

Folli Follie Group First Half 2010 Financial Results

August 31st, 2010



FF Group First Half 2010 - Overview Financials

		% of sales
Total Sales	464,7	
EBITDA	103,3	22,2%
EBIT	92,3	19,9%
EBT	64,8	13,9%
EAT after min.	38,3	8,2%

FF Group – Financial Highlights First Half 2010

- § Overall a solid first half performance of the Folli Follie Group considering the difficult local environment and last year's high comparables.
- § Group revenues increased by 2,6%, gross profit and operating profit remained flat at (+0,5%) and (+0,7%).
- § Hellenic Duty Free Shops core business succeeded despite lower revenues to increase its profitability through cost control measures and an adjusted pricing policy.
- § Despite the resilient sales performance of Elmec Sport (+3,4%) profitability was affected by a weak retail market environment in Greece and the Balkans as well as increased expenditures for the 19 new POS, pursuing a strategy to strengthen its positioning as soon as this difficult environment subsides.
- § Folli Follie with an unchanged sales trend in Asia (+18%) and the Travel Retail (+13%), revenue performance in Europe and Japan decelerated on the back of high comparables for the same period last year.
- § Links of London with a resilient revenue performance (+4%), EBITDA almost unchanged compared to the same period last year, and taking into consideration the investments for Folli Follie's UK expansion.
- § Group net profit after taxes and minorities decreased by 30% to €38,3m, impacted by higher financial expenses and the one-off windfall tax of EUR 6,2 million.

FF Group – First Half 2010 Summarized Income Statement

<i>In million EUR</i>	2010	2009	% Change
Revenue	464,7	452,7	2,7%
Gross margin	238,3	237,2	0,5%
Selling expenses	-134,5	-127,7	5,3%
Administrative expenses	-24,7	-28,8	-14,2%
Other income and expenses	13,2	10,9	21,1%
Operating profit	92,3	91,6	0,8%
Net financial income (expense)	-27,5	-11,3	143,4%
Income taxes	-21,1	-17,5	20,6%
Net profit before minority interests	43,7	62,8	-30,4%
Minority interests	-5,4	-8,1	-33,3%
Group share of net profit	38,3	54,7	-30,0%
Amortisation - Depreciation	11,1	9,9	
EBITDA	103,4	101,5	1,9%

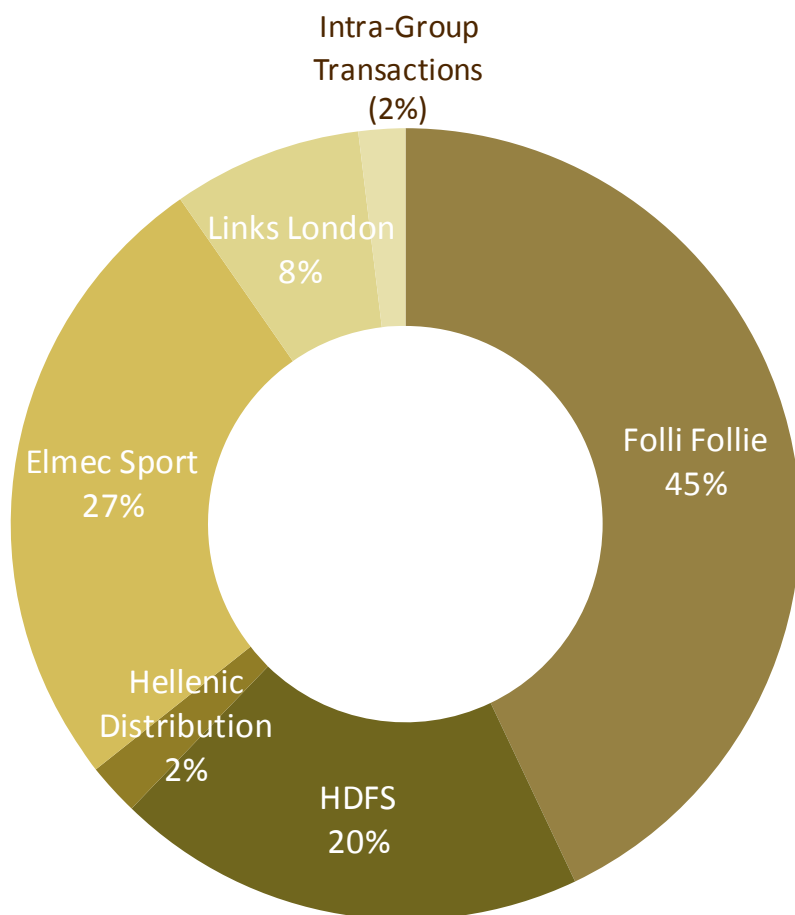
FF Group – Revenue by company

<i>In million EUR</i>	H1 2010	H1 2009	Organic growth
Folli Follie stand alone	207,5	188,1	10,3%
Hellenic Duty Free Shops	93,0	102,1	-8,9%
Hellenic Distributions	10,3	10,4	-1,0%
Elmec Sport	125,7	121,5	3,5%
Links of London	37,4	36,0	3,9%
Intra-Group Sales	9,2	5,4	
Total	464,7	452,7	2,7%

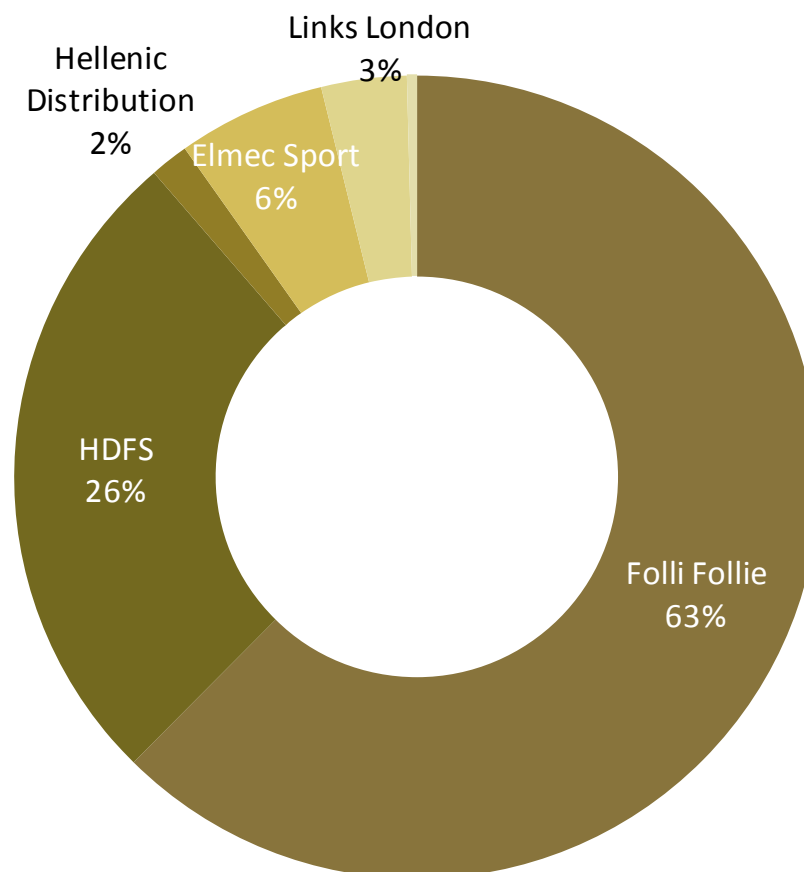
Intra-Group Sales on HDFS Group level € 2,2m

