

1st Quarter 2005 Financial Results



Folli Follie

22 June 2005

Q1 2005 Highlights



- Ø Record Sales and Profits
- Ø Negative currency effect due to strong € against US \$ and YEN
- Ø Pressure on Gross Margin due to increase on wholesale business
- Ø EBITDA Margin increase from 35 % to 37,8 %

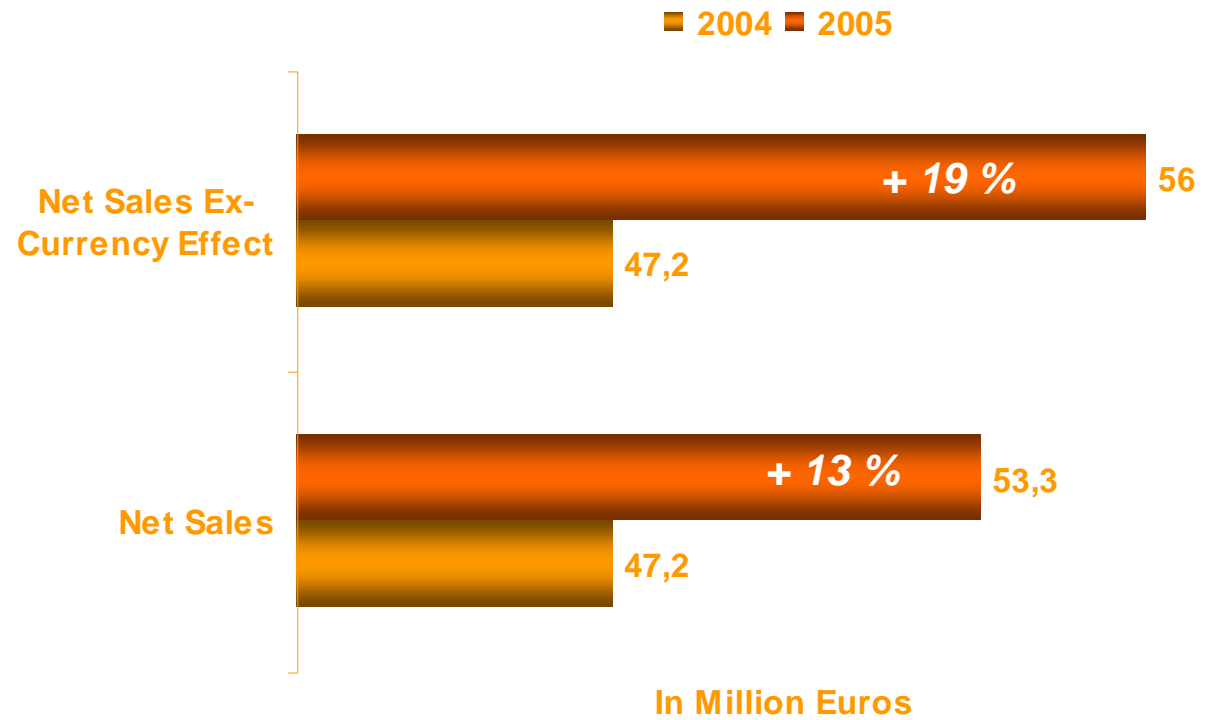
