

# FOLLI FOLLIE GROUP

## Nine Months 2012 Financial Results



November 29<sup>th</sup>, 2012

## FF Group – Financial Highlights Nine Months 2012

- Overall a strong nine-months performance of the Folli Follie Group despite the ongoing deterioration in the domestic market and a challenging environment in Europe.
- Group revenues increased by 8.5% and reached €841.5m, Group gross margin unchanged at 49.6% showing that even the purely Greek operations could defend or even extend their gross margins.
- Group EBITDA increased by 7.0%, the respective margin could be kept at high level of 20.4% vs. 20.7% (in 9-M 2011), despite ongoing investments in all Group activities.
- The Group's total debt decreased in the third quarter by €12.8m and net debt reached in Q3 €574.6m from €619m in Q2, decreased by €44.4m.

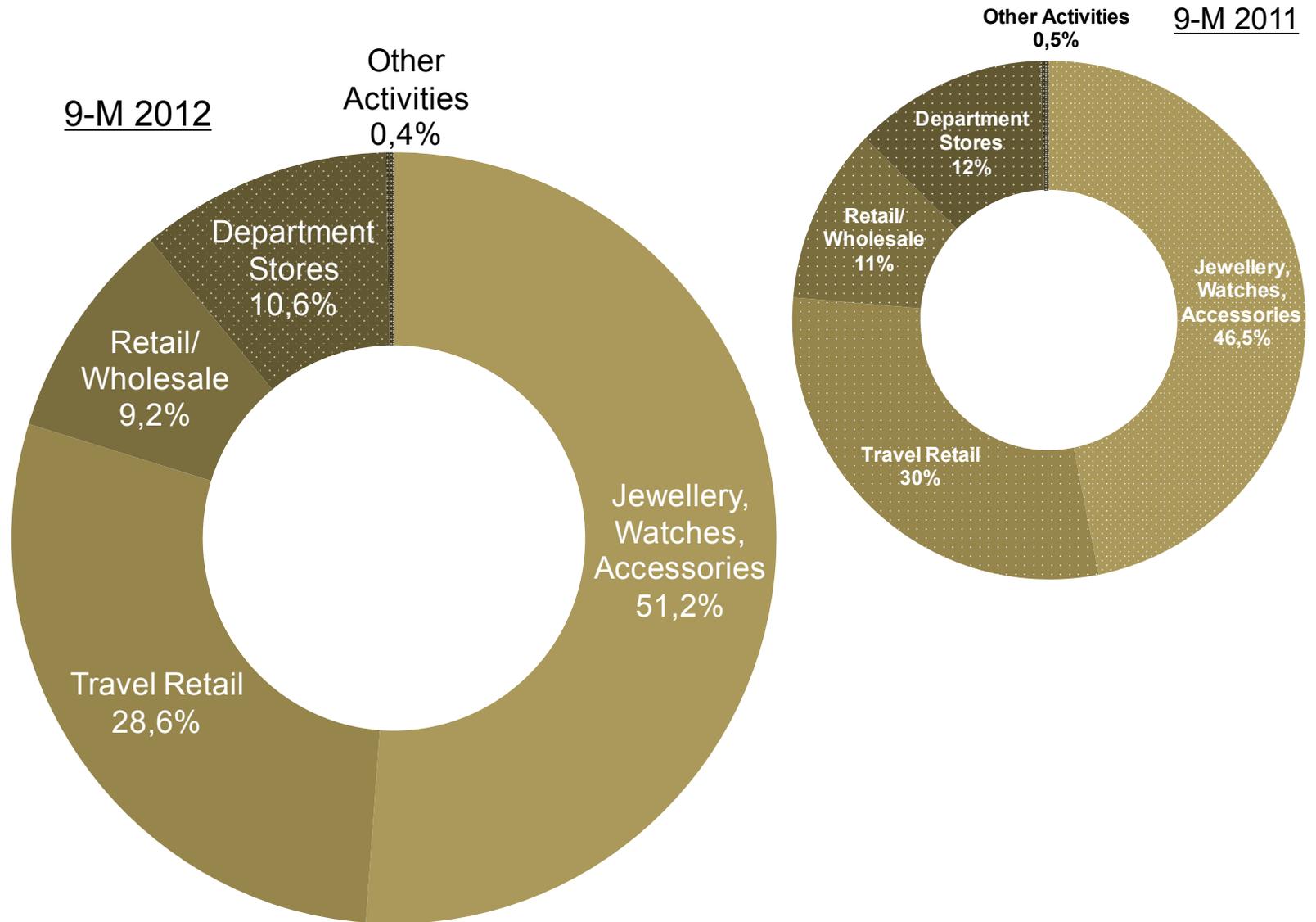
## Nine Months 2012 Summarized Income Statement