FF Group – Revenue and EBITDA split by company

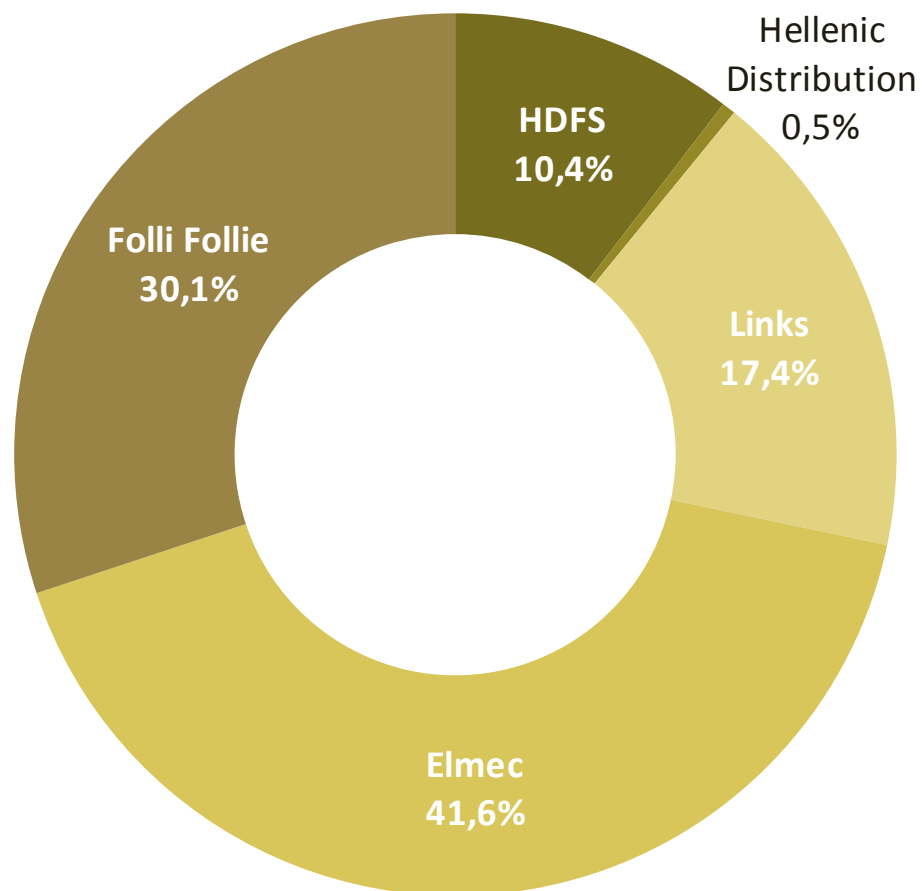
Revenue split by company



EBITDA split by company

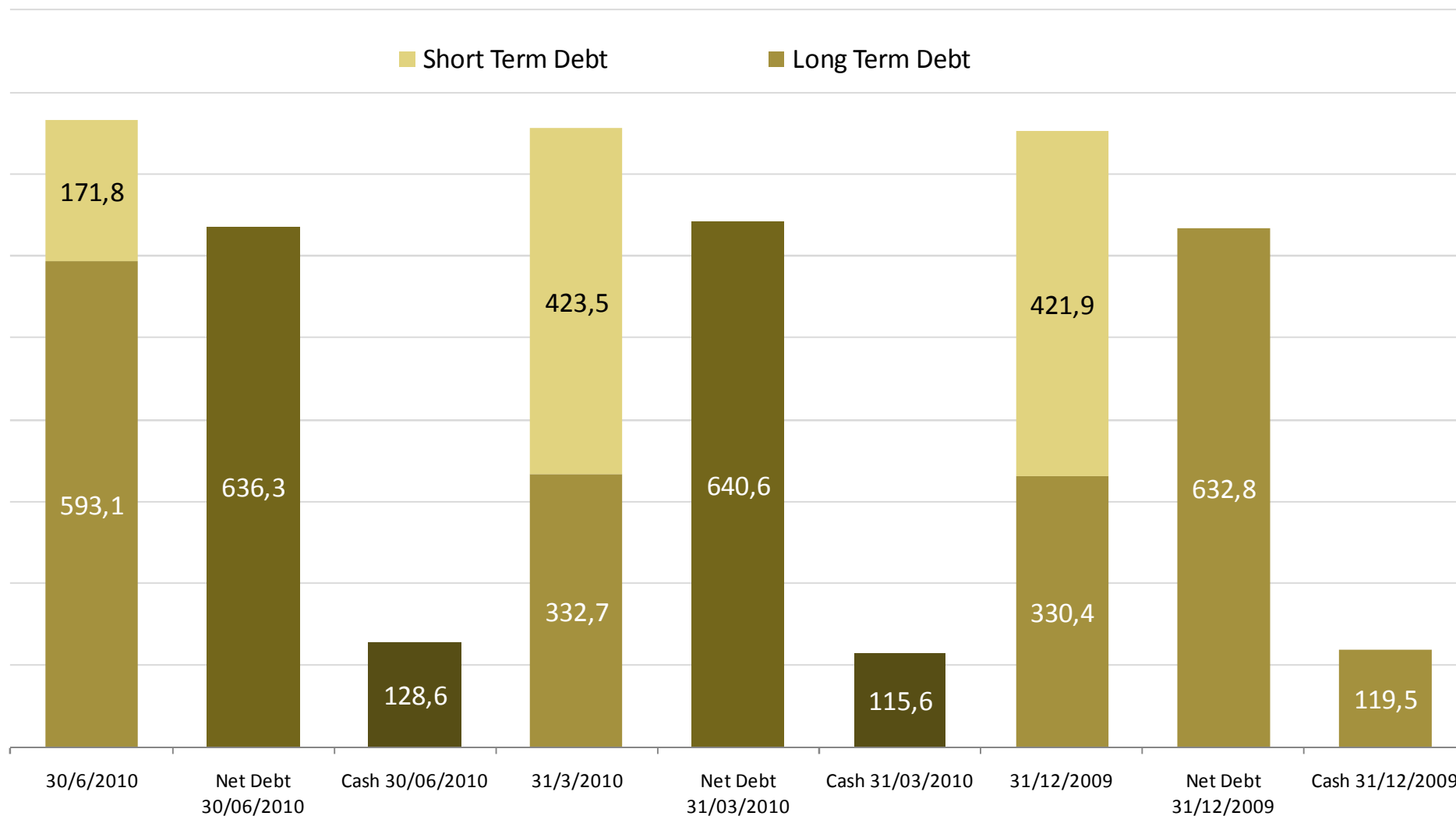


FF Group – Capex Split by company



Group Capex € 15,9m

FF Group Debt Structure by quarter



Net debt decreased by €4,4 million, cash increased by €13,0 million from 31/03/2010 to 30/06/2010

CASH FLOW STATEMENT

Indirect method (Amounts reported in Euros)	THE GROUP		THE COMPANY	
	1/1-30/06/2010	1/1-30/06/2009	1/1-30/06/2010	1/1-30/06/2009
Cash Flows related to Operating Activities				
Net Profit before taxes (From Continuing operations)	64.772.470,74	80.295.628,52	-16.242.929,99	13.706.625,17
<i>Adjustments in respect of non-cash transactions:</i>				
Depreciation and Amortisation	11.072.776,74	9.875.718,89	489.181,32	633.611,91
Provisions	814.619,03	4.875.091,84	132.842,43	556.428,19
Foreign Exchange rate differences	29.219.634,92	3.594.998,07	0,00	0,00
Cash flows from investing activities	9.857.800,87	-7.233.373,20	9.983.590,87	-20.612.648,39
Debit interest and similar expenses	18.448.834,27	18.955.625,45	8.779.483,02	6.765.783,05
Adjustments related to working capital or other operating activities				
Decrease/(increase) of Inventories	-59.617.027,80	-50.195.649,22	418.467,74	253.280,52
Decrease/(increase) of Receivables	-20.917.374,10	-35.123.540,20	3.026.429,71	942.987,77
Increase/(decrease) of payable accounts (except Banks Loans)	298.948,59	-9.498.531,72	1.123.667,23	3.402.263,28
<u>Less</u>				
Interest paid and similar expenses	-15.449.244,70	-16.769.060,41	-7.099.199,43	-6.133.337,21
Income Tax paid	-13.910.816,58	-9.272.553,87	-725.942,35	0,00
Net cash inflows/(outflows) from Operating Activities (a)	24.590.621,98	-10.495.645,85	-114.409,45	-485.005,71
Cash Flows related to Investing Activities				
Purchases of subsidiaries, associates and other investments	0,00	-153.931,89	0,00	-27.931,89
Purchases of tangible and intangible assets	-15.902.725,76	-11.784.526,54	-343.591,23	-320.495,55
Proceeds from sale of tangible and intangible assets	3.999.469,56	641.386,17	25.000,00	5.877,80
Proceeds from sale of financial assets	-13.295.788,33	3.200.798,27	-13.479.254,33	3.099.798,27
Dividends received	90.604,00	0,00	0,00	0,00
Interest received	282.047,47	1.608.736,93	1.128,47	1.725,88
Decrease/(increase) of other long-term receivables	-111.361,21	-1.248.311,84	-184.385,72	-6.755,92
Net cash inflows/(outflows) from Investing Activities (b)	-24.937.754,27	-7.735.848,90	-13.981.102,81	2.752.218,59
Cash Flows related to Financing Activities				
Capital returning to Minorities	0,00	0,00	0,00	0,00
Own Stock	3.294.486,22	-274.623,23	3.957.962,00	0,00
Proceeds from Borrowings	22.383.631,27	282.386.968,43	13.500.000,00	240.225.118,47
Repayment of Loans	-14.657.119,83	-270.224.143,06	-6.302.965,83	-245.365.185,13
Payments for leases	-1.415.382,94	-919.972,17	-26.739,94	-16.672,17
Dividends paid	-123.482,00	-160.485,02	0,00	-8.985,02
Net cash inflows/(outflows) from Financing Activities (c)	9.482.132,72	10.807.744,95	11.128.256,23	-5.165.723,85
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	9.135.000,43	-7.423.749,80	-2.967.256,03	-2.898.510,97
Cash and cash equivalents at the beginning of the Year	119.476.328,10	73.064.483,75	4.889.945,10	3.983.042,61
Cash and cash equivalents at the end of the Year	128.611.328,53	65.640.733,95	1.922.689,07	1.084.531,64