Q1 2005 Highlights



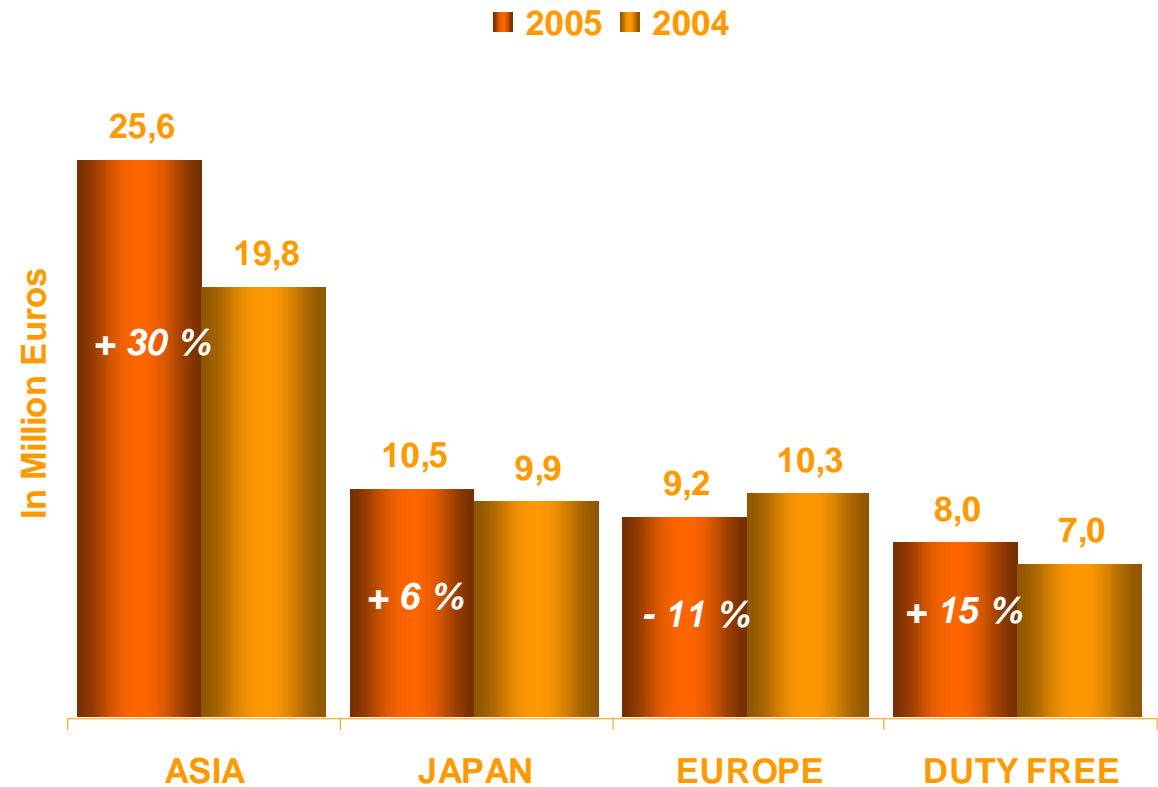
IFRS Group Results

	2005	2004	Growth
Sales (Million €)	53,3	47,2	13 %
EBITDA (Million €)	20,2	16,5	22 %
EBITDA Margin	37,8 %	35 %	
Gross Margin	60 %	65,6 %	
EBT (Million €)	19,8	16,0	24 %
Net Profit (Million €)	15,6	11,2	40 %
EPS (€)	0,47	0,32	47 %

