.846.963)	41.162.425
Less:		
Interest and other bank expenses paid	(1.882.144)	(1.242.163)
Taxes paid	(2.934.221)	(3.588.430)
Net cash provided by operating activities (a)	3.172.693	9.898.283

**ELMEC SPORT ABETE**

Interim Financial Statements for the 6-month period 1/1 - 30/6/2006

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

	1/1 - 30/6/2006	1/1 - 30/6/2005
Investing Activity		
Proceeds from sold financial assets		390.000
Proceeds from sold tangible assets	543.009	773.523
Interest received	271.531	159.503
Dividends received	203.787	147.658
Other investment inflows (net)		(2.067)
Less:		
Purchase of financial assets		(20.040)
Purchase of tangible assets	(7.762.250)	(12.919.028)
Purchase of intangible assets	(622.771)	(203.230)
Net cash provided by investing activities (b)	<u>(7.366.694)</u>	<u>(11.673.681)</u>
Financing activity		
Less:		
Increase/(decrease) in borrowings	6.099.515	32.998
Capital issue costs	(77.515)	
Increase/(decrease) in financial leases	(750.475)	483.010
Dividends paid	(33.340)	(72.342)
Net cash provided by financing activities (c)	<u>5.238.185</u>	<u>443.666</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>1.044.184</u>	<u>(1.331.732)</u>
Cash and equivalents at the end of the period	<u>21.193.548</u>	<u>20.986.865</u>

Cash Flow Statement of the Company

	1/1 - 30/6/2006	1/1 - 30/6/2005
Operating activity		
Earnings before taxes (EBT)	4.774.203	11.261.709
Plus adjustments for:		
Depreciation and Amortisation	1.002.563	996.459
Provisions	(507.191)	9.554
Asset impairment loss	702.481	7.200
Financial expenses	1.081.638	745.517
Losses on the sale of fixed assets	8.395	78.000
Losses on the sale of financial assets		55.674
Less adjustments for:		
Assets revaluations		(341.952)
Financial income	(429.443)	(264.421)
Gain on the sale of fixed assets	(25.789)	(18.587)
Plus changes in working capital:		
Decrease/(increase) in inventories	990.447	(1.230.571)
Decrease/(increase) in receivables	11.525.365	(18.649.868)
Increase/(decrease) in liabilities (except loans)	(7.544.565)	12.294.570
Less:		
Interest and other bank expenses paid	(1.081.638)	(743.450)
Taxes paid	(1.471.844)	(2.734.260)
Net cash provided by operating activities (a)	9.024.622	1.465.574

Investing Activity

Proceeds from sold financial assets		390.000
Proceeds from sold tangible assets	93.486	180.430
Interest received	211.656	115.740
Dividends received	217.787	148.681
Other investment inflows (net)		(2.067)
Less:		
Purchase of financial assets	(3.930.056)	(59.400)
Purchase of tangible assets	(1.309.621)	(4.897.599)
Purchase of intangible assets	(386.017)	(150.480)
Net cash provided by investing activities (b)	<u>(5.102.765)</u>	<u>(4.274.695)</u>

Financing activity

Less:		
Increase/(decrease) in borrowings	(3.132.600)	(2.201.197)
Increase/(decrease) in financial leases	(315.693)	(18.527)
Dividends paid	(21.840)	(32.141)
Net cash provided by financing activities (c)	<u>(3.470.133)</u>	<u>(2.251.865)</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>451.724</u>	<u>(5.060.986)</u>
Cash and equivalents at the end of the period	<u>6.987.747</u>	<u>6.629.170</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 is listed 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").

1.1. Publicity

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.

1.2. Approval of financial statements

The Board of Directors of the Company approved the attached financial statements on Monday the 21st of August 2006.