Folli Follie



Folli Follie stand-alone: Financial Highlights First Half 2010

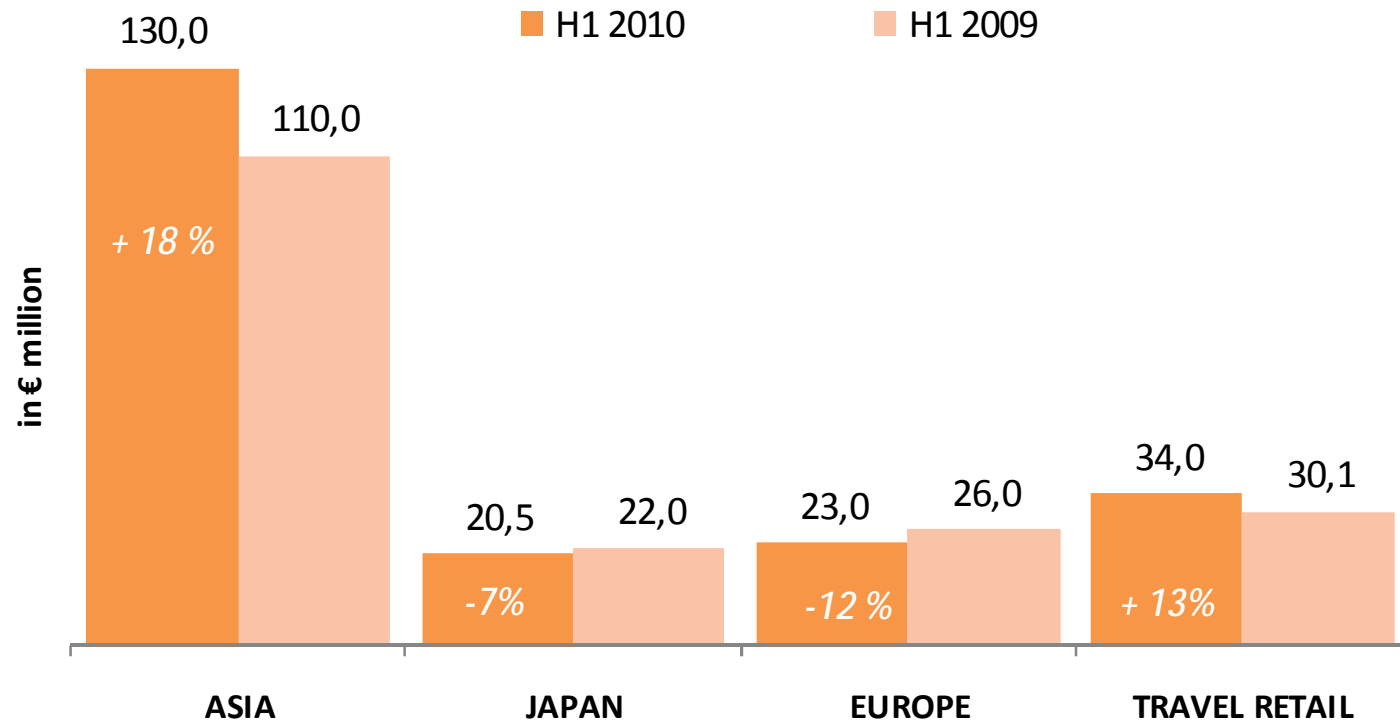
- § Solid revenue growth of the Folli Follie brand despite very high comparables in the first half of 2009.
- § Asia and the Travel Retail segment continue the strong growth trend, Europe has been affected by weaknesses in the local market and a shift from the UK operation to Links of London, Japan has been affected by structural weaknesses in consumer spending.
- § Despite the challenges mentioned above, the brand achieved a double digit revenue growth (+10,3%) and an increasing EBITDA by 9,7%.
- § The EBITDA margin remained almost unchanged at 31,3%, the Gross margin dropped on last year's high comparables from 56,1% (H1 2009) to 52,7% (H1 2010).
- § Net profit* decreased by 28,9% impacted by increased financial expenses from losses in FX and interest rate swaps.

* Method of equity consolidation of the HDFS group by 56,8%

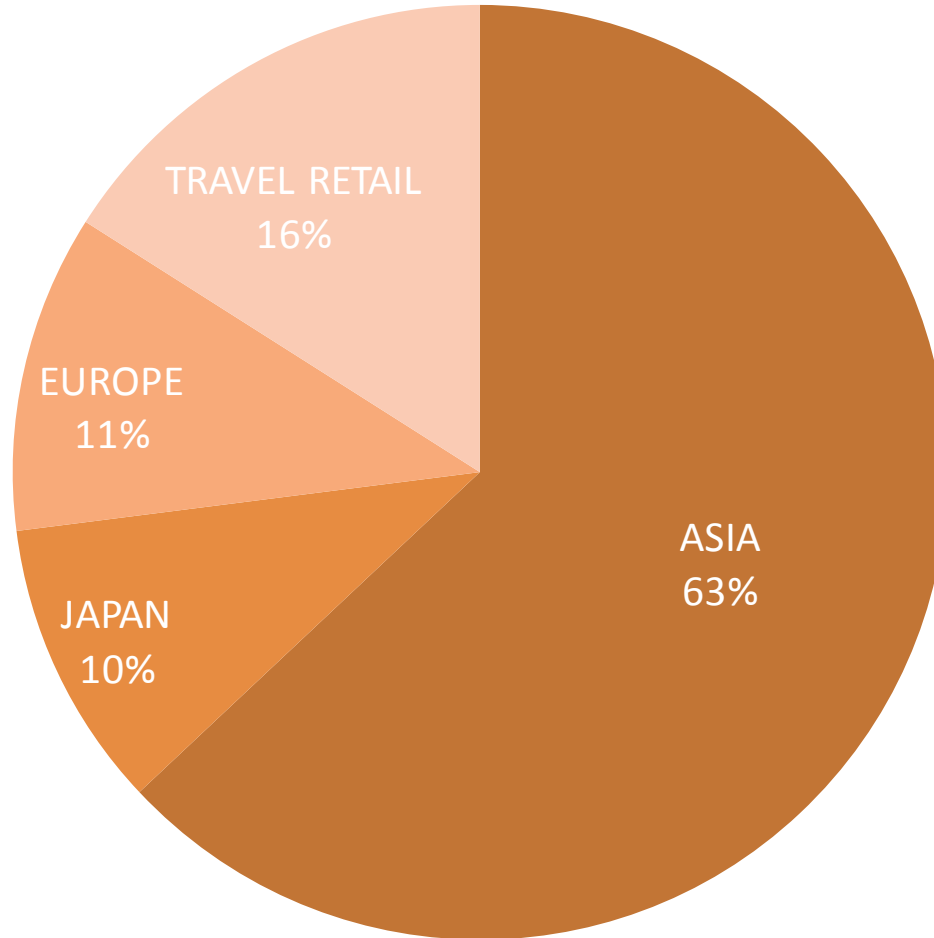
Folli Follie stand-alone: First Half 2010 Financial Highlights

<i>In million EUR</i>	H1 2010	H1 2009	% Change
Revenue	207,5	188,1	10,3%
EBITDA	65,0	59,2	9,8%
EBITDA Margin	31,3%	31,5%	
Gross Margin	52,7%	56,1%	
EBT	49,9	65,4	-23,7%