Net Sales



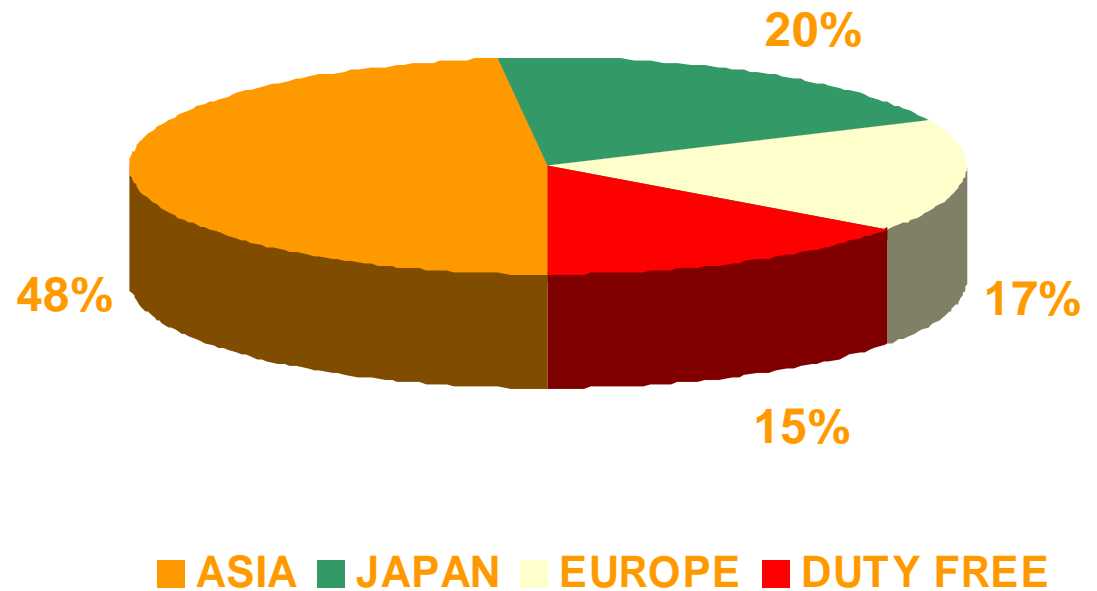
Net Sales by Region



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22 June 2005

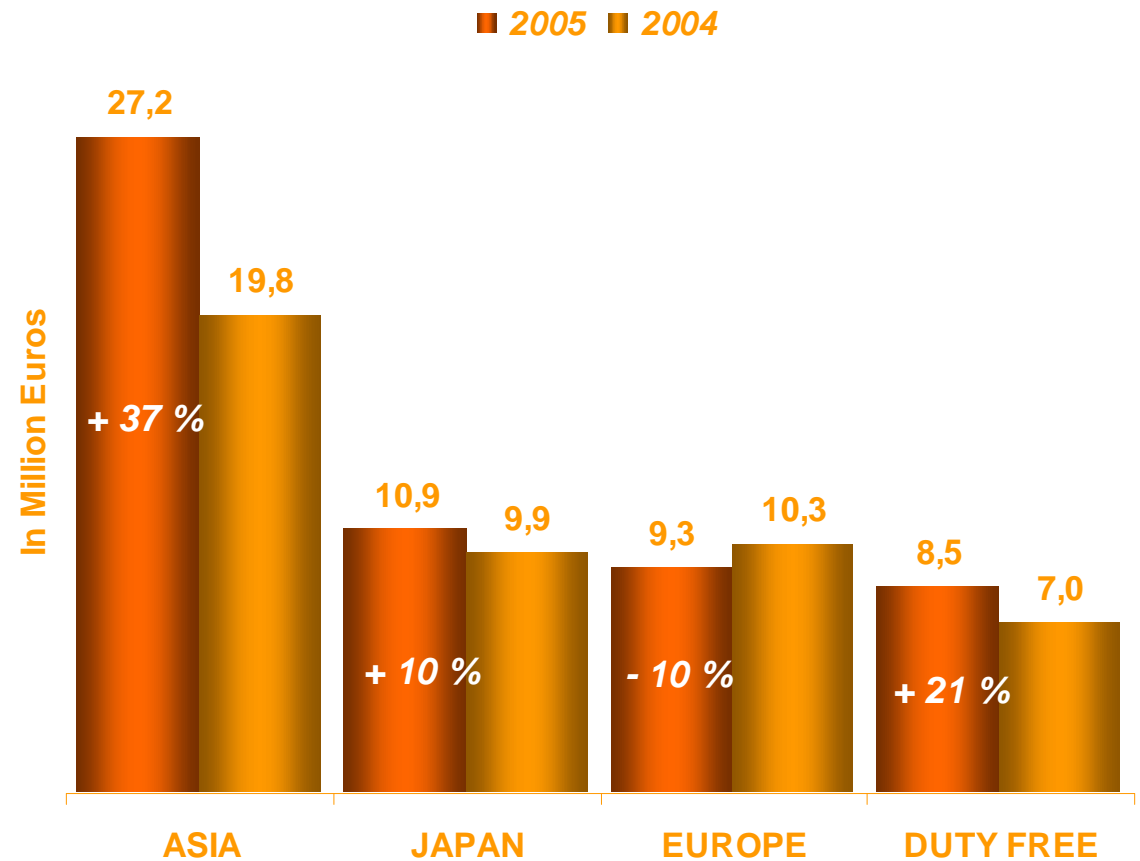
Net Sales by Region



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22 June 2005

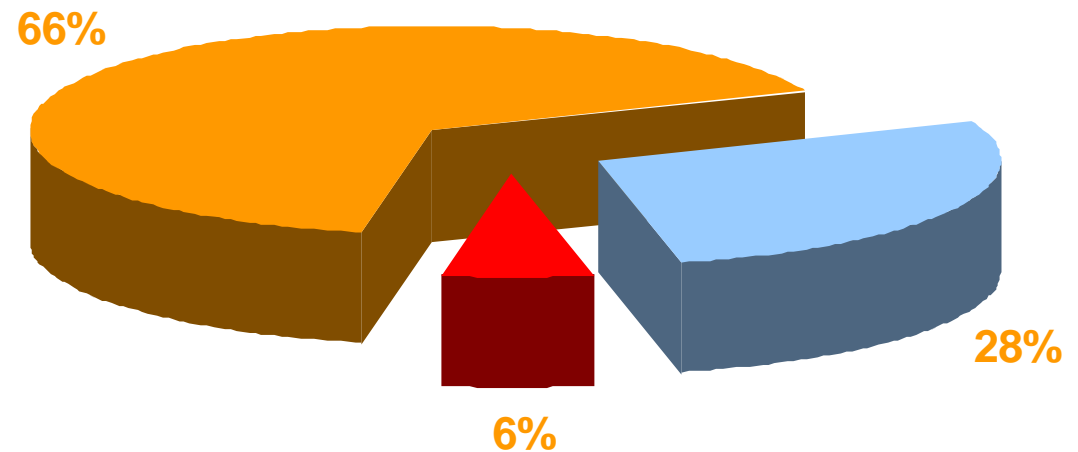
Net Sales Ex-currency by Region



Folli Follie

22 June 2005

Financials – Product Category Sales



■ JEWELLERY ■ WATCHES ■ ACCESSORIES

	Balance Sheet			
	Amounts in €			
	Folli Follie Group		Folli Follie SA	
	31/3/2005	31/12/2004	31/3/2005	31/12/2004
<u>ASSETS</u>				
Property, plant and equipment	33.867.637,06	34.130.258,53	29.830.717,56	30.011.411,25
Intangible Assets	4.755.604,66	4.842.688,58	840.314,90	873.322,82
Investments in associates	41.535.561,10	40.296.399,36	157.732.962,56	157.732.962,56
Deferred Tax Assets	2.126.410,62	2.213.167,04	284.910,85	402.737,38
Other financial assets	5.946.223,79	7.376.012,55	234.576,56	230.891,87
Non-current assets (a)	88.231.437,23	88.858.526,06	188.923.482,43	189.251.325,88
Inventories	46.327.101,17	46.715.326,33	11.382.804,19	11.931.225,67
Trade receivables	96.764.116,29	82.543.791,12	19.453.747,40	12.872.890,96
Other receivables	7.866.583,91	7.467.595,24	5.675.178,53	5.237.817,05