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 6-month period from January 1st to June 30th 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 Janu-

ary 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	Luxemburg	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	Rumania	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. Elmel Com Ltd contributed 0,08% of Group's turnover for the 1st semester of 2005, 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. In the reviewed period, Logistics Express had no sales. The company will be providing 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 has as follows:

	<i>1/1 - 30/6/2006</i>	<i>1/1 - 30/6/2005</i>	<i>1/4 - 30/6/2006</i>	<i>1/4 - 30/6/2005</i>
Income from rents	61.047	10.136	54.814	5.993
Compensations	25.163	28.815	17.472	24.207
Gains on the sale of fixed assets	37.509	18.595	18.862	5.223
Revenues from non-primary activities	1.449.496	1.113.390	1.156.853	957.839
Expenses charged to customers	7.407	67.605	4.221	23.181
Income from provisions	764.379		355.248	
Other income	121.925	180.078	61.793	88.512
	<u>2.466.926</u>	<u>1.418.619</u>	<u>1.669.263</u>	<u>1.104.955</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 has as follows:

	<i>1/1 - 30/6/2006</i>	<i>1/1 - 30/6/2005</i>	<i>1/4 - 30/6/2006</i>	<i>1/4 - 30/6/2005</i>
Income from rents	52.200	1.210	51.210	935
Compensations	23.700	28.815	17.472	24.563
Gains on the sale of fixed assets	25.789	18.587	8.747	5.215
Revenues from non-primary activities	167.627	232.154	87.095	78.673
Expenses charged to customers	7.407	67.605	4.221	23.181
Income from provisions	507.191		98.060	
Other income	77.776	178.948	27.986	87.382
	<u>861.690</u>	<u>527.319</u>	<u>294.791</u>	<u>219.949</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, has as follows:

5.1. Financial income of the Group:

	<i>1/1 - 30/6/2006</i>	<i>1/1 - 30/6/2005</i>	<i>1/4 - 30/6/2006</i>	<i>1/4 - 30/6/2005</i>
Div's from investm. available for sale	35.016		35.016	
Dividends from stocks traded in ASE	168.771	147.658	168.771	147.658
Valuation gains on ASE-traded securities		341.952	(244.690)	341.952
Interest income	256.316	159.503	175.789	57.372
Discount for one-off payment of taxes	15.215		15.215	
Foreign exchange differences	377.206	324.299	(113.523)	216.470
	<u>852.524</u>	<u>973.412</u>	<u>36.578</u>	<u>763.452</u>

5.2. Financial expenses of the Group:

	<i>1/1 - 30/6/2006</i>	<i>1/1 - 30/6/2005</i>	<i>1/4 - 30/6/2006</i>	<i>1/4 - 30/6/2005</i>
Valuation losses on ASE-traded securities	702.481	7.200	702.081	(73.309)
Losses on the sale of ASE-traded securities		55.674		
Expenses for securities traded in ASE		2.067		
Interest expenses for financial leases	499.366	253.471	254.025	128.300
Loan interests and other bank expenses	1.382.778	988.692	827.253	428.374
Foreign exchange differences	295.771	317.015	153.102	(27.393)
	<u>2.880.396</u>	<u>1.624.119</u>	<u>1.936.461</u>	<u>455.972</u>

5.3. Financial income of the Company:

	<i>1/1 - 30/6/2006</i>	<i>1/1 - 30/6/2005</i>	<i>1/4 - 30/6/2006</i>	<i>1/4 - 30/6/2005</i>
Dividends from subsidiaries	14.000	1.023	14.000	1.023
Div's from investm. available for sale	35.016		35.016	
Dividends from stocks traded in ASE	168.771	147.658	168.771	147.658
Valuation gains on ASE-traded securities		341.952	(244.690)	341.952
Interest income	211.656	115.740	152.872	24.063
Foreign exchange differences	185.558	267.200	112.313	174.848
	<u>615.001</u>	<u>873.573</u>	<u>238.282</u>	<u>689.544</u>

5.4. Financial expenses of the Company:

	<i>1/1 - 30/6/2006</i>	<i>1/1 - 30/6/2005</i>	<i>1/4 - 30/6/2006</i>	<i>1/4 - 30/6/2005</i>
Valuation losses on ASE-traded securities	702.481	7.200	702.081	(73.309)
Losses on the sale of ASE-traded securities		55.674		
Expenses for securities traded in ASE		2.067		
Interest expenses for financial leases	242.236	10.797	123.896	5.338
Loan interests and other bank expenses	839.402	732.653	520.436	266.633
Foreign exchange differences	295.048	313.717	152.456	190.222
	<u>2.079.167</u>	<u>1.122.108</u>	<u>1.498.869</u>	<u>388.884</u>



