

# Financial Results



## Folli Follie and Hellenic Duty Free Shops 1st Quarter 2007 Financial Results

**Folli Follie**

Athens, 29<sup>th</sup> May 2007

# Q1 2007 Highlights (1)



- Ø Full consolidation of HDFS for a 3-months period
- Ø Increased sales by 96,8% compared to Q1 2006, due to the new group structure
- Ø Improved gross margin for the new group (+4,7%) to 58,5% from 53,8% compared to FY 2006 results\*
- Ø Despite an active expansion strategy, a solid net profit growth of 10,9% on group level

\* FY 2006 group results with a consolidation of HDFS for an 8-months period

Folli Follie

Athens, 29<sup>th</sup> May 2007

# Q1 2007 Highlights (2)



- Ø Solid sales growth for Folli Follie stand alone (+21% in constant currency terms)
- Ø Strong EBITDA growth of 15,7% compared to Q1 2006
- Ø Excellent gross margin development for Folli Follie stand alone
- Ø Net profit growth despite the HDFS acquisition costs

# Q1 2007 Highlights



## IFRS Group Results

	2007 IFRS	2006 IFRS	Growth
Sales (Million €)	121,6	61,8	96,8 %
EBITDA (Million €)	33,8	21,0	61,0 %
EBITDA Margin	27,8%	33,9%	
Gross Margin	58,5%	60,8%	
EBT (Million €)	25,1	20,6	21,8 %
Net Profit (Million €)	18,3	16,5	10,9 %
EPS (€)	0,53	0,50	6%

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Athens, 29<sup>th</sup> May 2007

# Folli Follie stand alone



## IFRS Group Results

Folli Follie stand-alone basis

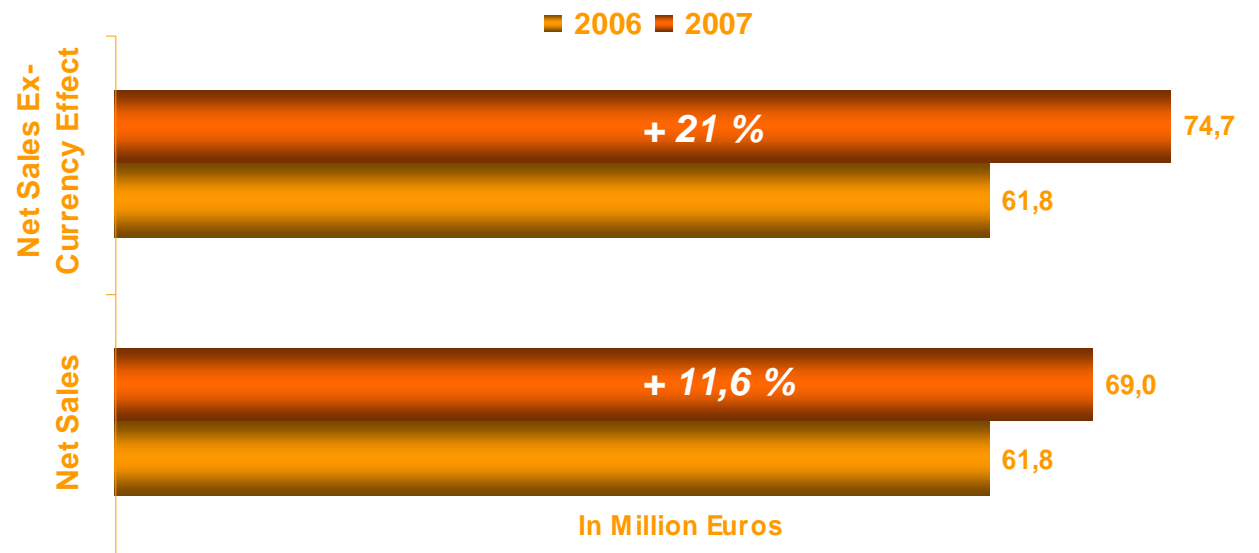
	2007 IFRS	2006 IFRS	Growth
Sales (Million €)	69,0	61,8	11,6%
EBITDA (Million €)	24,3	21,0	15,7%
EBITDA Margin	35,2%	33,9 %	
Gross Margin	62,7%	60,8 %	
EBT (Million €)	21,1	20,6	2,4%
Net Profit (Million €)*	16,9	16,5	2,4%
EPS (€)	0,51	0,50	2,0%

