

FOLLI FOLLIE GROUP

First Quarter 2014 Financial Results



May 29th, 2014

First Quarter 2014 Summarized Income Statement continuing operations*

<i>in €m</i>	Q1 2014	Q1 2013	% change
Revenue	228,0	205,1	11,2%
Gross margin	118,7	103,2	15,0%
Selling expenses	-54,4	-52,2	4,2%
Administrative expenses	-12,3	-10,6	16,0%
Other income and expenses	1,80	0,7	160,9%
Operating profit	53,8	41,1	30,9%
Net financial income (expense)	-4,4	-9,3	-52,7%
Investments in related companies	-0,06	-0,08	-25,0%
Income taxes	-10,5	-5,0	110,0%
Net profit before minority interests	38,8	26,7	45,4%
Minority interests	-0,5	-0,03	
Group share of net profit	38,3	26,7	
Amortisation - Depreciation	5,1	4,9	4,1%
EBITDA	58,9	46,0	28,1%

* excluding the Travel Retail activity

FF Group – Financial Highlights First Quarter 2014

- Overall a strong revenue performance of all Group activities with the continuation of the previous quarters trend confirming the Group's strong position in the domestic market and ongoing positive trends in Asia and Japan.
- For the continuing operations*, Group revenues increased by 11.2% and reached €227.9m. Group gross profit margin increased to at 52.1%.
- Group EBITDA increased strongly by 28.0% with the respective margin at 25.8% vs. 22.4% in the comparable period last year, mainly driven by decreased financial expenses and operational leverage.
- The Group ended the year with €214.7m cash and €15.0m net cash and decreased total debt during the first quarter 2014 by €7.8m.

* excluding the Travel Retail activity

First Quarter 2014 Summarized Income Statement incl. discontinued operations*

<i>in €m</i>	Q1 2014	Q1 2013	% change
Revenue	228,0	246,3	-7,4%
Gross margin	118,7	124,1	-4,4%
Selling expenses	-54,4	-66,7	-18,4%
Administrative expenses	-12,3	-13,3	-7,5%
Other income and expenses	1,8	2,9	-37,9%
Operating profit	53,8	47,0	14,5%
Net financial income (expense)	-4,4	-12,2	-63,9%
Investments in related companies	-0,06	-0,08	-21,1%
Income taxes	-10,5	-4,4	138,6%
Net profit before minority interests	38,8	30,3	28,1%
Minority interests	-0,5	-0,03	
Group share of net profit	38,3	30,3	26,5%
Amortisation - Depreciation	5,1	6,2	-17,7%
EBITDA	58,9	53,2	10,7%