6. Segment Reporting

6.1. Examined period (1/1 - 30/6/2006):

	<i>Department Stores</i>	<i>Apparel & Footwear [Wholesale]</i>	<i>Apparel & Footwear [Retail]</i>	<i>Fitness Equipment</i>	<i>Other Sectors</i>	<i>Intra- Group</i>	<i>Totals</i>
Sales to third parties	33.924.757	29.553.131	24.617.077	2.411.512	2.683.601	(1.777.044)	91.413.034
Sales to other segments	<u>231.161</u>	<u>5.379.191</u>	<u>1.758.460</u>			<u>(7.368.812)</u>	
Total sales	<u>34.155.918</u>	<u>34.932.322</u>	<u>26.375.537</u>	<u>2.411.512</u>	<u>2.683.601</u>	<u>(9.145.856)</u>	<u>91.413.034</u>
Gross profit	<u>11.573.894</u>	<u>12.814.315</u>	<u>12.939.333</u>	<u>838.117</u>	<u>354.955</u>	<u>209.602</u>	<u>38.730.216</u>
Segment result	3.919.683	9.269.476	4.544.555	272.699	(534.870)	440.763	17.912.306
Non-allocated income/(expenses)							<u>(7.432.114)</u>
EBITDA							10.480.192
Financial income/(expense)							(2.027.872)
Depreciation							(1.837.007)
Income tax Expense							(2.970.448)
Minority interest							<u>(588.306)</u>
Profit after taxes							<u>3.056.559</u>



6.2. Relative period of the previous year (1/1 - 30/6/2005):

	Department Stores	<i>Apparel & Footwear [Wholesale]</i>	<i>Apparel & Footwear [Retail]</i>	<i>Fitness Equipment</i>	<i>Other Sectors</i>	<i>Intra- Group</i>	<i>Totals</i>
Sales to third parties	16.066.615	35.006.725	22.664.575	1.441.679	1.942.864	(409.800)	76.712.658
Sales to other segments	276.111	2.410.713	303.652			(2.580.676)	409.800
Total sales	<u>16.342.726</u>	<u>37.417.438</u>	<u>22.968.227</u>	<u>1.441.679</u>	<u>1.942.864</u>	<u>(2.990.476)</u>	<u>77.122.458</u>
Gross profit	<u>6.149.128</u>	<u>18.766.133</u>	<u>12.538.775</u>	<u>481.353</u>	<u>632.227</u>	<u>367.629</u>	<u>38.935.245</u>
Segment result	3.862.108	15.522.402	6.041.295	31.729	(376.526)	643.740	25.724.748
Non-allocated income/(expenses)							<u>(8.330.507)</u>
EBITDA							17.394.241
Financial income/(expense)							(650.707)
Depreciation							(1.447.940)
Income tax Expense							(4.756.075)
Minority interest							<u>(864.424)</u>
Profit after taxes							<u>9.675.095</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 - 30/6/2006	1/1 - 30/6/2005
Current tax	2.219.369	5.422.934
Deferred taxes	(229.457)	(666.859)
Taxes from previous tax audits	880.536	
Provisions for additional taxes	100.000	
	<u>2.970.448</u>	<u>4.756.075</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 - 30/6/2006	1/1 - 30/6/2005
Current tax	1.284.240	3.523.072
Deferred taxes	86.447	63.027
Taxes from previous tax audits	880.536	
	<u>2.251.223</u>	<u>3.586.099</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 1.283.536€, 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	Luxemburg	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

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, have as follows:

(a) AT COST	Group	Company
Balance at 1/1/2005	80.709.067	30.092.312
Additions	12.919.028	4.897.599
Disposals	<u>(861.160)</u>	<u>(268.067)</u>
Balance at 30/6/2005	92.766.935	34.721.844
Fixed assets of sold subsidiary	(208.906)	
Additions	7.917.954	2.002.934
Disposals	<u>(961.392)</u>	<u>(467.686)</u>
Balance at 31/12/2005	99.514.591	36.257.092
Additions	7.762.250	1.309.621
Disposals	<u>(566.243)</u>	<u>(120.430)</u>
Balance at 30/6/2006	<u><u>106.710.598</u></u>	<u><u>37.446.283</u></u>
(b) ACCUMULATED DEPRECIATION	Group	Company
Balance at 1/1/2005	(8.440.890)	(6.871.178)
Depreciation charge	(1.332.966)	(889.581)
Disposals	<u>28.232</u>	<u>28.224</u>
Balance at 30/6/2005	(9.745.624)	(7.732.535)
Fixed assets of sold subsidiary	43.905	
Depreciation charge	(1.744.056)	(978.613)
Disposals	<u>96.636</u>	<u>68.265</u>
Balance at 31/12/2005	(11.349.139)	(8.642.883)
Depreciation charge	(1.672.604)	(859.361)
Disposals	<u>51.541</u>	<u>44.338</u>
Balance at 30/6/2006	<u><u>(12.970.202)</u></u>	<u><u>(9.457.906)</u></u>
(c) NET VALUES	Group	Company
Balance at 1/1/2005	72.268.177	23.221.134
Balance at 30/6/2005	83.021.311	26.989.309
Balance at 31/12/2005	88.165.452	27.614.209
Balance at 30/6/2006	93.740.396	27.988.377