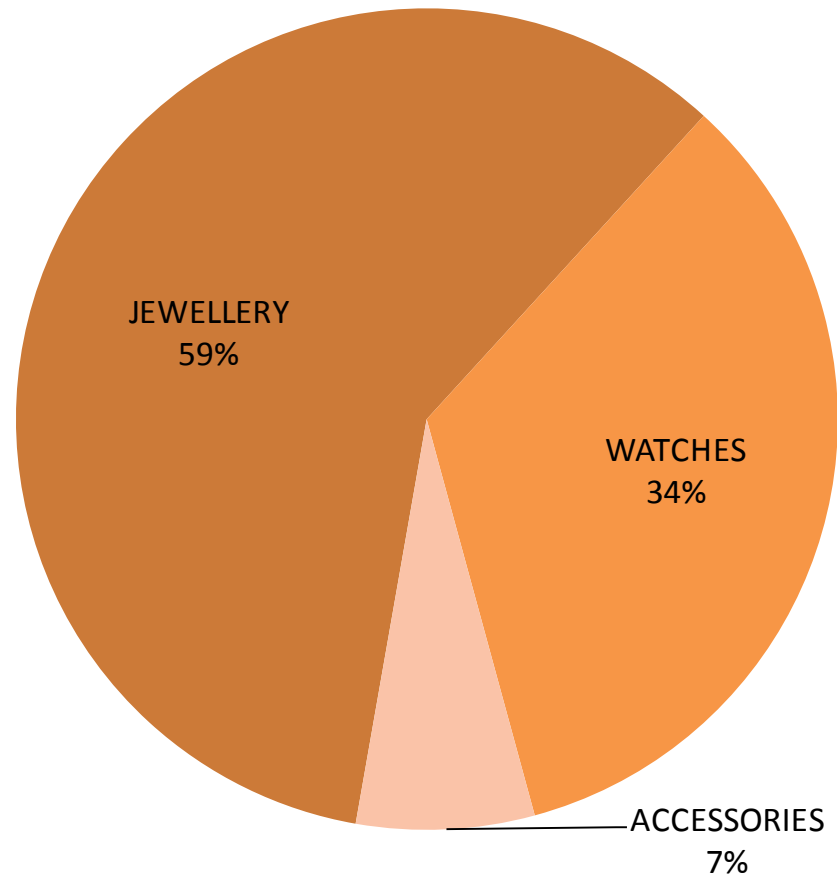
Net sales by Region



Net sales by Region



Product Category Sales



Remarks

- § During the 2nd quarter of 2010, 6 new points of sale opened*:
1 in Cyprus, 1 in Spain, 1 in Japan and 3 in China
- § End of Q2 2010 Folli Follie counted 419 points of sale in 24 countries
- § 3,0% of total turnover in local currency accounted from new openings from 30/06/2009 till 30/06/2010

* 2 shops closed for relocation purposes and did not re-open until June 30th.

HELLENIC DUTY FREE SHOPS



Athens International Airport

6M 2010 – Contribution by Company

Amounts in € million	HDFS	ELMEC Sport	Hellenic Distributions	Links London	HDFS Group 6M 2010	% of sales	HDFS Group 6M 2009	% of sales	YoY
Sales	93.0	125.7	10.3	37.4	266.4		270.0		
Intra-Group Sales	-2.2				-2.2		-1.9		
Total Sales	90.8	125.7	10.3	37.4	264.2		268.1		-1.5%
EBITDA	27.3	6.2	1.6	3.6	39.2	14.8%	43.0	16.0%	-8.8%
Depreciation					7.8		6.7		
EBIT					31.4	11.9%	36.3	13.5%	-13.5%
Interest & participation income					-8.5		-10.4		
EBT					22.8	8.6%	25.8	9.6%	-11.6%
Taxes					10.7		7.5		
EAT					12.1	4.6%	18.3	6.8%	-33.8%
Minority interest					0.7		0.8		
EAT after minorities					11.5	4.3%	17.5	6.5%	-34.6%
Windfall tax					4.8				
EAT after minorities before windfall taxes					16.3	6.2%	17.5	6.5%	-7.1%

Links of London: 6M year-on-year comparison

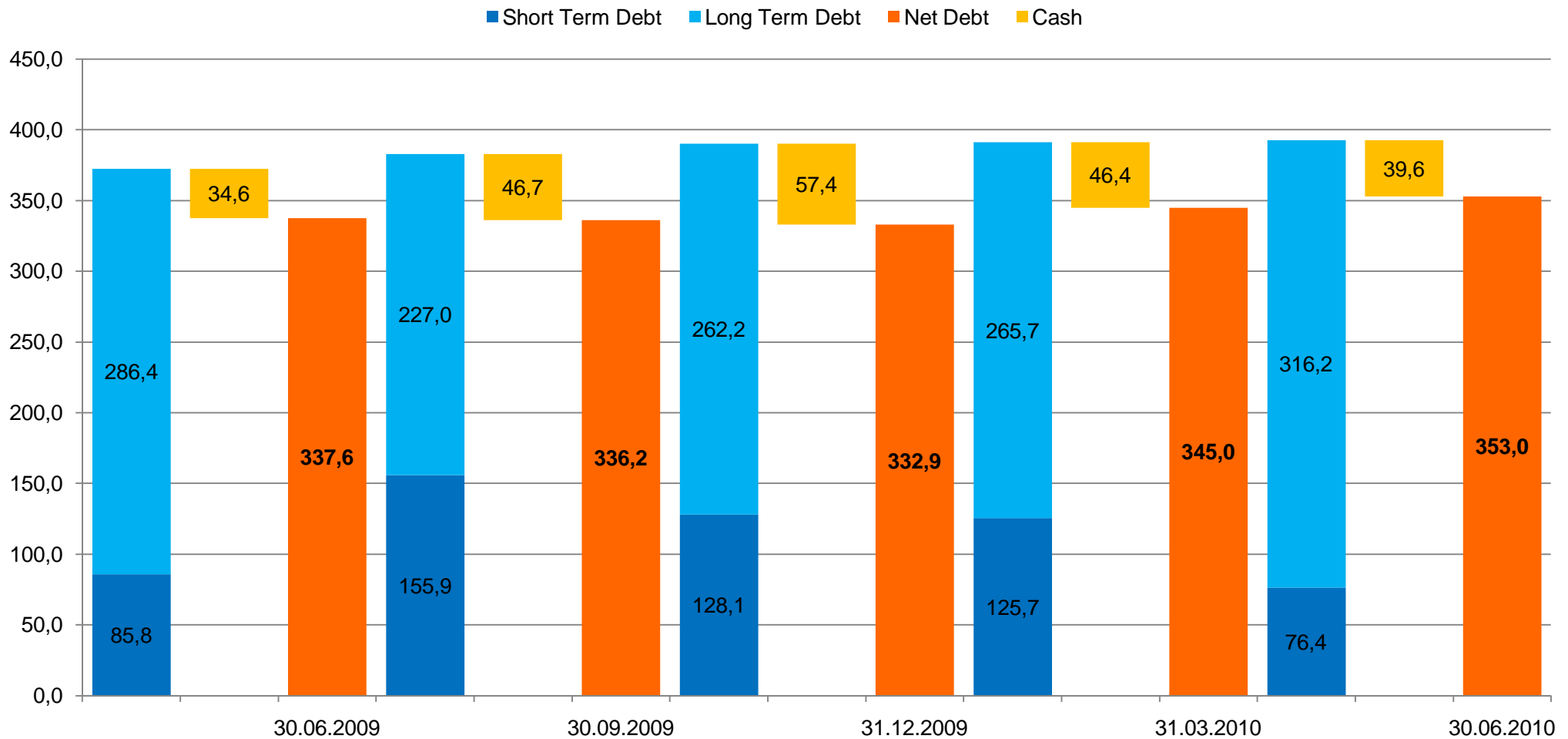


<i>(amounts in GBP '000)</i>	6M 2009	% Sales	+/- 10/09
Turnover	32,565	100.0%	1.3%
Cost of Sales	<u>9,881</u>	30.3%	8.6%
Gross Profit	<u>22,684</u>	69.7%	-1.6%
Other Income	553		119.2%
Administration Expenses	5,680	17.4%	7.9%
Sales Expenses	15,902	48.8%	-2.9%
Interest Income/Expenses	-171		
Earnings before Tax	<u>1,485</u>	4.6%	3.9%
Total Depreciation	1,493		
EBITDA	<u>3,148</u>	9.7%	1.5%
EBIT	<u>1,655</u>	5.1%	-0.3%
Income tax	622		
EAT	<u>863</u>	2.7%	-15.2%