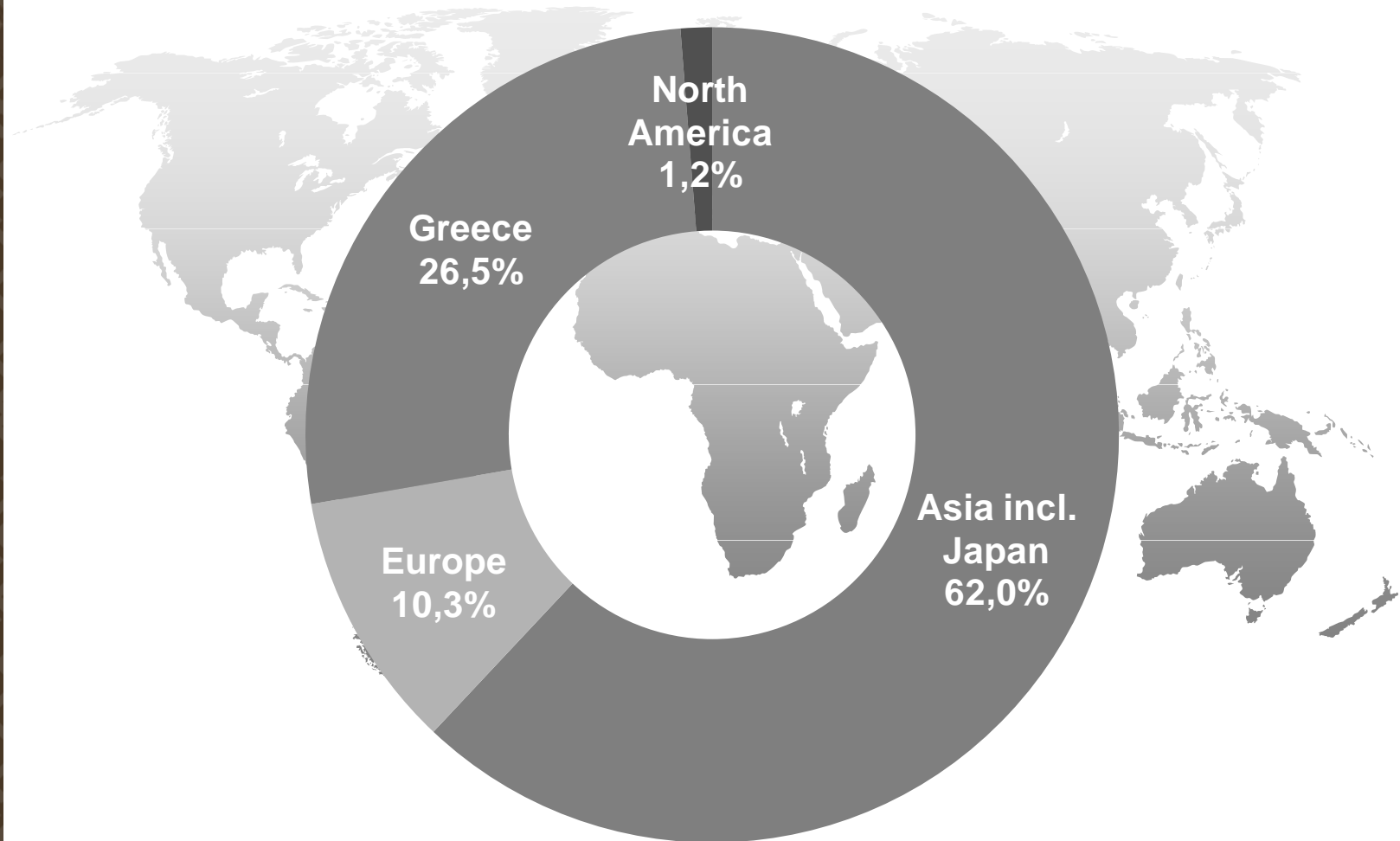
* including the first quarter 2013 of the Travel Retail activity

Revenue by activity continuing operations*

<i>in €m</i>	Q1 2014	Q1 2013	chg. in %
Jewellery, Watches, Accessories	161,9	146,7	10,4%
Retail & Wholesale	32,4	27,3	18,7%
Department Stores	33,1	30,7	7,8%
Other Activities	0,4	0,6	-29,0%
Total	227,8	205,3	11,0%