\* After taxes and minorities

**Folli Follie**

Athens, 29<sup>th</sup> May 2007

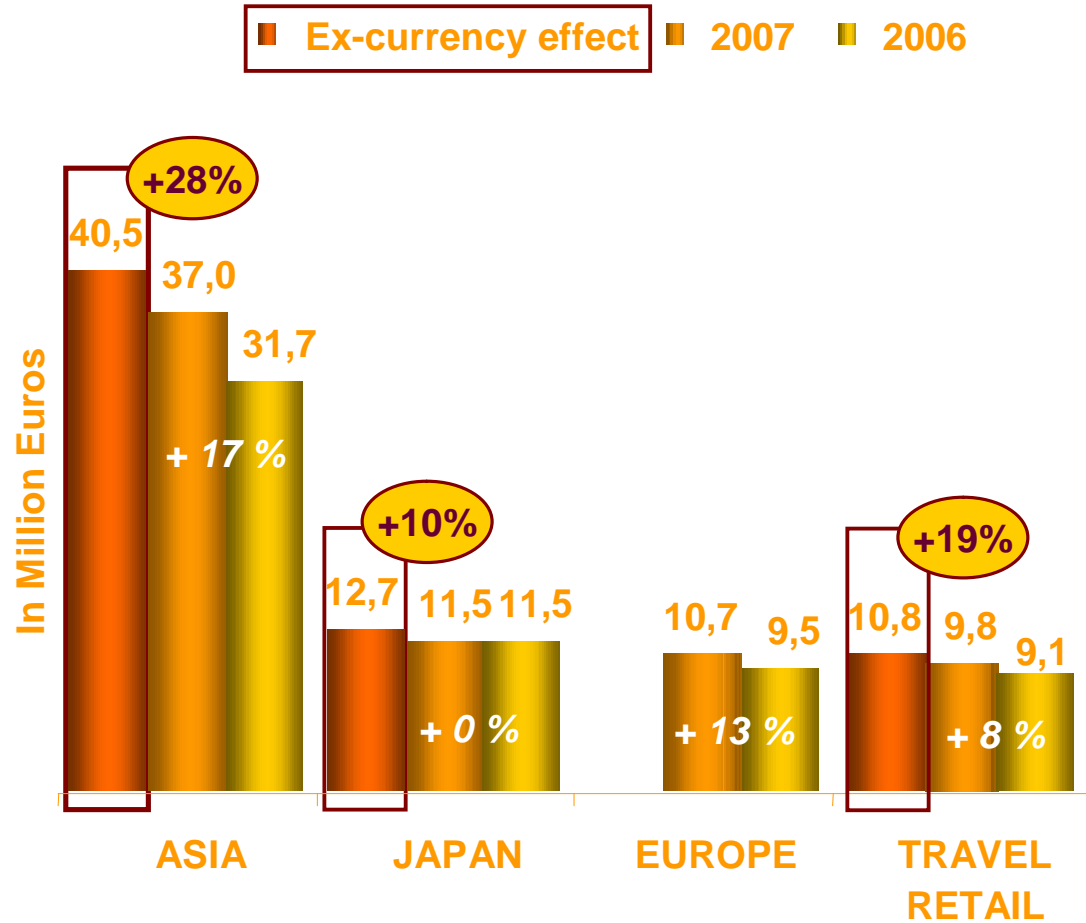
# Net Sales



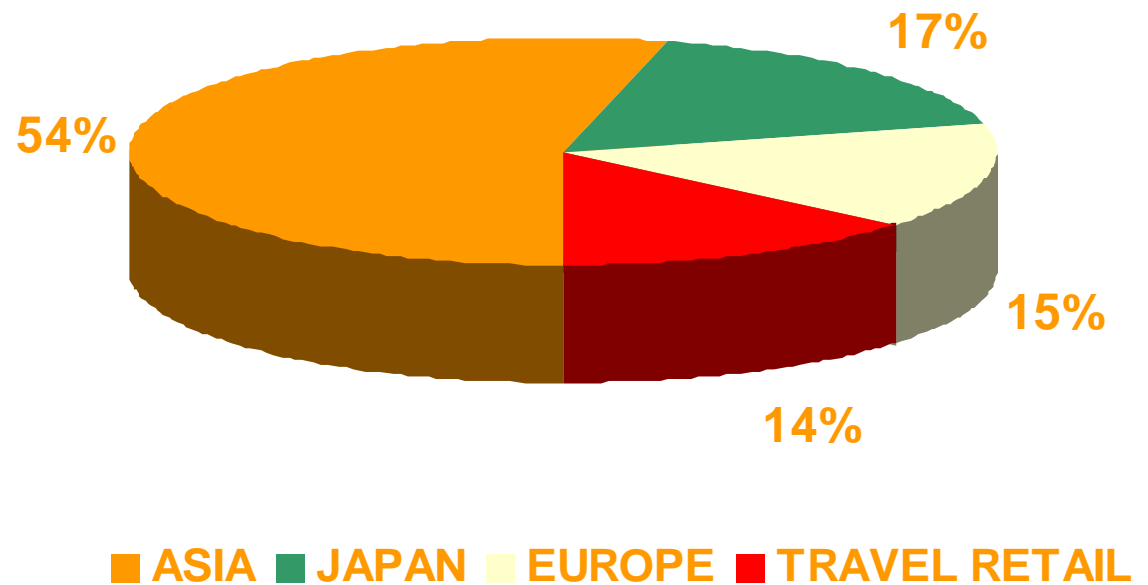
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# Net Sales by Region