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 previous periods, have as follows:

(a) AT COST	Group	Company
Balance at 1/1/2005	2.522.046	2.173.391
Additions	<u>203.230</u>	<u>150.480</u>
Balance at 30/6/2005	2.725.276	2.323.871
Intangible assets of disposed subsidiary	(900)	
Additions	<u>857.490</u>	<u>842.989</u>
Balance at 31/12/2005	3.581.866	3.166.860
Additions	<u>622.771</u>	<u>386.017</u>
Balance at 30/6/2006	<u>4.204.637</u>	<u>3.552.877</u>
(b) ACCUMULATED DEPRECIATION	Group	Company
Balance at 1/1/2005	(928.737)	(894.878)
Depreciation charge	<u>(121.208)</u>	<u>(106.877)</u>
Balance at 30/6/2005	(1.049.945)	(1.001.755)
Intangible assets of disposed subsidiary	202	
Depreciation charge	<u>(139.097)</u>	<u>(121.733)</u>
Balance at 31/12/2005	(1.188.840)	(1.123.488)
Depreciation charge	<u>(164.405)</u>	<u>(143.202)</u>
Balance at 30/6/2006	<u>(1.353.245)</u>	<u>(1.266.690)</u>

(c) NET VALUES	Group	Company
Balance at 1/1/2005	1.593.309	1.278.513
Balance at 30/6/2005	1.675.331	1.322.116
Balance at 31/12/2005	2.393.026	2.043.372
Balance at 30/6/2006	2.851.392	2.286.187

10. Investments at fair values

This account comes entirely from the assets of the mother 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	341.952		341.952
Valuation losses		(7.200)	(7.200)
Sale of stocks	(445.674)		(445.674)
Balance at 30/6/2005	<u>3.033.317</u>	<u>13.760</u>	<u>3.047.077</u>
Changes of the period from 1/7 to 31/12/2005	109.689	2.200	111.889
Balance at 31/12/2005	<u>3.143.006</u>	<u>15.960</u>	<u>3.158.966</u>
Valuation losses	(700.321)	(2.160)	(702.481)
Balance at 30/6/2006	<u>2.442.685</u>	<u>13.800</u>	<u>2.456.485</u>

11. Investments in subsidiary companies

The changes in this account, which 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, are presented in the following page



ELMEC SPORT ABETE
Notes to the Interim Financial Statements of 30.06.2006
(The amounts in all the tables are expressed in EUROS)

<i>Company</i>	<i>Balance at 1/1/2005</i>	<i>Additions/ (Disposals)</i>	<i>Balance at 30/6/2005</i>	<i>Additions/ (Disposals)</i>	<i>Balance at 31/12/2005</i>	<i>Additions/ (Disposals)</i>	<i>Balance at 30/6/2006</i>
A&A Holdings SA	10.654.319		10.654.319		10.654.319		10.654.319
Factory Outlet Airport SA		59.400	59.400	2.970.000	3.029.400	2.370.060	5.399.460
Elmec Romania Srl	2.968.803		2.968.803		2.968.803		2.968.803
Elmec Sport Bulgaria EOOD	44.021		44.021		44.021	1.500.002	1.544.023
Chronosport SA	117.392		117.392		117.392		117.392
Moustakis SA	943.650		943.650		943.650		943.650
Elmel Com. Ltd	91.800		91.800	(91.800)			
Logistics Express SA						59.994	59.994
Attica Department Stores SA	2.500.000		2.500.000		2.500.000		2.500.000
Ipirotiki SA	19.486.026		19.486.026	4.744.821	24.230.847		24.230.847
	<u>36.806.011</u>	<u>59.400</u>	<u>36.865.411</u>	<u>7.623.021</u>	<u>44.488.432</u>	<u>3.930.056</u>	<u>48.418.488</u>

The changes in this account during the current fiscal year are as follows:

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.