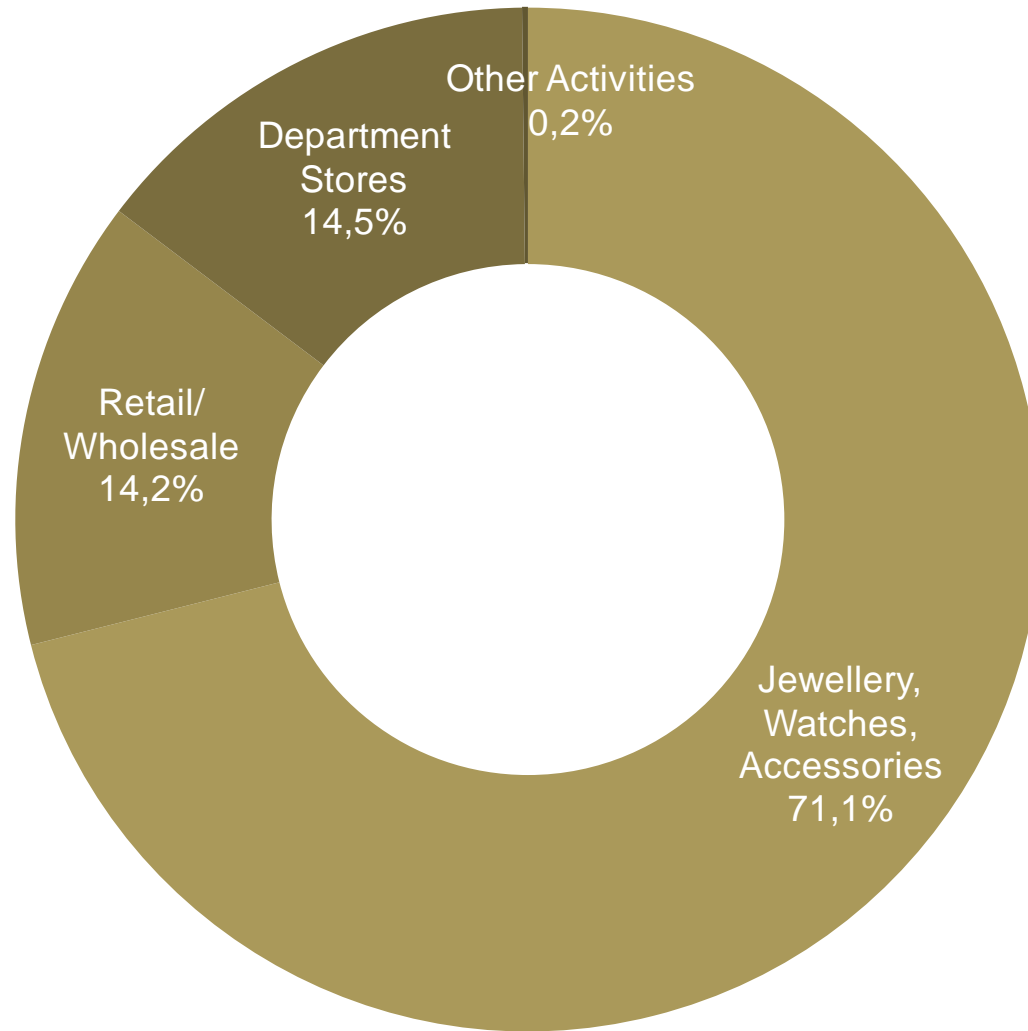
* excluding the Travel Retail activity

Revenue split by geographical region