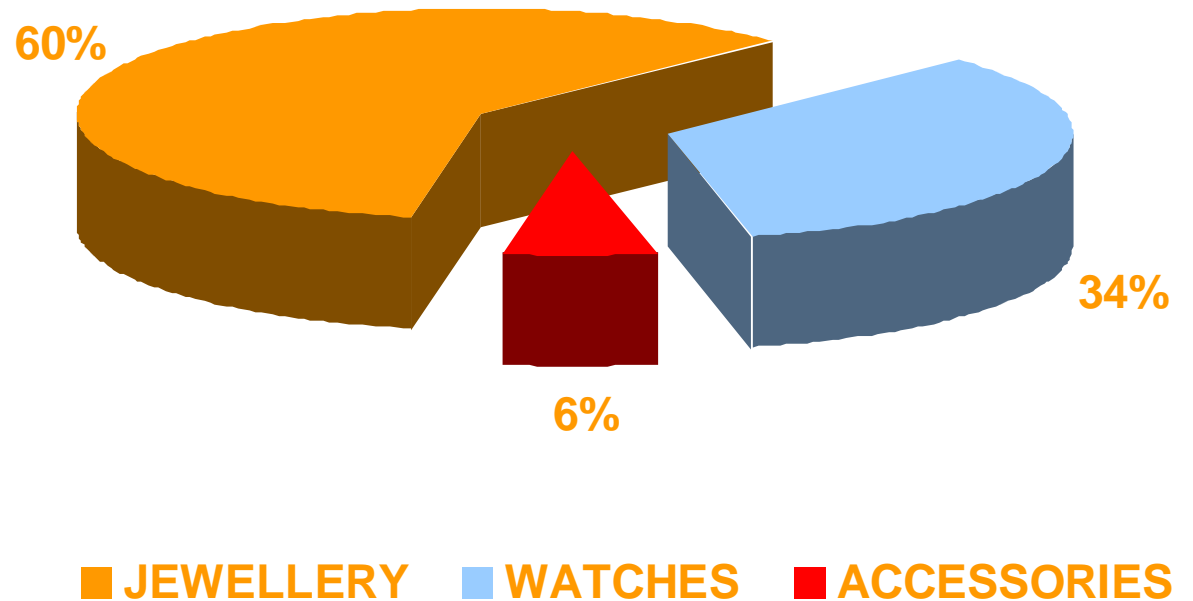


# Net Sales by Region





# Financials – Product Category Sales



Folli Follie

Athens, 29<sup>th</sup> May 2007

## BALANCE SHEET (Amounts reported in Euro)

	THE GROUP		THE COMPANY	
	31/3/2007	31/12/2006	31/3/2007	31/12/2006
<b>ASSETS</b>				
Tangible Assets	69.397.134,50	69.403.677,02	17.113.838,93	17.160.799,87
Investments in PPE	15.380.000,00	15.380.000,00	15.380.000,00	15.380.000,00
Goodwil	217.352.719,63	217.355.301,67	0,00	0,00
Intangible Assets	111.796.375,27	112.698.565,61	608.321,55	627.009,14
Investments in associates	0,00	0,00	387.438.470,75	387.438.470,75
Deferred income tax assets	988.644,93	2.109.039,58	332.774,65	352.870,16
Other long term receivables	7.993.069,64	6.676.684,23	298.273,04	293.421,34
<b>Total non-current assets (a)</b>	<b>422.907.943,97</b>	<b>423.623.268,11</b>	<b>421.171.678,92</b>	<b>421.252.571,26</b>
Inventories	133.688.948,64	125.598.481,85	14.128.468,28	13.583.250,86
Trade Receivables	138.841.674,92	140.239.131,14	17.054.447,73	15.850.440,84
Other Receivables	31.320.232,07	24.453.461,03	2.330.155,88	2.204.855,35
Other financial assets at fair value through profit or loss	3.205.269,07	3.419.646,43	1.537.952,49	1.464.116,71
Cash and cash equivalents	114.701.217,44	109.310.713,75	11.081.998,89	22.402.656,98
<b>Total current assets (b)</b>	<b>421.757.342,14</b>	<b>403.021.434,20</b>	<b>46.133.023,27</b>	<b>55.505.320,74</b>
<b>TOTAL ASSETS (a) + (b)</b>	<b>844.665.286,11</b>	<b>826.644.702,31</b>	<b>467.304.702,19</b>	<b>476.757.892,00</b>
<b>EQUITY &amp; LIABILITIES</b>				
Long-term borrowings	408.728.881,88	406.901.777,95	341.000.000,00	341.000.000,00
Retirement benefit obligations	8.696.252,74	8.476.568,05	629.220,48	620.917,00