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 30/6/2005	<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 30/6/2006	<u>2.150.000</u>	<u>380.725</u>	<u>257.187</u>	<u>141.800</u>	<u>2.929.712</u>

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 and Note 17.

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 above-referred dividend is included in short-term liabilities of the attached Balance Sheets and the distribution to the beneficiaries will commence on the 21st of August 2006.

14. Related parties

During the current period, compensations amounting to 97.200 € were paid to the members of the Board of Directors against 97.200 € 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 - 30/6/2006	1/1 - 30/6/2005
Concept One SA	218.591	220.764
BoD members and their companies	<u>83.713</u>	<u>1.081</u>
	<u><u>302.304</u></u>	<u><u>221.845</u></u>

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

	1/1 - 30/6/2006	1/1 - 30/6/2005
Factory Outlet SA	286.656	17.316
Elmec Romania SRL	5.092.535	1.480.396
Elmec Sport Bulgaria EOOD	868.478	256.442
Chronosport SA	383.827	(3.287)
Moustakis SA	524.739	256.078
Elmel Com. Ltd		47.574
Attica Department Stores SA	1.758.460	659.847
Concept One SA	218.591	220.764
BoD members and their companies	<u>83.714</u>	<u>1.081</u>
	<u><u>9.216.999</u></u>	<u><u>2.936.210</u></u>

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

	1/1 - 30/6/2006	1/1 - 30/6/2005
BoD members and their companies	28.898	188.939
	<u>28.898</u>	<u>188.939</u>

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

	1/1 - 30/6/2006	1/1 - 30/6/2005
Factory Outlet SA	231.161	276.111
Attica Department Stores SA	83.415	
BoD members and their companies	28.898	1.570
	<u>343.474</u>	<u>277.681</u>

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

	30/6/2006	31/12/2005
Concept One SA	425.093	404.038
Evenis SA	38.777	41.388
BoD members and their companies	249.264	248.777
	<u>713.134</u>	<u>694.203</u>

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

	30/6/2006	31/12/2005
Factory Outlet SA	73.447	
Elmec Romania SRL	11.073.139	8.450.043
Elmec Sport Bulgaria EOOD	1.460.991	1.565.942
Chronosport SA	364.575	93.003
Moustakis SA	1.187.424	1.291.478
Logistics Express SA	82.429	
Attica Department Stores SA	2.854.565	2.068.545
Concept One SA	425.093	404.038
BoD members and their companies	249.264	242.734
	<u>17.770.927</u>	<u>14.115.783</u>

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

	30/6/2006	31/12/2005
Internet Store SA	24.573	24.573
BoD members and their companies	17.458	324.941
	<u>42.031</u>	<u>349.514</u>

Payables of the Company to related parties are depicted here:

	30/6/2006	31/12/2005
Factory Outlet SA	54.045	41.919
Elmec Romania SRL		2.814
Elmec Sport Bulgaria EOOD	1.133	840
Chronosport SA		19.160
Attica Department Stores SA	42.507	79.530
Internet Store SA	24.573	24.573
BoD members and their companies	17.458	324.941
	<u>139.716</u>	<u>493.777</u>

15. Contingent liabilities

The Group's companies have provided third parties with letters of guarantee amounting to 21.979.357 € (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 11.651.091 € (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 22,8% of the consolidated turnover for the examined period 1/1 - 30/6/2006 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

During the period from July 1st, 2006 to August 21st, 2006, the date of approval of the attached financial statements, the regular tax audit for the financial years 2004 and 2005 has been completed. Additional taxes amounting to 1.280.536 euros in total came out of the audit against an applicable provision of 400.000 euros the Company had formed at 31/12/2005. The above event is considered as an "Event After the Balance Sheet Date", in accordance to IAS 10, therefore an expense of 880.536 euros has been recognised in the income statements of the examined period.

Glyfada, August 21st, 2006

The Chairperson of the BoD

Lucy Fais

ID X091336

The Managing Director

Sam Fais

ID X091240

The Chief Accountant

Theodora Kaloplastou

ID T542192