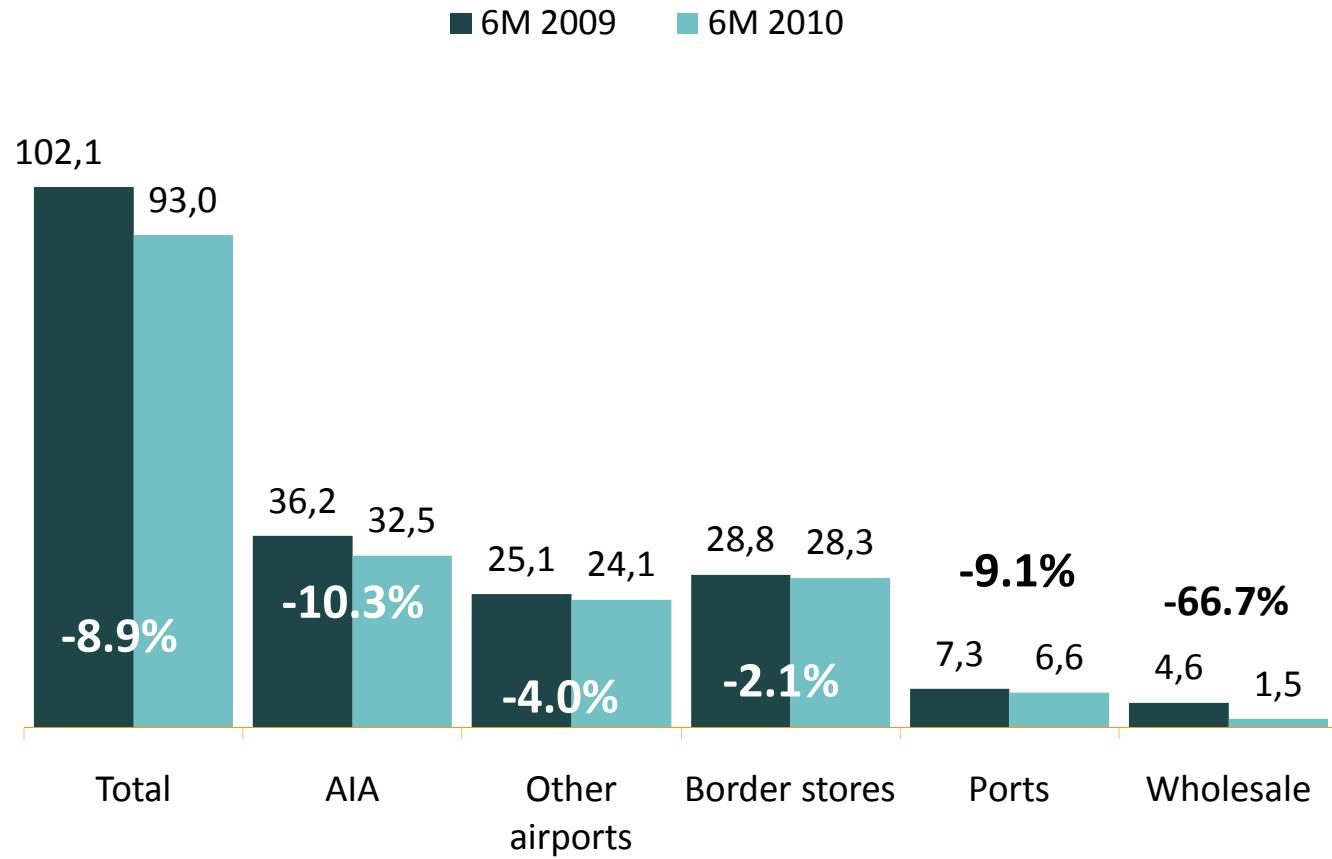
HDFS Group Cash Flow Statement – 6M 2010

<i>(Euro '000)</i>	6M 2010	6M 2009
<u>Operating Cash Flow</u>		
Cash flow before working capital changes	39,755	42,387
Investments in working capital	-36,116	-35,944
Cash from operations	3,639	6,443
Interest expenses	-8,184	-11,861
Taxes paid	-9,121	-6,371
Net cash from operating activities (a)	-13,665	-11,788
<u>Cash flow from investment activities</u>		
Acquisition of subsidiaries	0	-126
CapEx and other investments	-11,119	-8,924
Sale of assets	3,884	537
Interest income	245	863
Dividends received	91	101
Sale of financial assets	183	317
Cash flow from investment activities (b)	-6,717	-7,232
<u>Cash flow from financing activities</u>		
Capital return to minority stakeholders	0	0
Increase / (Decrease) of debt	3,366	12,656
Share buyback	-663	-275
Dividends paid	-123	-151
Cash flow from financing activities (c)	2,579	12,231
Increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	-17,803	-6,790
Cash at the beginning of the period	57,427	41,416
Cash at the end of the period	39,624	34,626
Operating Free Cash Flow (net cash flow from operating activities minus capex)	-24,785	-20,712

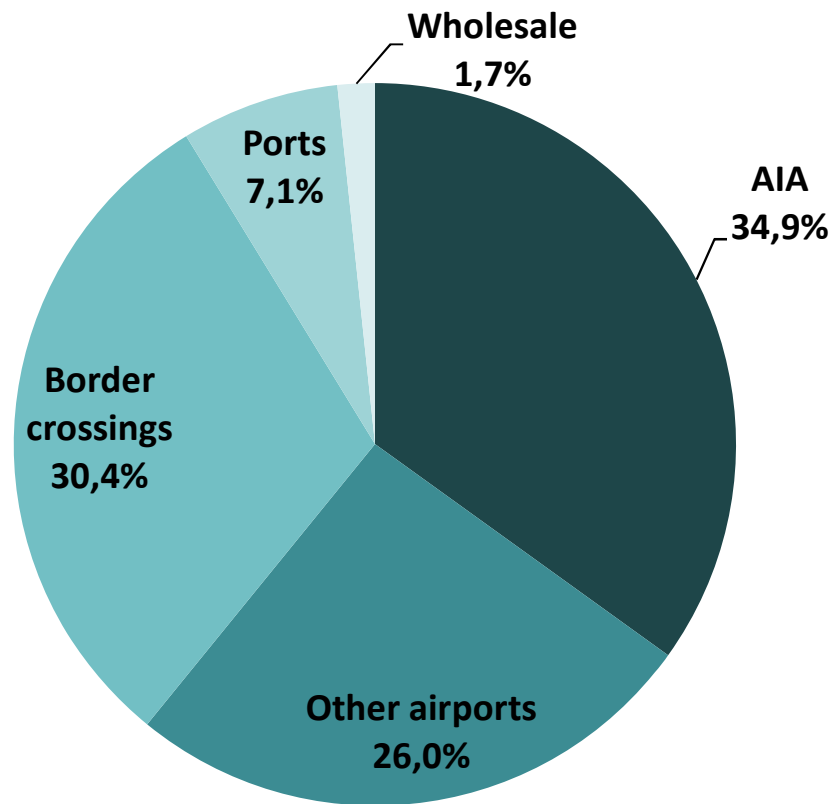
HDFS Group Debt Structure – 6M 2010



Sales by channel



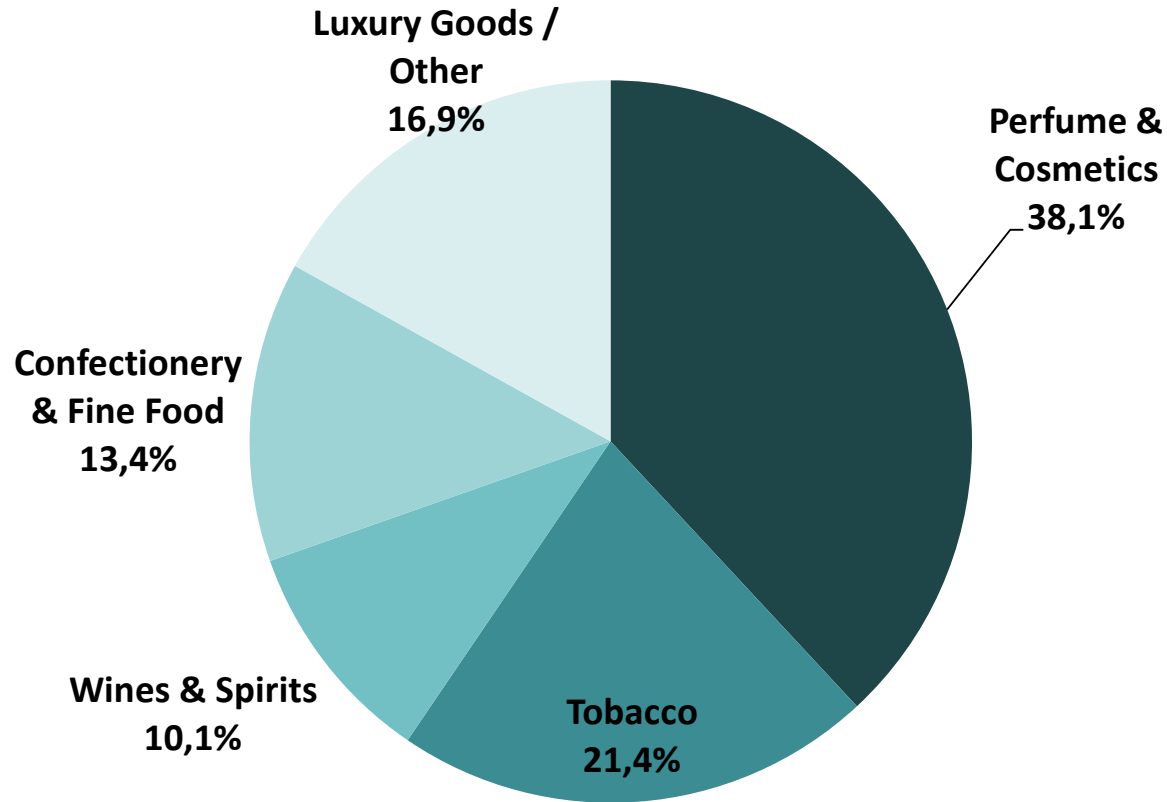
Sales by channel



Sales 6M 2010 vs. 6M 2009:

- § AIA sales -10.3% YoY
- § Other airports' sales -4.0% YoY
- § Border sales -2.1% YoY
- § Port sales -9.1% YoY
- § Wholesale -66.7% YoY

Sales by category

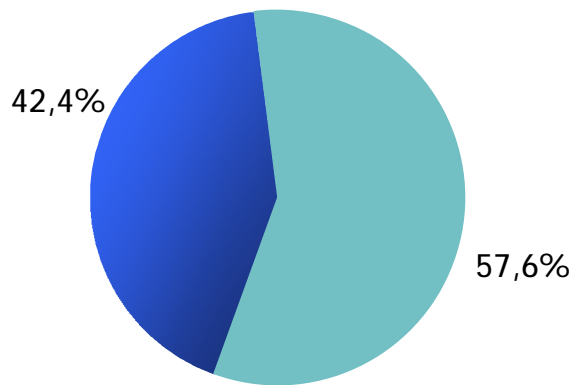


Best performing product categories:

- § Confectionery & Fine Food sales +4.0% at €12.5 million.
- § Tobacco sales +1.6% at €19.9 million.
- § Wines & Spirits sales -5.1% at €9.4 million.

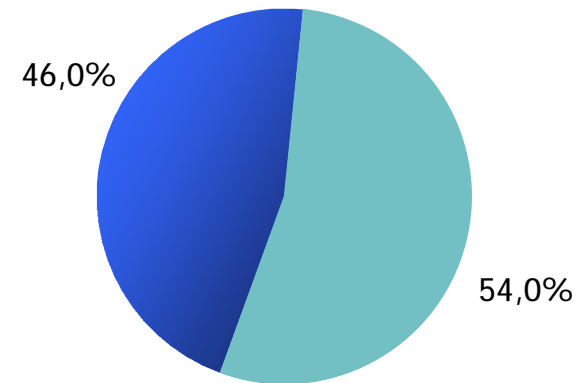
Duty Free versus Duty Paid sales

6M 2009



■ Duty Free ■ Duty Paid

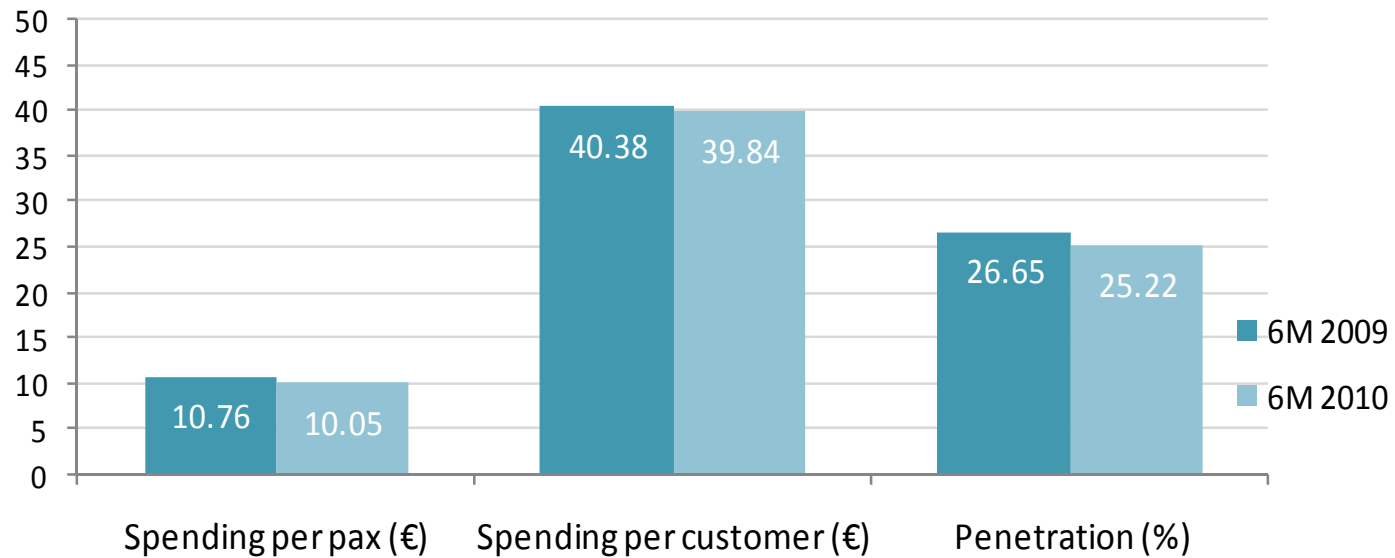
6M 2010



■ Duty Free ■ Duty Paid

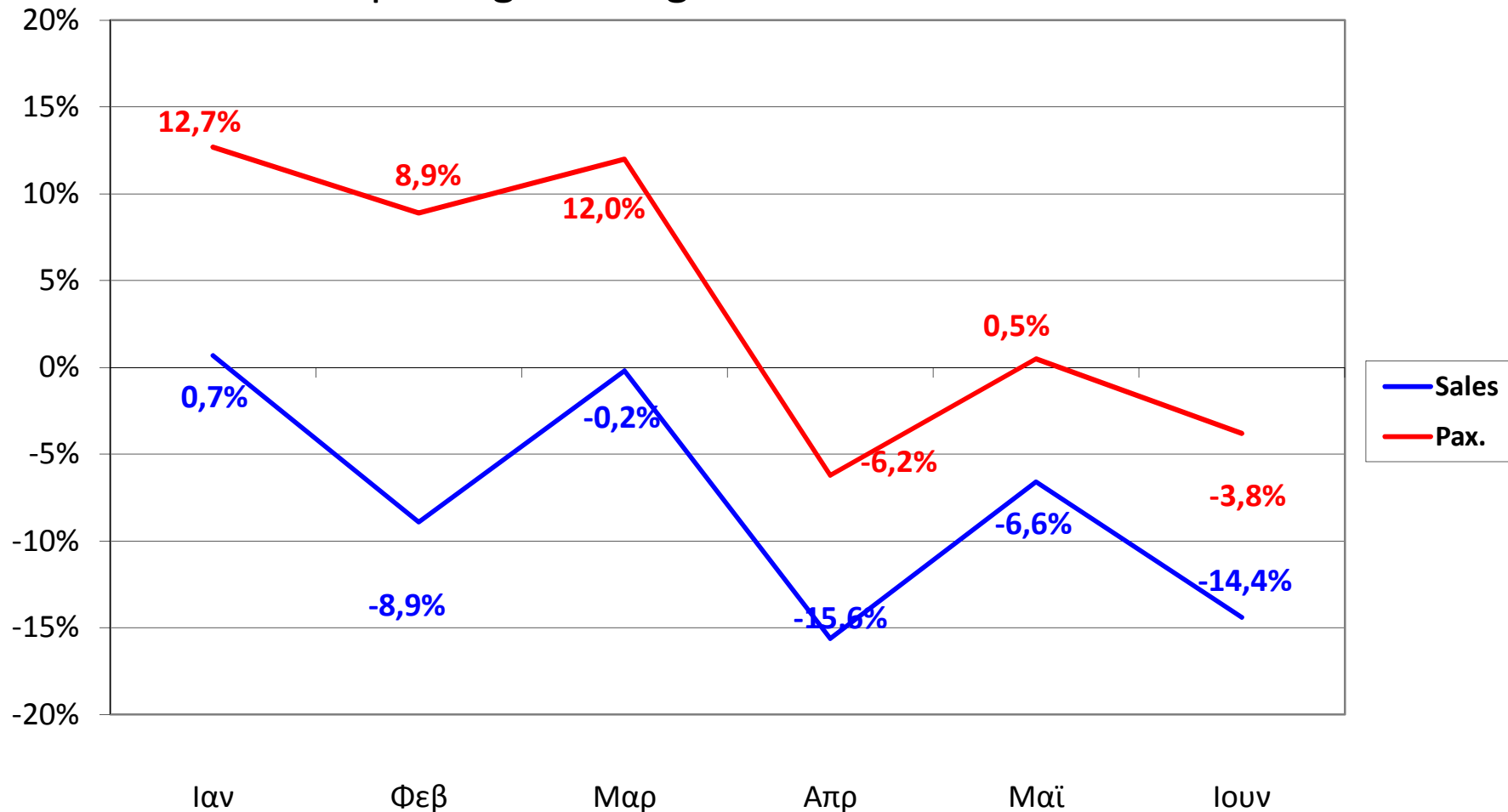
- § DF sales decreased by 1.0% reaching €42.8 million from €43.3 million in 6M 2009.
- § DP sales decreased by 14.7% reaching €50.2 million from €58.8 million in 6M 2009.

