

Folli Follie Group Q1 2008 Financial Results

Folli Follie

FOLLI FOLLIE

LINKS
LONDON

Athens, 27th May 2008

Group Q1 2008 Highlights (1)



- Ø Consolidation of Elmec for a 3-months period by 95%
- Ø Increased sales by 55,6% compared to Q1 2007, supported by the new group structure
- Ø Modest decline of group's EBITDA margin to 22,9% from 27,8%
- Ø Despite an active expansion strategy, a solid net profit growth of 11,1% on group level

Q1 2008 Highlights (FF stand-alone)



- Ø Impressive sales growth for Folli Follie stand alone (+21,6% in constant currency terms)
- Ø Double-digit sales growth in all markets despite a difficult market environment
- Ø Continuously strong EBITDA growth of 17,5% compared to Q1 2007
- Ø Extraordinary net profit growth of 19%

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Group - Q1 2008 results



IFRS Group Results

	2008 IFRS	2007 IFRS	Change in %
Sales (mn €)	189,3	121,6	55,6 %
EBITDA (mn €)	43,3	33,8	27,8 %
EBITDA Margin	22,9%	27,8%	
EBT (mn €)	28,5	25,1	13,5 %
Net Profit a.M. (mn €)	19,4	17,4	11,1 %
EPS (€)	0,53	0,53	11,3%

Folli Follie (stand alone) Q1 2008 results



IFRS Group Results

Folli Follie stand-alone basis

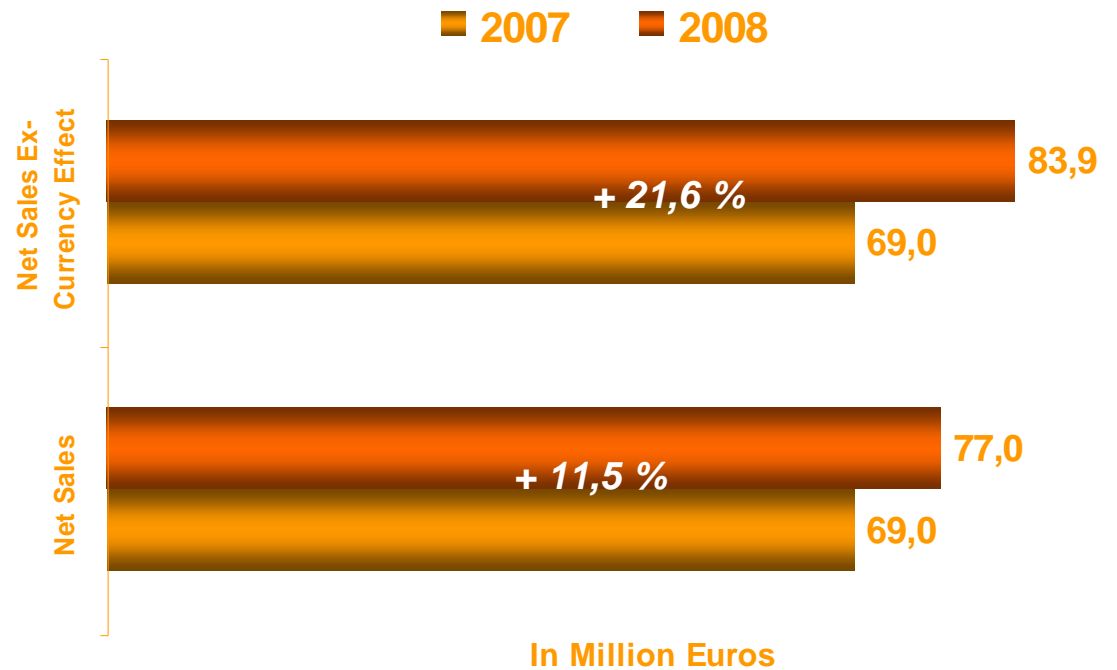
	2008 IFRS	2007 IFRS	Growth
Sales (Million €)	76,9	69,0	11,5%
EBITDA (Million €)	28,5	24,3	17,5%
EBITDA Margin	37,1%	35,2%	
EBT (Million €)	24,8	21,1	17,7%
Net Profit (Million €)*	20,2	16,9	19,0%
EPS (€)	0,61	0,51	