Cash and cash equivalents	39.672.427,87	33.723.558,93	9.875.061,38	14.509.511,69
Current assets (b)	190.630.229,24	170.450.271,62	46.386.791,50	44.551.445,37
TOTAL ASSETS (a+b)	278.861.666,47	259.308.797,68	235.310.273,93	233.802.771,25
<u>EQUITY AND LIABILITIES</u>				
Interest bearing borrowings	121.556.584,73	120.135.587,74	119.499.958,91	119.499.958,91
Retirement benefit obligation	3.193.736,32	3.272.408,55	493.231,68	482.542,29
Other Long-Term Liabilities	2.994.254,67	3.338.460,59	683.136,15	836.873,79
Non-current liabilities	127.744.575,72	126.746.456,88	120.676.326,74	120.819.374,99
Trade and other payables	10.927.417,58	13.252.975,46	1.631.223,25	2.203.405,10
Current portion of interest-bearing borrowings	4.711.366,45	5.252.135,03	4.118.554,19	4.891.100,49
Other Short-term Liabilities	18.594.923,77	18.149.168,02	4.243.574,25	4.539.842,56
Current liabilities	34.233.707,80	36.654.278,51	9.993.351,69	11.634.348,15
Liabilities (a)	161.978.283,52	163.400.735,39	130.669.678,43	132.453.723,14
FF Shareholder's Equity	112.257.792,66	91.298.238,92	104.640.595,50	101.349.048,11
Minority Interest	4.625.590,29	4.609.823,37		
Capital and reserves (b)	116.883.382,95	95.908.062,29	104.640.595,50	101.349.048,11
TOTAL EQUITY & LIABILITIES (a+b)	278.861.666,47	259.308.797,68	235.310.273,93	233.802.771,25