Deferred income tax liabilities	14.657.204,23	15.247.131,09	1.070.922,96	1.251.176,41
Provisions for other liabilities and charges	12.563.979,52	11.105.905,03	595.518,56	524.253,57
<b>Total non-current liabilities</b>	<b>444.646.318,37</b>	<b>441.731.382,12</b>	<b>343.295.662,00</b>	<b>343.396.346,98</b>
Trade payables	35.885.608,53	34.806.413,96	1.902.880,27	2.874.807,77
Short-term Borrowings	8.284.559,88	11.811.849,44	7.072.512,56	9.210.173,45
Other current liabilities	71.463.284,35	68.657.923,18	4.258.520,90	6.671.670,58
<b>Total current liabilities</b>	<b>115.633.452,76</b>	<b>115.276.186,58</b>	<b>13.233.913,73</b>	<b>18.756.651,80</b>
<b>Total Liabilities (a)</b>	<b>560.279.771,13</b>	<b>557.007.568,70</b>	<b>356.529.575,73</b>	<b>362.152.998,78</b>
Share capital	9.884.062,50	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	62.531.731,47
Other reserves	8.832.577,14	8.832.577,14	20.184.566,82	20.184.566,82
Own Stock	-1.872.828,33	-1.339.856,41	-108.985,61	-108.985,61
Retained earnings	224.799.527,94	207.356.278,78	18.283.751,28	22.113.518,04
Exchange differences	-35.698.045,18	-32.706.043,74	0,00	0,00
Other capital and reserves attributable to equity holders of the Company	-88.927.927,72	-88.927.927,73	0,00	0,00
<b>Total capital and reserves attributable to equity holders of the Company (b)</b>	<b>179.549.097,82</b>	<b>165.630.822,01</b>	<b>110.775.126,46</b>	<b>114.604.893,22</b>
Minority interest (c)	104.836.417,16	104.006.311,60	0,00	0,00
<b>Total Equity (d) = (b)+(c)</b>	<b>284.385.514,98</b>	<b>269.637.133,61</b>	<b>110.775.126,46</b>	<b>114.604.893,22</b>
<b>TOTAL EQUITY AND LIABILITIES (e) = (a)+(d)</b>	<b>844.665.286,11</b>	<b>826.644.702,31</b>	<b>467.304.702,19</b>	<b>476.757.892,00</b>