Key performance indicators



- § Pax spending -6.6% YoY.
- § Customer spending -1.3% YoY (+0.1% QoQ).
- § Decreased penetration by 143 bps.

Sales vs. Departing Passengers Growth



Sales performance for 6M 2010 -8.9%

Pax performance for 6M 2010 +1.1%



Samsonite Advertisement at Athens International Airport by Elmec Sport

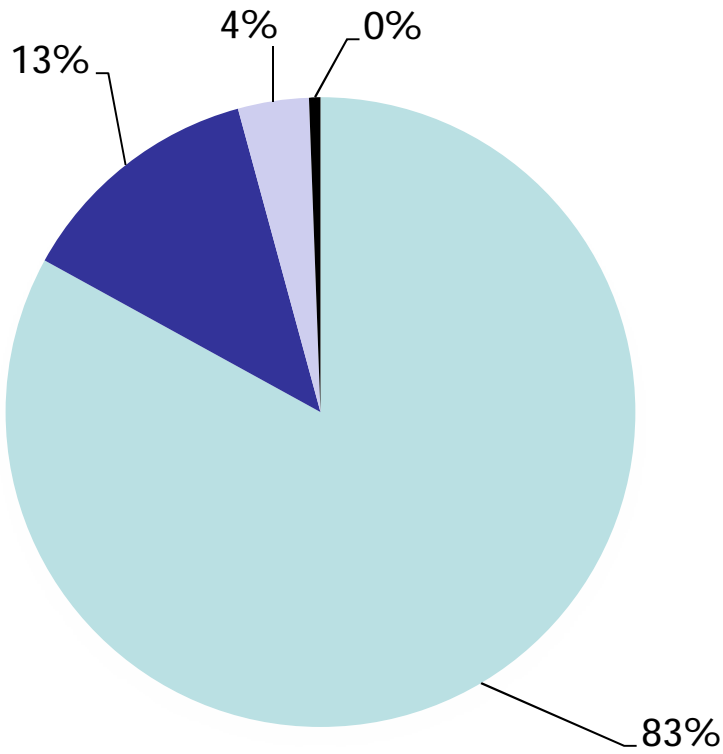


6M 2010 – Contribution by company

Amounts in € mil	Elmec Sport	attica I,II	Romania	Bulgaria	Factory Outlets	other affiliates	Intra- group	Elmec Group 6M 2010	% of sales	Elmec Group 6M 2009	% of sales	Y-o-Y
Sales	47,5	62,1	17,5	3,8	7,4	1,6	-14,3	125,7		121,5		3,4%
<i>y-o-y %</i>	4%	2%	-4%	-24%	-3%	73%	-16%					
EBITDA								6,2	4,9%	10,7	8,8%	-42,0%
EBIT								2,6	2,1%	7,4	6,1%	-64,7%
Interests								0,9		0,6		
EBT								3,5	2,8%	8,1	6,6%	-56,4%
Taxes								-0,7		-2,0		
EAT reported								2,8	2,2%	6,1	5,0%	-54,0%
Minority interest								-0,6		-0,6		
EAT after minorities								2,2	1,8%	5,5	4,5%	-59,4%

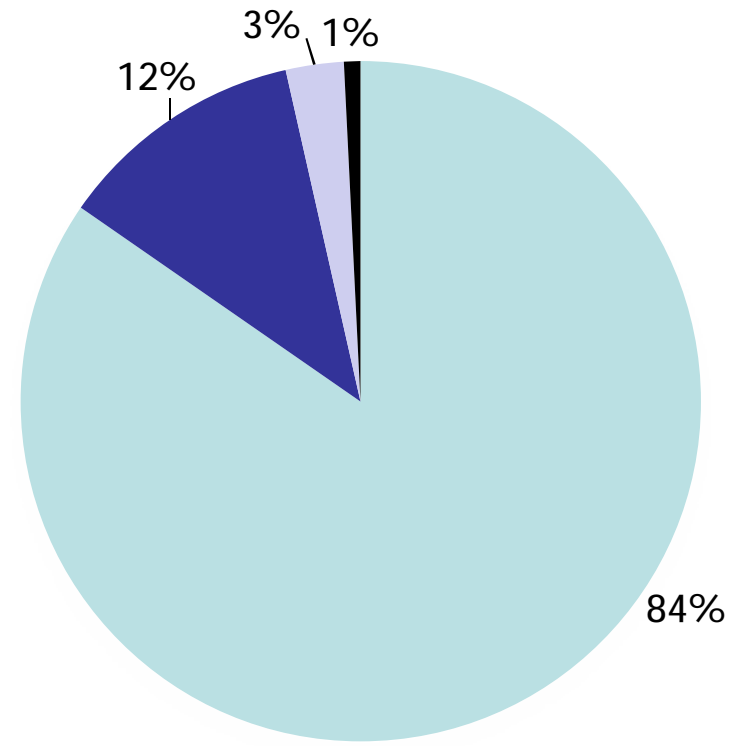
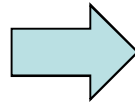
% Sales by region