* After taxes and minorities

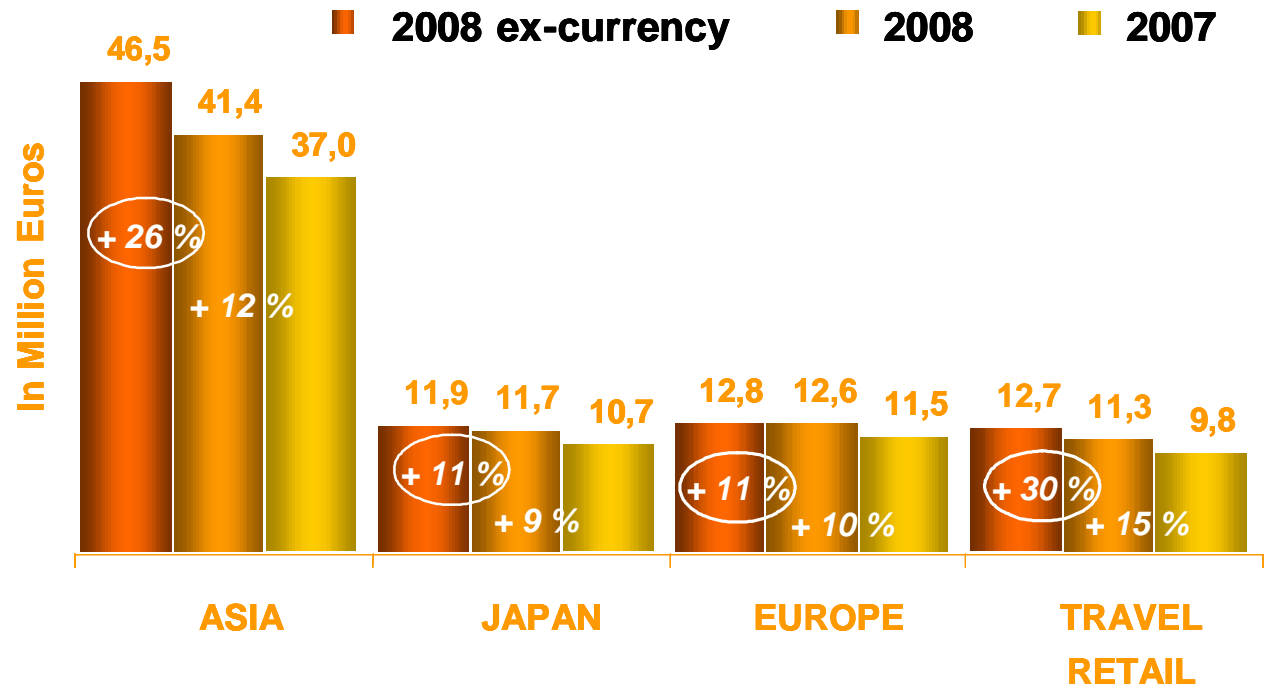
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Net Sales