<i>In million EUR</i>	9-M 2012	9-M 2011	% Change
<b>Revenue</b>	<b>841,5</b>	<b>775,5</b>	<b>8,5%</b>
<b>Gross margin</b>	<b>417,5</b>	<b>384,5</b>	<b>8,6%</b>
Selling expenses	-224,8	-216,0	4,1%
Administrative expenses	-52,8	-38,8	36,1%
Other income and expenses	12,0	13,0	-7,7%
<b>Operating profit</b>	<b>151,9</b>	<b>142,7</b>	<b>6,4%</b>
Net financial income (expense)	-37,6	-39,0	-3,6%
Income taxes	-24,6	-21,3	15,5%
<b>Net profit before minority interests</b>	<b>89,6</b>	<b>82,4</b>	<b>8,7%</b>
Minority interests	-0,9	-0,9	<b>0,0%</b>
<b>Group share of net profit</b>	<b>88,7</b>	<b>81,5</b>	<b>8,8%</b>
Amortisation - Depreciation	20,0	18,2	9,9%
<b>EBITDA</b>	<b>171,9</b>	<b>160,9</b>	<b>6,8%</b>

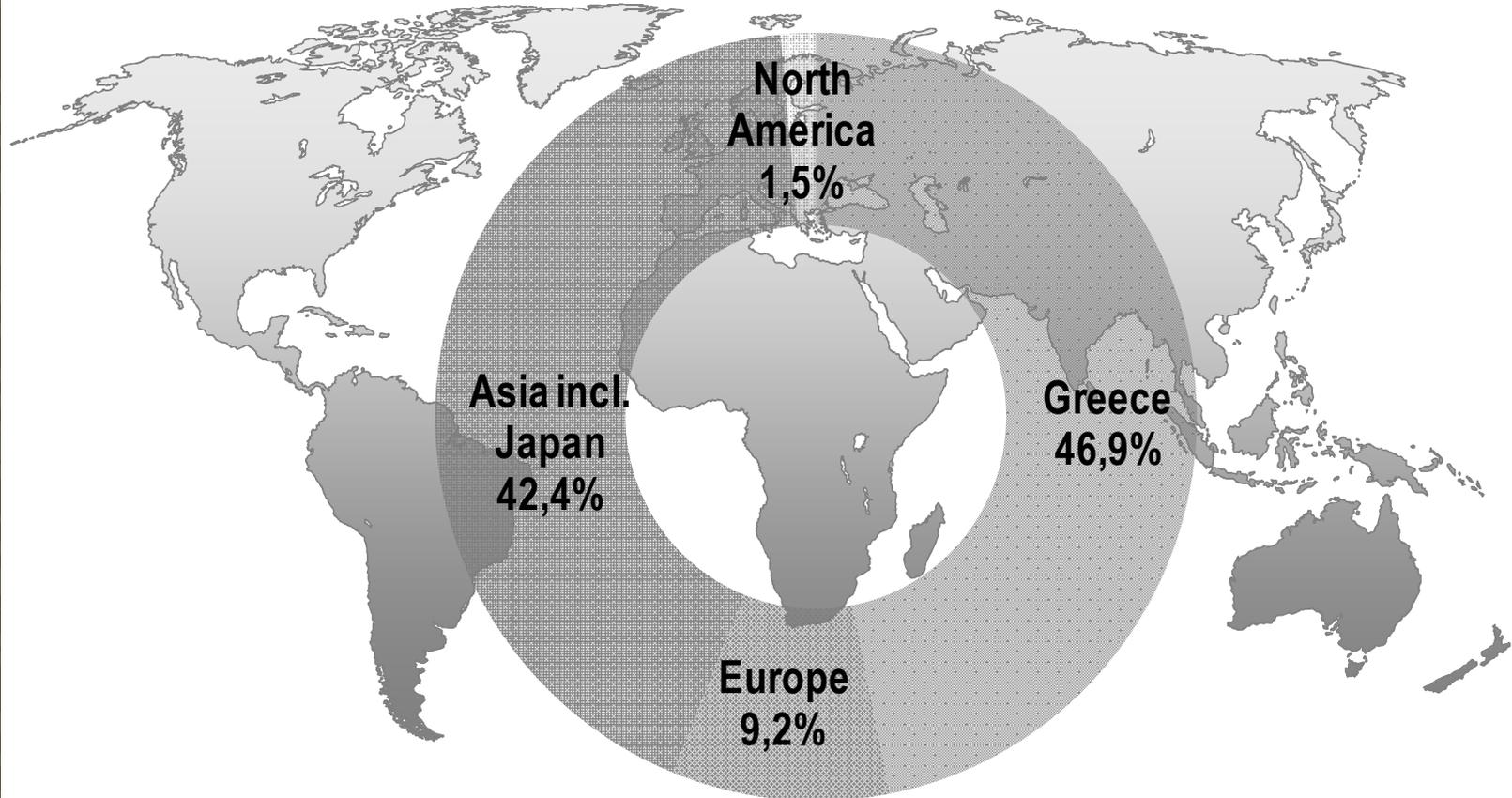
## Revenue by activity

<i>In million EUR</i>	9-M 2012	9-M 2011	chg. in %
Jewellery, Watches, Accessories	430,6	363,5	18,5%
Travel Retail	240,7	229,0	5,1%
Retail & Wholesale	77,7	85,0	-8,6%
Department Stores	89,5	93,9	-4,7%
Other Activities	3,0	4,1	-26,8%
<b>Total</b>	<b>841,5</b>	<b>775,5</b>	<b>8,5%</b>