# Balance Sheet

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

	THE GROUP		THE COMPANY	
	1/1-31/3/2007	1/1-31/3/2006	1/1-31/3/2007	1/1-31/3/2006
Sales Revenue	121.598.551,98	61.850.766,57	7.752.091,77	10.170.334,41
Cost of goods sold	-50.468.151,75	-24.200.409,09	-2.780.791,91	-3.282.299,35
<b>Gross profit</b>	<b>71.130.400,23</b>	<b>37.650.357,48</b>	<b>4.971.299,86</b>	<b>6.888.035,06</b>
Other Operating income	4.166.506,27	778.424,46	417.229,15	443.765,40
Administrative expenses	-9.008.534,31	-3.083.962,56	-1.238.787,60	-1.201.161,91
Selling and marketing costs	-34.298.492,62	-14.885.516,04	-2.915.471,31	-2.663.945,85
Other expenses	-805.519,93	-370.267,08	-63.477,74	-154.567,56
<b>Operating profit</b>	<b>31.184.359,64</b>	<b>20.089.036,26</b>	<b>1.170.792,36</b>	<b>3.312.125,14</b>
Finance costs - profit	812.387,36	559.586,45	193.255,43	524.539,98
Finance costs - expenses	-6.907.664,09	-1.383.726,02	-5.353.972,49	-1.280.014,00
Share of profit of associates	0,00	1.359.500,45	0,00	0,00
<b>Profit before taxes (EBT)</b>	<b>25.089.082,91</b>	<b>20.624.397,14</b>	<b>-3.989.924,70</b>	<b>2.556.651,12</b>
Income tax expense	-6.815.727,80	-4.070.687,70	160.157,94	-853.901,13
<b>Profit for the period (after taxes)</b>	<b>18.273.355,11</b>	<b>16.553.709,44</b>	<b>-3.829.766,76</b>	<b>1.702.749,99</b>
<u>Attributable to:</u>				
Equity holders of the Company	17.443.249,16	16.552.109,44		
Minority interest	-830.105,95	-1.600,00		
Earnings (after taxes) per share - basic (expressed in €)	0,53	0,50	-0,12	0,05
Amortisation - Depreciation	2.656.160,00	893.399,85	263.697,75	250.928,58
<b>Earnings (profit) before taxes, financing and investing results and depreciation - amortisation (EBITDA)</b>	<b>33.840.519,64</b>	<b>20.982.436,11</b>	<b>1.434.490,11</b>	<b>3.563.053,72</b>
<b>Earnings (profit) before taxes, financing and investing results (EBIT)</b>	<b>31.184.359,64</b>	<b>20.089.036,26</b>	<b>1.170.792,36</b>	<b>3.312.125,14</b>