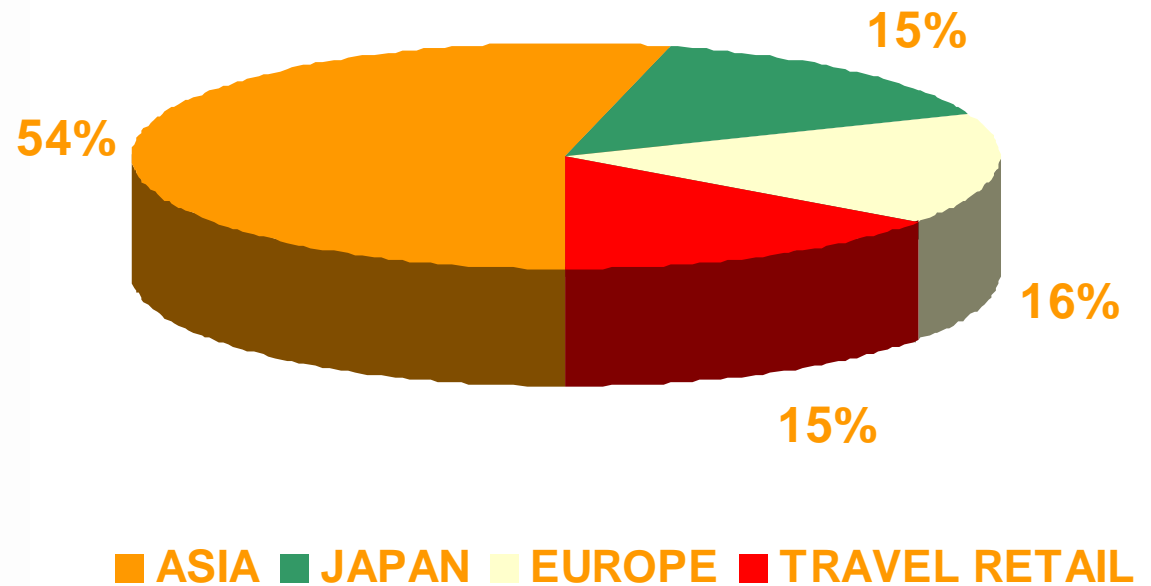
Net Sales by Region



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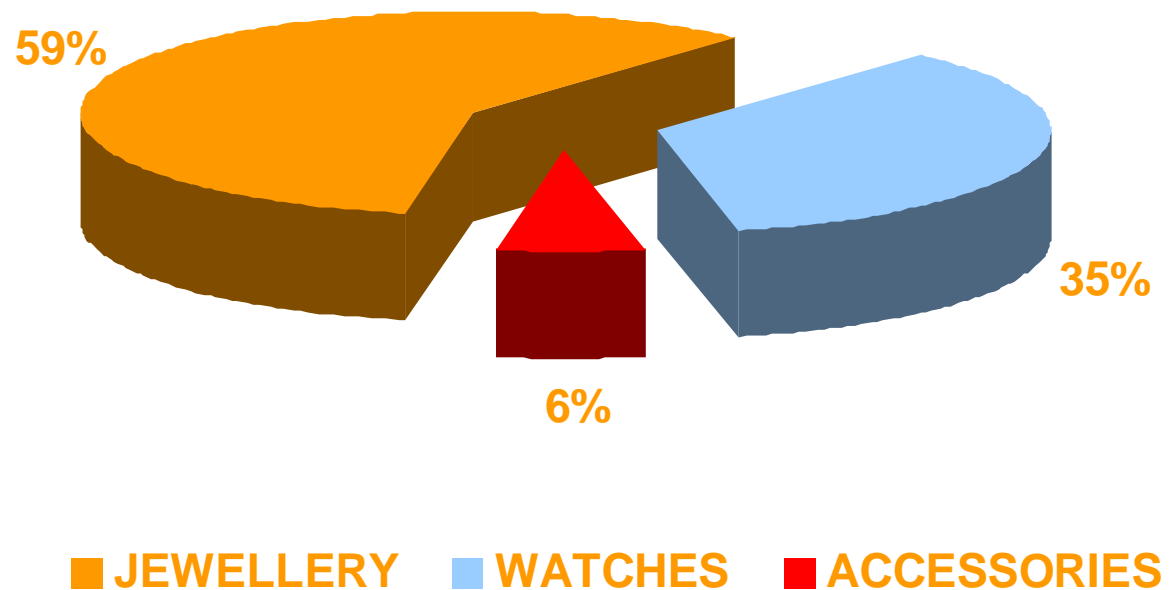
Net Sales by Region



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Financials – Product Category Sales



BALANCE SHEET (Amounts reported in Euro)

THE GROUP

ASSETS	31/3/2008	31/12/2007	31/3/2008
Tangible Assets	198.091.783,48	199.152.522,35	23.334.754,88
Investments in PPE	0,00	0,00	9.500.000,00
Goodwil	359.256.225,45	347.928.082,75	0,00
Intangible Assets	111.559.165,99	112.747.864,67	705.683,03
Investments in associates	0,00	0,00	400.069.215,20
Deferred income tax assets	4.061.928,36	3.703.045,94	262.136,01
Other long term receivables	11.307.693,08	12.566.828,22	297.763,98
Total non-current assets (a)	684.276.796,36	676.098.343,93	434.169.553,10
Inventories	215.219.963,74	209.190.323,18	15.644.071,00
Trade Receivables	174.751.225,58	195.125.870,28	14.671.552,90
Other Receivables	71.708.913,28	49.382.426,72	2.312.256,30
Other financial assets at fair value through profit or loss	3.001.191,94	3.341.881,14	1.595.970,74
Cash and cash equivalents	87.348.330,96	91.508.554,94	5.624.108,08
Total current assets (b)	552.029.625,50	548.549.056,26	39.847.959,02
TOTAL ASSETS (a) + (b)	1.236.306.421,86	1.224.647.400,19	474.017.512,12
EQUITY & LIABILITIES			
Share capital	9.884.062,50	9.884.062,50	9.884.062,50
Share premium	62.531.731,47	62.531.731,47	62.531.731,47
Other reserves	25.082.740,10	25.443.170,44	16.527.025,06
Own Stock	-8.893.210,85	-7.899.441,83	-108.259,13
Retained earnings	296.714.266,52	277.332.378,69	24.875.544,92
Exchange differences	-81.321.024,27	-59.101.599,04	
Other capital and reserves attributable to equity holders of the Company	-88.927.927,73	-88.927.927,73	
Total capital and reserves attributable to equity holders of the Company (a)	215.070.637,74	219.262.374,50	113.710.104,82
Minority interest (b)	130.164.238,88	134.486.641,86	
Total Equity (c) = (a)+(b)	345.234.876,62	353.749.016,36	113.710.104,82
Long-term borrowings	551.125.118,97	547.902.213,79	334.500.000,00
Retirement benefit obligations	10.826.941,22	10.271.467,22	695.089,01
Deferred income tax liabilities	18.153.341,20	18.091.989,76	1.157.563,85
Provisions for other liabilities and charges	8.265.948,16	10.420.084,81	430.994,79
Total non-current liabilities	588.371.349,55	586.685.755,58	336.783.647,65
Trade payables	94.426.049,39	94.738.124,89	1.619.475,12
Short-term Borrowings	150.437.166,22	122.026.853,87	17.586.631,28
Other current liabilities	57.836.980,08	67.447.649,49	4.317.653,25
Total current liabilities	302.700.195,69	284.212.628,25	23.523.759,65
Total Liabilities (d)	891.071.545,24	870.898.383,83	360.307.407,30
TOTAL EQUITY AND LIABILITIES (c)+(d)	1.236.306.421,86	1.224.647.400,19	474.017.512,12