Folli Follie

Balance Sheet

	Income Statement			
	Amounts in €			
	Folli Follie Group		Folli Follie SA	
	31/3/2005	31/12/2004	31/3/2005	31/12/2004
Revenue	53.330.735,91	47.191.953,15	11.625.135,36	11.007.094,40
Cost of sales	-21.302.874,54	-16.234.251,19	-3.814.278,72	-2.909.834,37
Gross profit	32.027.861,37	30.957.701,96	7.810.856,64	8.097.260,03
Other operating income	1.395.347,35	499.640,50	1.019.710,79	338.447,81
Administrative expenses	-2.925.005,96	-3.081.564,78	-981.577,50	-727.887,52
Distribution costs	-10.842.056,73	-12.460.551,35	-2.147.176,48	-2.006.235,08
Other operating expenses	-293.291,20	-261.588,07	-22.347,22	-82.500,00
Profit from operations	19.362.854,83	15.653.638,26	5.679.466,23	5.619.085,24
Finance income	403.013,29	56.741,72	395.222,60	55.038,00
Finance cost	-1.170.298,54	-1.196.479,41	-1.110.943,92	-1.207.944,98
Income from associates	1.239.149,32	1.477.115,55	0,00	0,00
Profit before tax	19.834.718,90	15.991.016,12	4.963.744,91	4.466.178,26
Income tax expense	-4.179.094,70	-4.801.309,57	-1.672.197,52	-1.387.808,75
Profit after tax	15.655.624,20	11.189.706,55	3.291.547,39	3.078.369,51
FF Shareholder's Profit	15.639.857,28	10.578.449,79		
Minority interest	15.766,92	611.256,76		
Earnings per Share	<i>0,47</i>	<i>0,32</i>	<i>0,10</i>	<i>0,09</i>
Depreciation/Amortization	842.020,09	837.730,41	265.628,67	231.350,00
Earnings Before Interest, Depreciation/Amortization and Taxes	20.204.874,92	16.491.368,67	5.945.094,90	5.850.435,24
Earnings Before Interest and Taxes	19.362.854,83	15.653.638,26	5.679.466,23	5.619.085,24