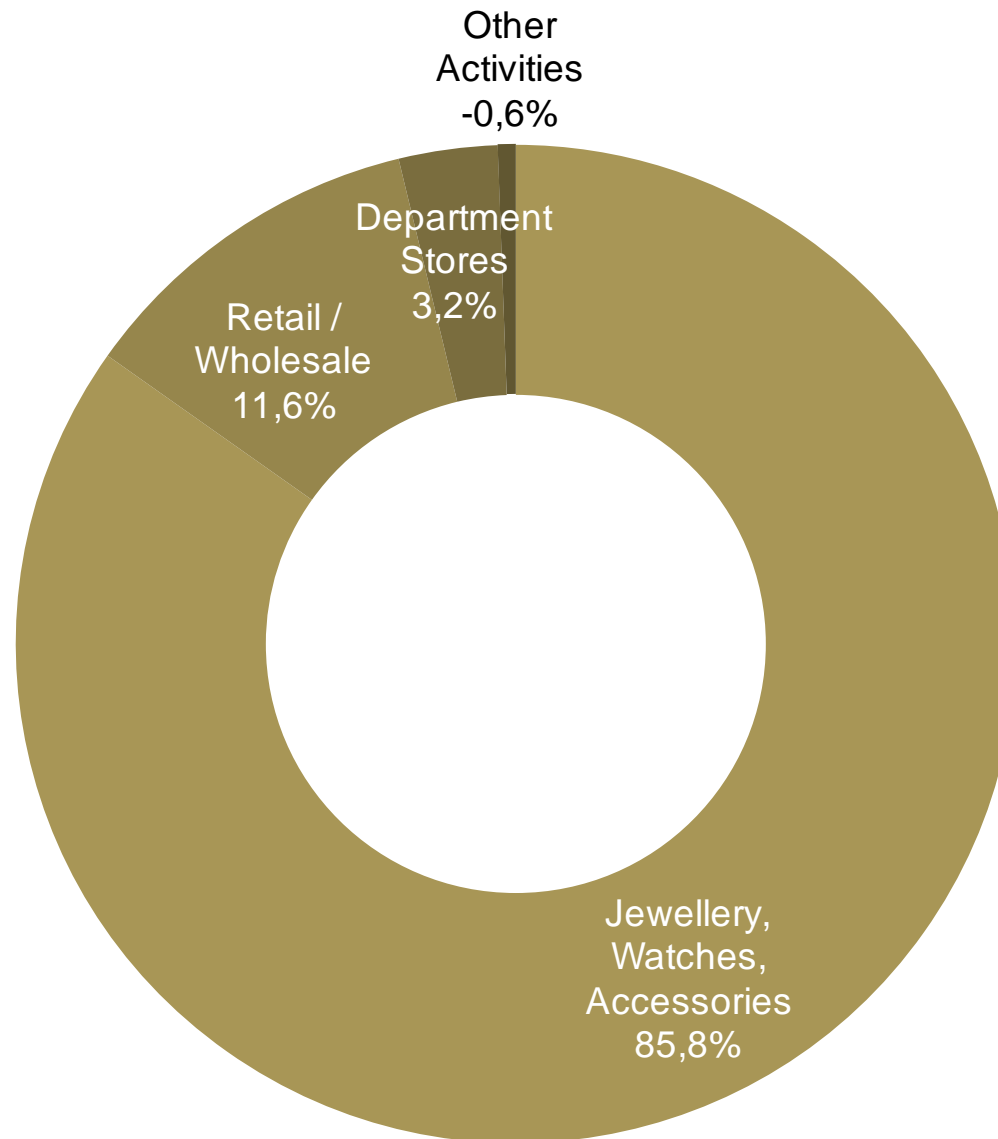
Revenue split by activity continuing operations*