Balance Sheet

DATA FROM INCOME STATEMENT FOR THE PERIOD (Amounts reported in Euro)

	THE GROUP			THE COMPANY
	1/1-31/03/2008	1/1-31/03/2007	1/1-31/03/2008	1/1-31/03/2007
Sales Revenue	189.254.998,30	121.598.551,98	7.502.988,78	7.752.091,77
Cost of goods sold	-92.379.644,15	-50.468.151,75	-2.809.181,25	-2.780.791,91
Gross profit	96.875.354,15	71.130.400,23	4.693.807,53	4.971.299,86
Other Operating income	6.873.933,56	4.166.506,27	503.070,76	417.229,15
Administrative expenses	-11.558.232,91	-9.008.534,31	-1.397.129,80	-1.238.787,60
Selling and marketing costs	-52.662.118,87	-34.298.492,62	-3.122.446,75	-2.915.471,31
Other expenses	-998.714,04	-805.519,93	-459.535,16	-63.477,74
Operating profit	38.530.221,89	31.184.359,64	217.766,58	1.170.792,36
Finance costs - profit	719.619,11	812.387,36	316.481,88	193.255,43
Finance costs - expenses	-10.781.343,05	-6.907.664,09	-5.471.986,99	-5.353.972,49
Share of profit of associates				
Profit/Loss before taxes (EBT)	28.468.497,95	25.089.082,91	-4.937.738,53	-3.989.924,70
Income tax expense	-6.382.247,83	-6.815.727,80	-43.413,40	160.157,94
Profit/Loss for the period (after taxes)	22.086.250,12	18.273.355,11	-4.981.151,93	-3.829.766,76
<u>Attributable to:</u>				
Equity holders of the Company	19.381.887,83	17.443.249,16		#
Minority interest	-2.704.362,29	-830.105,95		
Earnings (after taxes) per share - basic (expressed in €)	0,59	0,53	-0,15	# -0,12
Amortisation - Depreciation	4.725.017,83	2.656.160,00	278.052,66	263.697,75
Earnings (profit) before taxes, financing and investing results and depreciation - amortisation (EBITDA)	43.255.239,72	33.840.519,64	495.819,24	1.434.490,11
Earnings (profit) before taxes, financing and investing results (EBIT)	38.530.221,89	31.184.359,64	217.766,58	1.170.792,36

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Income Statement

CASH FLOW STATEMENT (Amounts reported in Euro)
THE GROUP
THE COMPANY
2ⁿ alternative: Indirect Method