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Income Statement

**CASH FLOW STATEMENT (Amounts reported in Euro)**

	THE GROUP		THE COMPANY	
	1/1-31/3/2007	1/1-31/3/2006	1/1-31/3/2007	1/1-31/3/2006
<b>Cash Flows related to Operating Activities</b>				
Net Profit before taxes	25.089.082,91	20.624.397,14	-3.989.924,70	2.556.651,12
<i>Adjustments in respect of non-cash transactions:</i>				
Depreciation and Amortisation	2.656.160,00	893.399,85	263.697,75	250.928,58
Provisions	478.777,20	301.958,83	30.630,00	60.000,00
Cash flows from investing activities	214.377,36	-1.697.411,74	-73.582,12	-452.591,83
Debit interest and similar expenses	6.473.240,00	1.271.855,80	5.168.733,00	1.215.738,30
Other non-cash expense/income	0,00	0,00	0,00	0,00
Operating profit before adjustments of working capital	34.911.637,47	21.394.199,88	1.399.553,93	3.630.726,17
Decrease/(increase) of Inventories	-8.846.467,14	-1.793.075,89	-545.217,42	467.526,73
Decrease/(increase) of Receivables	-8.345.127,35	-7.843.155,70	-1.329.307,42	-2.109.390,99
Increase/(decrease) of payable accounts (except Banks)	2.385.121,53	4.564.897,50	-2.015.095,04	-1.844.238,84
Interest paid and similar expenses	-7.211.790,00	-1.383.726,02	-5.284.172,11	-1.292.562,05
Income Tax paid	-1.828.810,63	-1.389.039,40	-63.163,64	-41.352,27
<i>Net cash inflows/(outflows) from Operating Activities</i>	<u>11.064.563,88</u>	<u>13.550.100,37</u>	<u>-7.837.401,70</u>	<u>-1.189.291,25</u>
<b>Cash Flows related to Investing Activities</b>				
Purchases of subsidiaries, associates and other investments	0,00	-2.014.358,00	0,00	-2.014.358,00
Purchases of tangible and intangible assets	-2.668.740,00	-1.360.085,50	-198.049,22	-46.730,97
Proceeds from sale of tangible and intangible assets	611.435,08	109.912,02	106,00	15.000,00
Proceeds from sale of financial assets	0,00	1.961.153,98	0,00	1.961.153,98
Dividends received	0,00	0,00	0,00	0,00
Interest received	738.550,00	111.870,22	115.439,11	76.823,75
Decrease/(increase) of other long-term receivables	-592.237,14	-204.864,69	-4.851,70	142.351,88
<i>Net cash inflows/(outflows) from Investing Activities</i>	<u>-1.910.992,06</u>	<u>-1.396.371,97</u>	<u>-87.355,81</u>	<u>134.240,64</u>
<b>Cash Flows related to Financing Activities</b>				
Cash received from issue of share capital				
Own Stock	-532.971,92		0,00	
Proceeds from Loans	0,00	606.178,51	0,00	1.846,81
Repayment of Loans	-1.698.910,63	0,00	-2.137.660,89	0,00
Payments for leases	-94.870,63	-194.333,36	-8.119,65	-31.494,02
Dividends paid	-1.250.120,04	-1.100.378,86	-1.250.120,04	-1.100.378,86
<i>Net cash inflows/(outflows) from Financing Activities</i>	<u>-3.576.873,22</u>	<u>-688.533,71</u>	<u>-3.395.900,58</u>	<u>-1.130.026,07</u>
Net increase/(decrease) in cash and cash equivalents	5.576.698,60	11.465.194,69	-11.320.658,09	-2.185.076,68
Cash and cash equivalents at the beginning of the period	109.310.713,75	33.892.169,63	22.402.656,98	13.247.662,22
Exchange rate differences from the conversion of cash equivalents	-186.194,91	3.037.411,64	0,00	0,00
<i>Cash and cash equivalents at the end of the period</i>	<u>114.701.217,44</u>	<u>48.394.775,96</u>	<u>11.081.998,89</u>	<u>11.062.585,54</u>

# Cash Flow Statement

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

	THE GROUP		THE COMPANY	
	31/3/2007	31/3/2006	31/3/2007	31/3/2006
Net equity of period Open.Balance (1/1/2007 and 1/1/2006 respectively)	269.637.133,61	161.972.461,22	114.604.893,22	109.329.437,59
Issue of share capital				
Dividends	0,00	0,00	0,00	0,00
Directors Fees	0,00	0,00	0,00	0,00
Net income recognised directly in Equity	0,00	0,00	0,00	0,00
Minority interest (Due to :New Subsidiaries / Increase of participation )	0,00	0,00	0,00	0,00
Net amounts effected directly Equity(Due to:New Subsidiaries/Increase of participation )	0,00	0,00	0,00	0,00
Profit for the period, after taxes	18.273.355,11	16.553.709,44	-3.829.766,76	1.702.749,99
Adjustment in foreign currency translation differences	-2.992.001,82	-5.211.917,79	0,00	0,00
Own Stock	-532.971,92	0,00	0,00	0,00
Net equity of period Closing Balance	284.385.514,98	173.314.252,87	110.775.126,46	111.032.187,58

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Statement on Changes in Equity

# Remarks



Ø During Q1 of 2007, 9 new points of sale opened (4 of them where relocations):

1 in Greece, 1 in Cyprus, 2 in Taiwan, 1 in Thailand, 1 in Hong Kong, 2 in China and 1 in Hawaii

End of Q1 2007 Folli Follie counted 340 points of sale in 24 countries

Ø 4 % of total turnover in local currency accounted from new openings from 31/3/2006 till 31/3/2007

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Potential risks and uncertainties include, amongst other things, internal, industry and external factors, such as general economic conditions.

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