Q1 2014

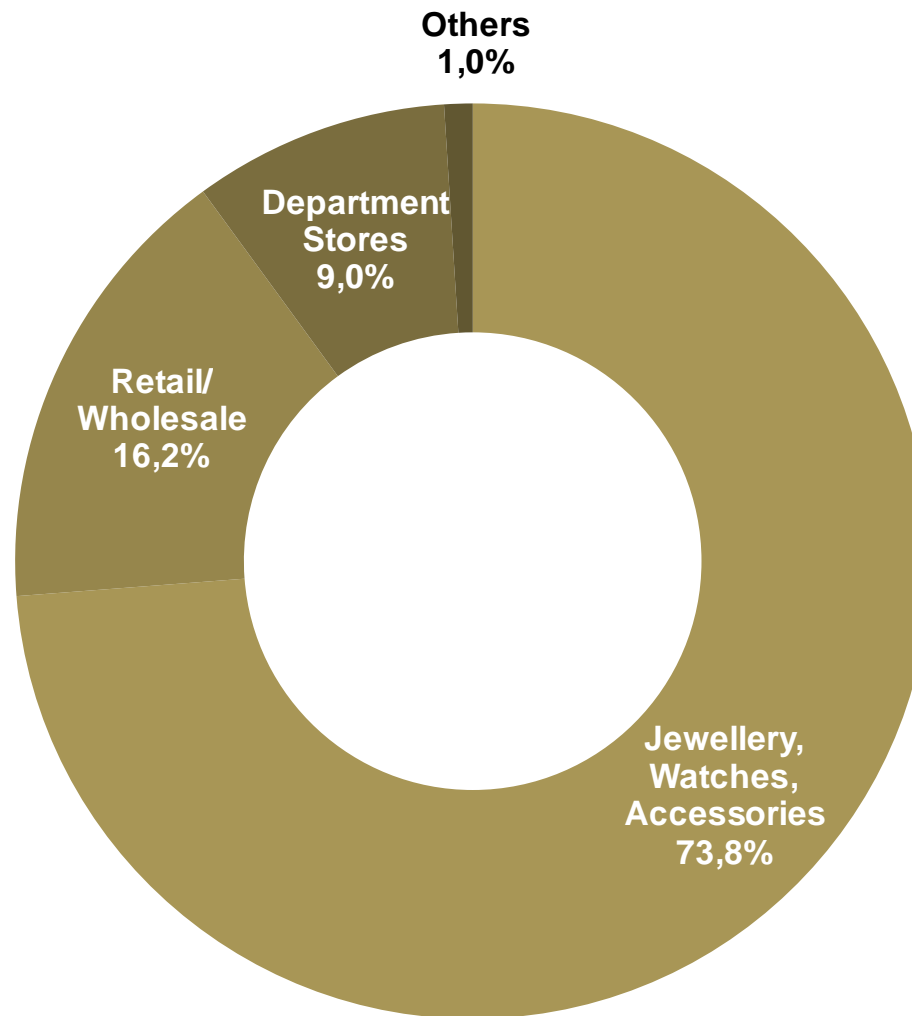


EBITDA by activity from continued operations*

Q1 2014



Capex split by activity

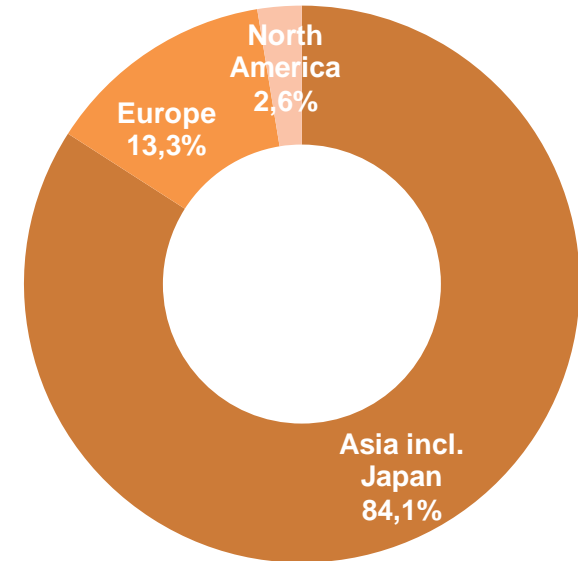


Group capex reached in Q1 2014 €5.6 million against €3.6 million in Q1 2013

Jewellery, Watches and Accessories:

Key figures (in Eur million)

	Q1 2014	Q1 2013	change
Revenue	162,0	146,8	10,4%
EBITDA	50,4	40,3	25,1%
EBITDA margin	31,1%	27,4%	
Gross Margin	55,8%	53,5%	



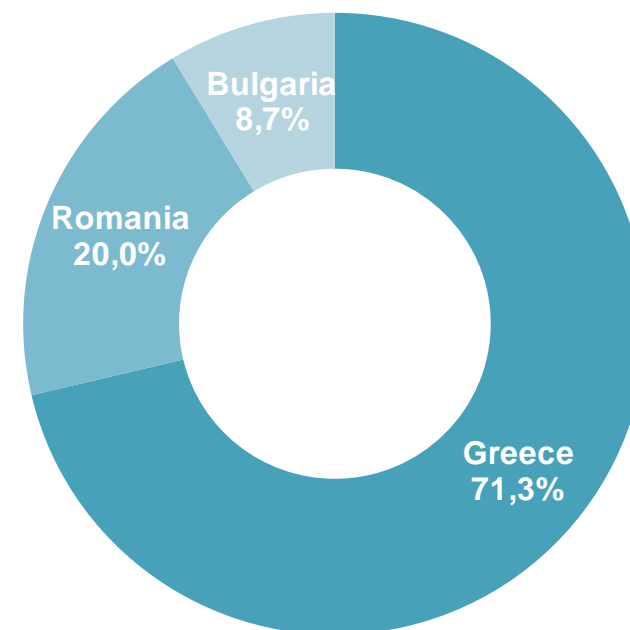
- Strong revenue increase by 10.4%, with a positive performance in all regions led by Asia and at the same time a negative currency impact of 2.6%.
- Gross profit increased by 14.9%, with the respective margin at 55.8% driven by a favorable channel and product mix.
- Operating profit reached € 47.4m increased by 27.1% and supported by disciplined operating expenses with the respective margin at 29.3% vs. 25.4% in Q1 2013.
- EBITDA increased by 25.1% with the respective margin reaching 31.1% compared to 27.4% in the previous quarter last year.
- Folli Follie brand opened in the first quarter of 2014 – 11* new POS with the network reaching now 609 POS.