	1/1-31/03/2008	1/1-31/03/2007	1/1-31/03/2008	1/1-31/03/2007
Cash Flows related to Operating Activities				
Net Profit before taxes	28.468.497,95	25.089.082,91	-5.187.738,53	-3.989.924,70
<i>Adjustments in respect of non-cash transactions:</i>				
Depreciation and Amortisation	4.725.017,83	2.656.160,00	278.052,66	263.697,75
Devaluation of tangible and intangible assets	0,00	0,00		
Provisions	529.573,50	478.777,20	30.875,01	30.630,00
Exchange differences	-11.341.132,28	-186.194,91		
Cash flows from investing activities	-430.160,50	214.377,36	33.382,24	-73.582,12
Debit interest and similar expenses	10.308.851,09	6.473.240,00	5.122.082,87	5.168.733,00
Adjustments related to working capital or other operating activities	0,00			
Decrease/(increase) of Inventories	-8.895.423,21	-8.846.467,14	-71.257,97	-545.217,42
Decrease/(increase) of Receivables	-10.559.210,92	-8.345.127,35	2.726.252,73	-1.329.307,42
Increase/(decrease) of payable accounts (except Banks)	-183.238,43	2.385.121,53	-1.124.990,39	-2.015.095,04
<u>Minus</u>	0,00			
Interest paid and similar expenses	-3.401.765,00	-7.211.790,00	-1.647.623,75	-5.284.172,11
Income Tax paid	-7.647.749,18	-1.828.810,63	-1.203.269,76	-63.163,64
<i>Net cash inflows/(outflows) from Operating Activities (a)</i>	<u>1.573.260,85</u>	<u>10.878.368,97</u>	<u>-1.044.234,89</u>	<u>-7.837.401,70</u>
Cash Flows related to Investing Activities				
Purchases of subsidiaries, associates and other investments	-18.509.704,45		-12.630.744,45	
Purchases of tangible and intangible assets	-4.139.866,95	-2.668.740,00	-629.357,30	-198.049,22
Proceeds from sale of tangible and intangible assets	347.215,61	611.435,08	40,00	106,00
Proceeds from sale of financial assets	0,00			
Dividends received	0,00			
Interest received	553.092,35	738.550,00	316.481,88	115.439,11
Decrease/(increase) of other long-term receivables	1.690.900,66	-592.237,14		-4.851,70
<i>Net cash inflows/(outflows) from Investing Activities (b)</i>	<u>-20.058.362,78</u>	<u>-1.910.992,06</u>	<u>-12.946.760,10</u>	<u>-87.355,81</u>
Cash Flows related to Financing Activities				
Own Stock	-993.769,02	-532.971,92		
Proceeds from Loans	15.901.490,34		5.679.766,12	-2.137.660,89
Repayment of Loans	0,00	-1.698.910,63		
Payments for leases	-82.909,21	-94.870,63	-7.737,59	-8.119,65
Dividends paid	-499.934,16	-1.250.120,04	-499.934,16	-1.250.120,04
<i>Net cash inflows/(outflows) from Financing Activities (c)</i>	<u>14.324.877,95</u>	<u>-3.576.873,22</u>	<u>5.172.094,37</u>	<u>-3.395.900,58</u>
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	-4.160.223,98	5.390.503,69	-8.818.900,62	-11.320.658,09
Cash and cash equivalents at the beginning of the period	91.508.554,94	109.310.713,75	14.443.008,70	22.402.656,98
<u>Cash and cash equivalents at the end of the period</u>	<u>87.348.330,96</u>	<u>114.701.217,44</u>	<u>5.624.108,08</u>	<u>11.081.998,89</u>

Cash Flow Statement

DATA FROM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD (Amounts reported inEuro)

	THE GROUP		THE COMPANY	
	31/3/2008	31/3/2007	31/3/2008	31/3/2007
Net equity of period Open.Balance (1/1/2008 and 1/1/2007 respectively)	353.749.016,36	269.637.133,61	119.051.687,09	114.604.893,22
Dividends				
Net income recognised directly in Equity	-360.430,34		-360.430,34	
	-6.909.101,23			
Profit for the period, after taxes	22.086.250,12	18.273.355,11	-4.981.151,93	-3.829.766,76
Adjustment in foreign currency translation differences	-22.337.089,27	-2.992.001,82		
Own Stock	-993.769,02	-532.971,92		
Net equity of period Closing Balance	345.234.876,62	284.385.514,98	113.710.104,82	110.775.126,46

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Statement on Changes in Equity

Remarks



Ø During Q1 of 2008, 8 new points of sale opened (5 relocations):

1 in Spain, 1 in Russia, 1 in Japan,
1 in Korea, 4 in China

End of Q1 2008 Folli Follie counted
359 points of sale in 25 countries

Ø 5% of total turnover in local
currency accounted from new
openings from 31/3/2007 till
31/3/2008

Folli Follie

Athens, 27th May 2008

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The logo for Folli Follie, featuring the brand name in a white, cursive script font on an orange background.