6M 2009



■ Greece ■ Romania ■ Bulgaria ■ Other

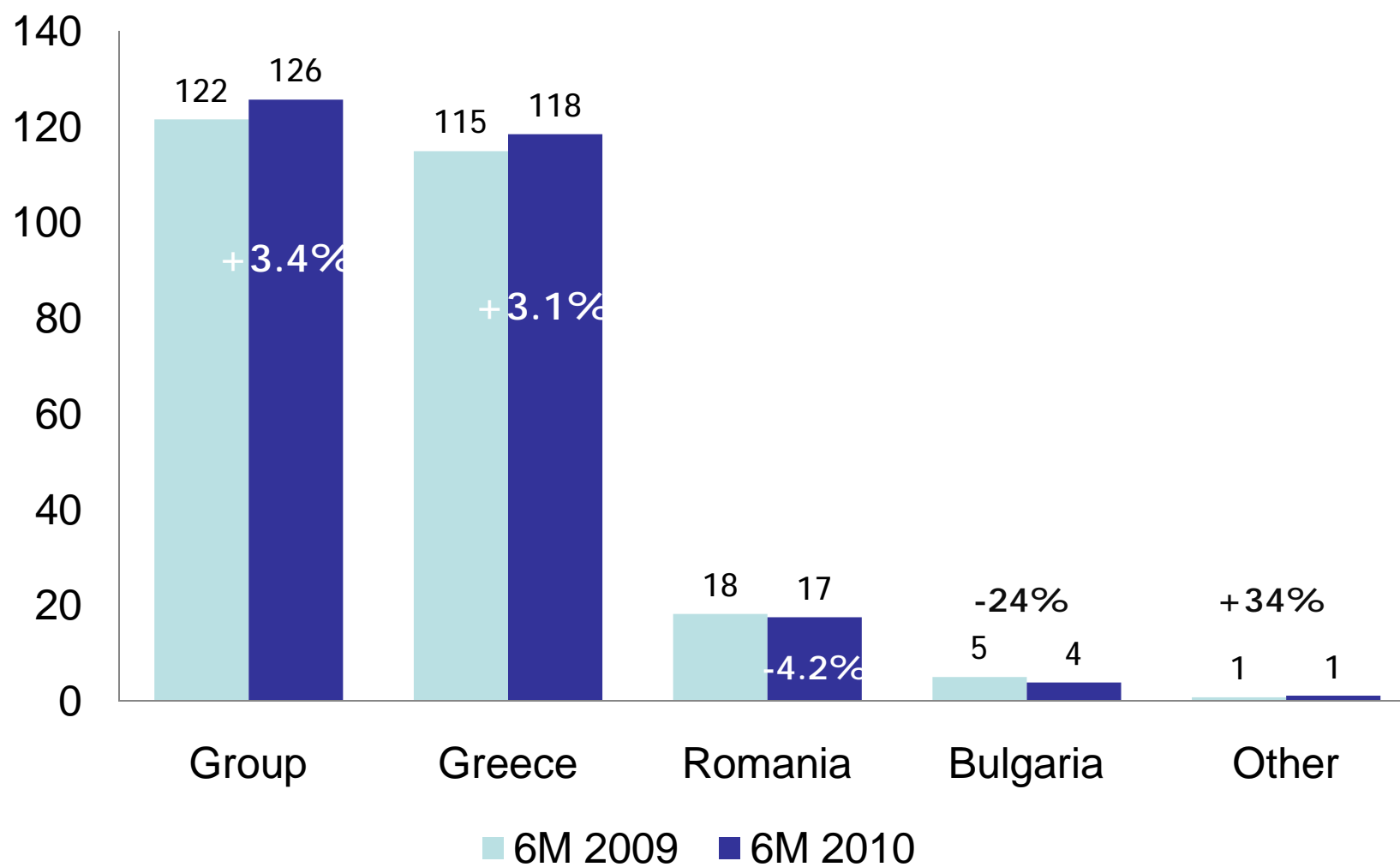
6M 2010



■ Greece ■ Romania ■ Bulgaria ■ Other



Net Sales by region



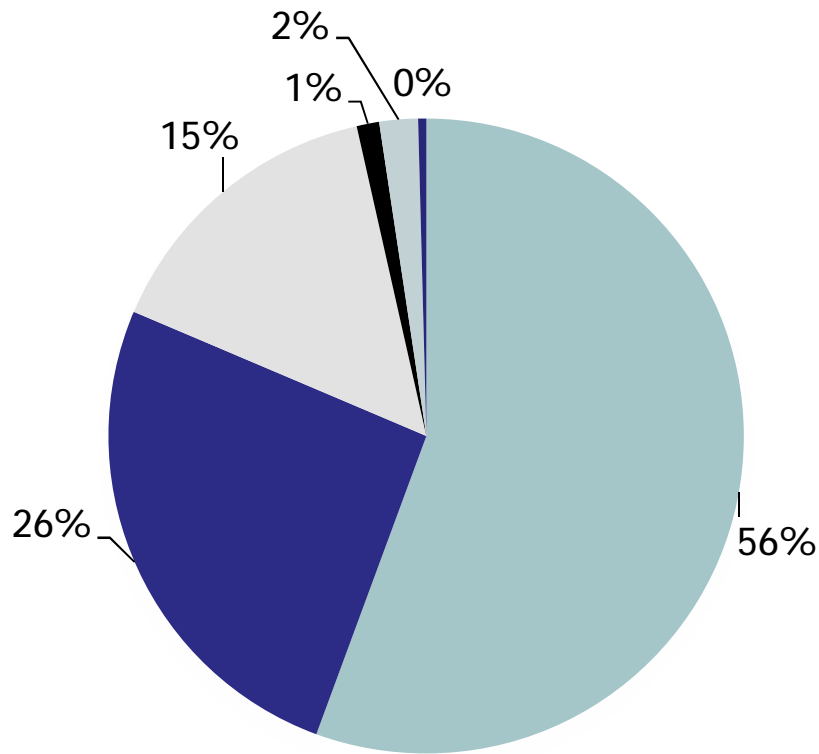
Amounts are in mn euro

Intra group sales (mainly from Greece) stood at € 14.3 mn in 6M 2010 Vs € 17 mn in 6M 2009

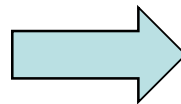
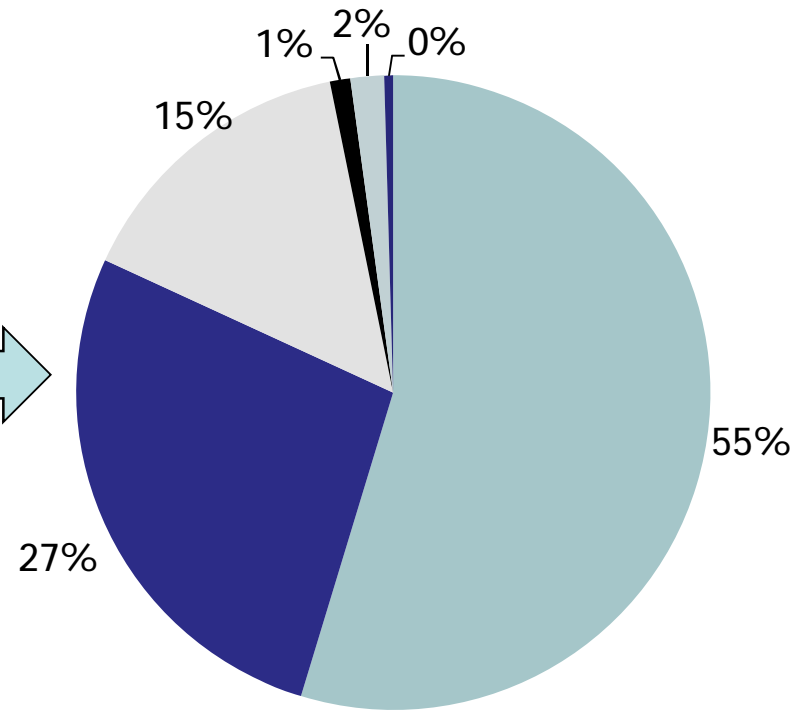


% Sales by segment

6M 2009



6M 2010

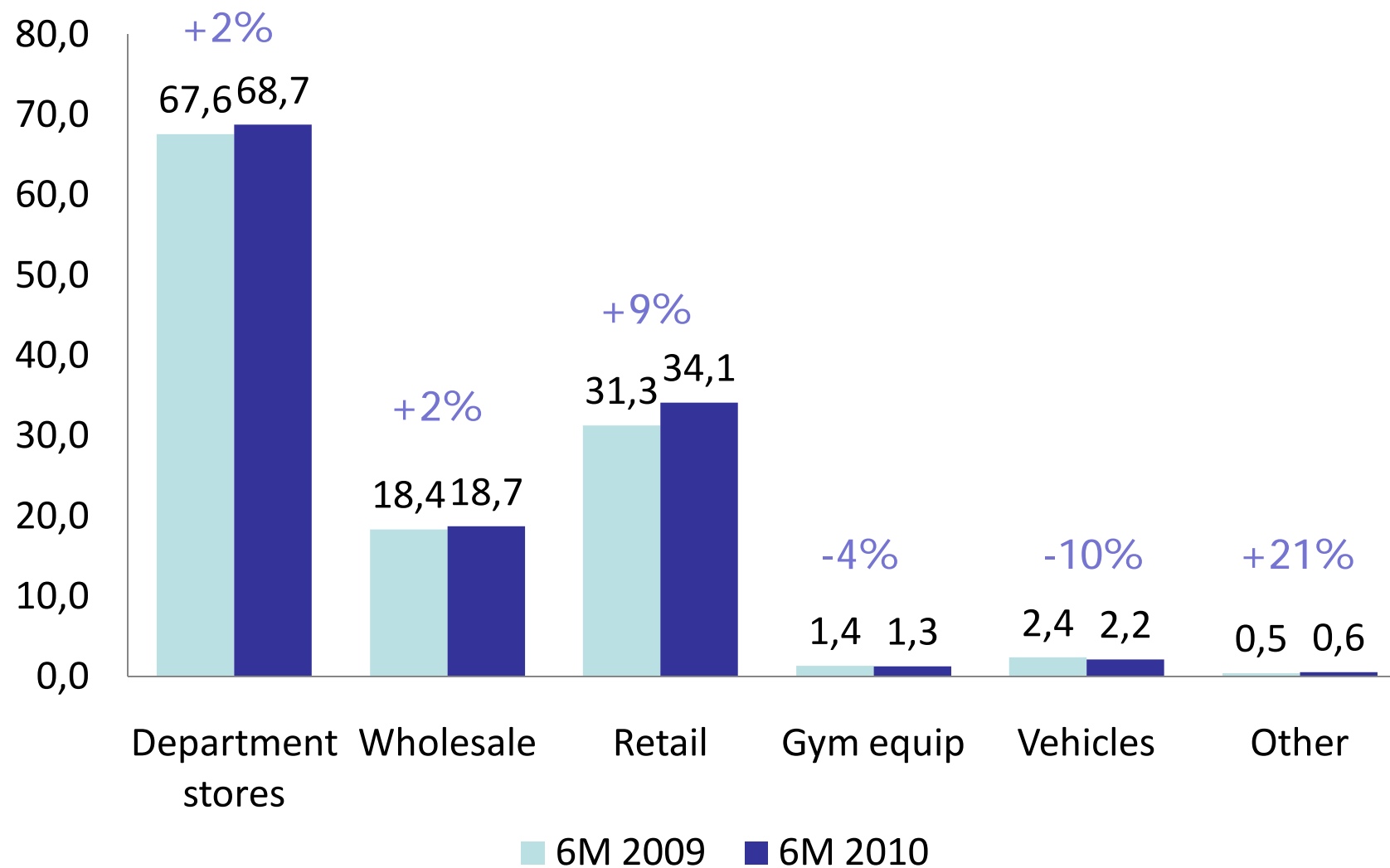


- Department Stores
- Retail
- Wholesale
- Gym equip
- Vehicle
- Other

- Department Stores
- Retail
- Wholesale
- Gym equip
- Vehicle
- Other



Net Sales by segment



Amounts are in million euro

Links of London - Introducing Cat Deeley and the Effervescence Collection



www.follifolliegroupp.com