Folli Follie

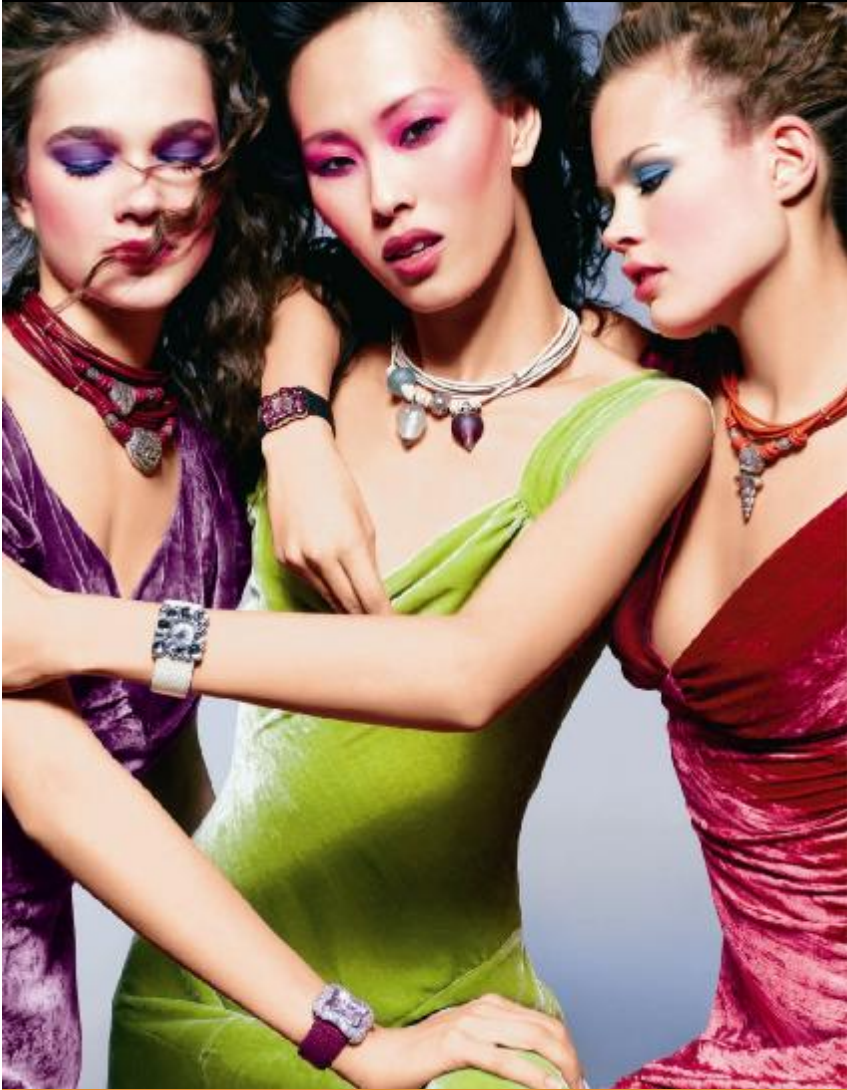
Income Statement

	Cash Flow Statement			
	Amounts in €			
	Folli Follie Group		Folli Follie SA	
Cash flows from operating activities				
Net profit before taxation and extraordinary item	19.834.718,90	15.991.016,12	4.963.744,91	4.466.178,26
Adjustments for				
Depreciation	842.020,09	837.730,41	265.628,67	231.350,00
Provisions	353.759,68	1.162.408,00	10.689,39	37.645,60
Investment income	-1.554.997,56	-1.477.115,55	-395.226,60	0,00
Interest expense	767.285,25	1.144.965,00	1.110.943,92	1.152.906,98
	20.242.786,36	17.659.003,98	5.955.780,29	5.888.080,84
Decrease in inventories	2.374.245,05	2.405.815,00	548.421,48	888.791,08
Increase in trade and other receivables	-6.216.655,72	5.816.195,00	-7.352.685,85	-4.234.688,78
Decrease in trade payables	-2.491.295,99	-10.298.941,56	281.375,58	-3.186.284,71
Interest paid	-1.170.298,54	-1.200.003,00	-1.110.943,92	-1.207.944,98
Income taxes paid	-1.592.403,29	-187.276,44	-127.262,46	-187.276,44
<i>Net cash from operating activities</i>	11.146.377,87	14.194.792,98	-1.805.314,88	-2.039.322,99
Cash flows from investing activities				
Purchase of property, plant and equipment	-310.085,70	-1.961.216,00	-51.927,06	-1.339.647,63
Proceeds from sale of equipment	6.830,16	46.127,00		0,00
Proceeds from sale of other assets	658.687,40	0,00	658.687,40	0,00
Dividends received				
Interest received	403.013,29	55.038,00	71.007,75	55.038,00
Other financial assets	2.128.143,89	135.920,00	-3.684,68	6.471,27
<i>Net cash used in investing activities</i>	2.886.589,04	-1.724.131,00	674.083,41	-1.278.138,36
Cash flows from financing activities				
Proceeds from issuance of share capital				
Proceeds from Banks Loans		764.512,00		268.139,06
Decrease in current liabilities (Bank accounts)	-1.001.148,26	-1.517.599,00	-772.546,30	
Payment of finance lease liabilities	-185.416,09	-307.220,00	-30.664,26	-29.509,91
Dividends paid	-2.700.008,28	0,00	-2.700.008,28	0,00
<i>Net cash used in financing activities</i>	-3.886.572,63	-1.060.307,00	-3.503.218,84	238.629,15
Net increase in cash and cash equivalents	10.146.394,28	11.410.354,98	-4.634.450,31	-3.078.832,20
Cash and cash equivalents at beginning period	33.723.558,93	23.524.369,13	14.509.511,69	12.696.170,19
Effect of exchange rate changes	-4.197.525,34	-7.820.097,92		
Cash and cash equivalents at end of period	39.672.427,87	27.114.626,19	9.875.061,38	9.617.337,99

Folli Follie

Cash Flow Statement

Remarks



- Ø During first quarter of 2005, 3 new points of sale in Japan. End of Q1 Folli Follie counted 286 points of sale in 20 countries
- Ø 7 % of total turnover in local currency accounted from new openings from 31/3/2004 till 31/3/2005
- Ø Weaker performance in Europe but compared with high growth of last year : Europe +52 %, Greece +18 % Q1 2003 vs Q1 2004