* 9 POS relocations

Retail/Wholesale:

Key figures (in Eur million)

	Q1 2014	Q1 2013	change
Revenue	32,4	27,3	18,7%
EBITDA	6,8	4,8	41,7%
EBITDA margin	21,1%	17,8%	
Gross Margin	53,3%	53,1%	

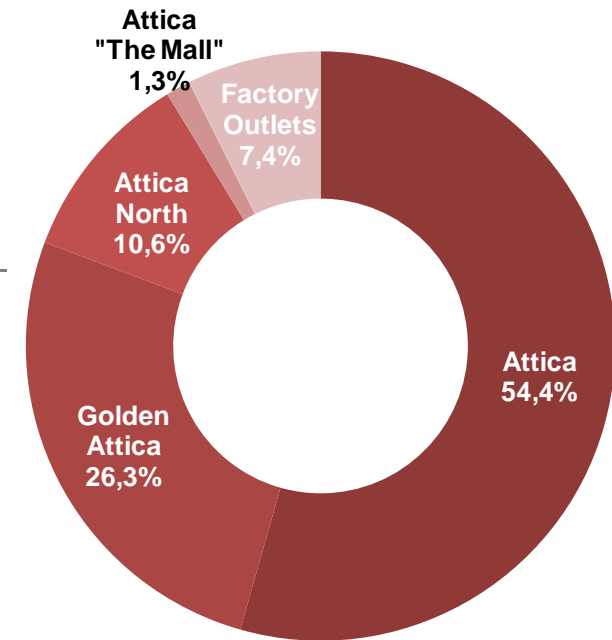


- Third successive quarter with strong revenue growth. Sales increased by 18.7% which reaffirms the Group's strong position in the domestic market for branded retail. Positive performance also in the Balkans indicating a turnaround in the respective regions.
- Gross profit reached €17.3m and increased by 19.4% with the respective margin at 53.3%.
- EBITDA reached €6.8m from € 4.8m in Q1 2013 with the respective margin at 21.1%, supported by continuous cost containment efforts.

Department Stores:

Key figures (in Eur million)

	Q1 2014	Q1 2013	change
Revenue	33,1	30,8	7,5%
EBITDA	1,9	1,0	95,9%
EBITDA margin	5,8%	3,2%	
Gross Margin	33,3%	32,3%	



- Solid revenues increase by 7.5%, continuing previous quarters trend.
- Gross profit increased by 10.7% with the respective Gross margin slightly increased to 33.3% vs. 32.3% in the same period last year.
- EBITDA increased by 95.6% to €1.9m from €1m with the respective margin at 5.8% from 3.2% despite the sales period taking place during the first quarter.

Other activities:

Key figures (in Eur million)

	Q1 2014	Q1 2013	change
Revenue	0,4	0,6	-29,0%
EBIT DA	-0,3	-0,02	
EBIT DA margin	-81,4%	-3,9%	
Gross Margin	18,2%	33,8%	

- Revenues decreased by 29.0% to €0.4m from €0.6m.
- Gross profit margin at 18.2% vs. 33.8%.
- EBITDA €-0.34m from €-0.02m.

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