# Revenue split by activity

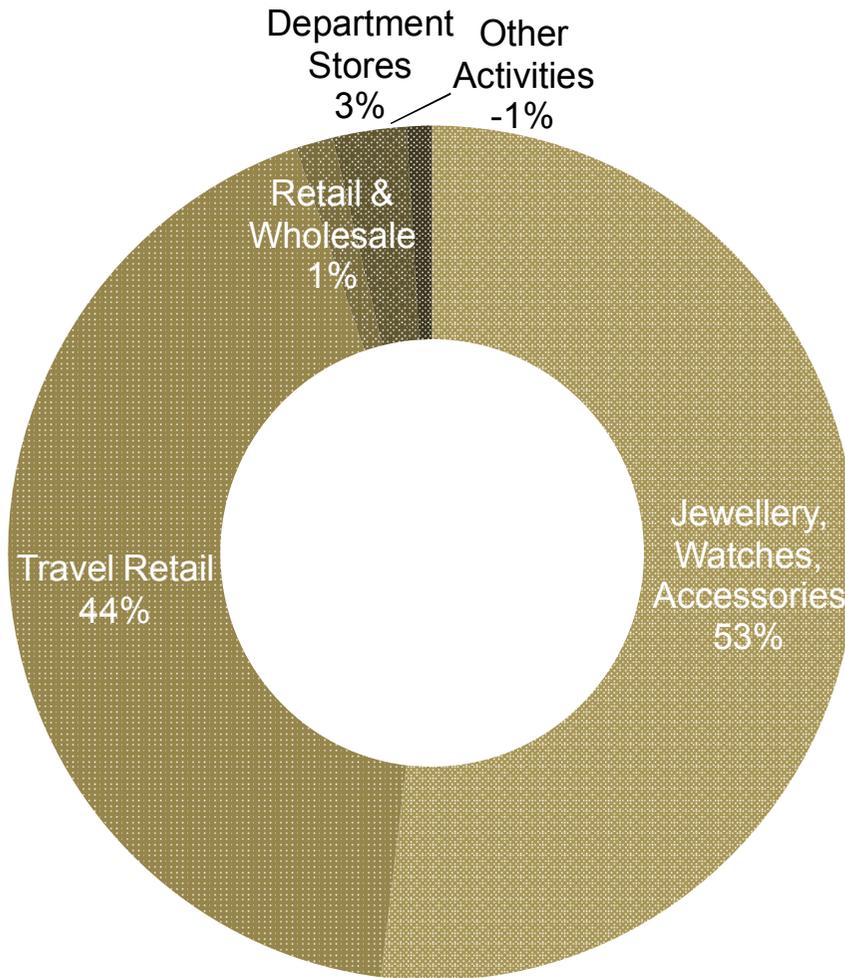


## Revenue split by geographical region

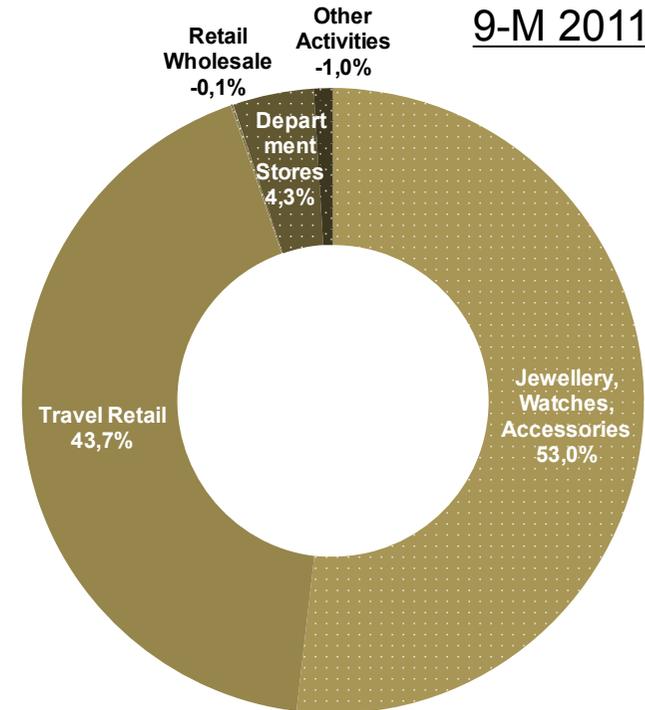


# EBITDA by activity

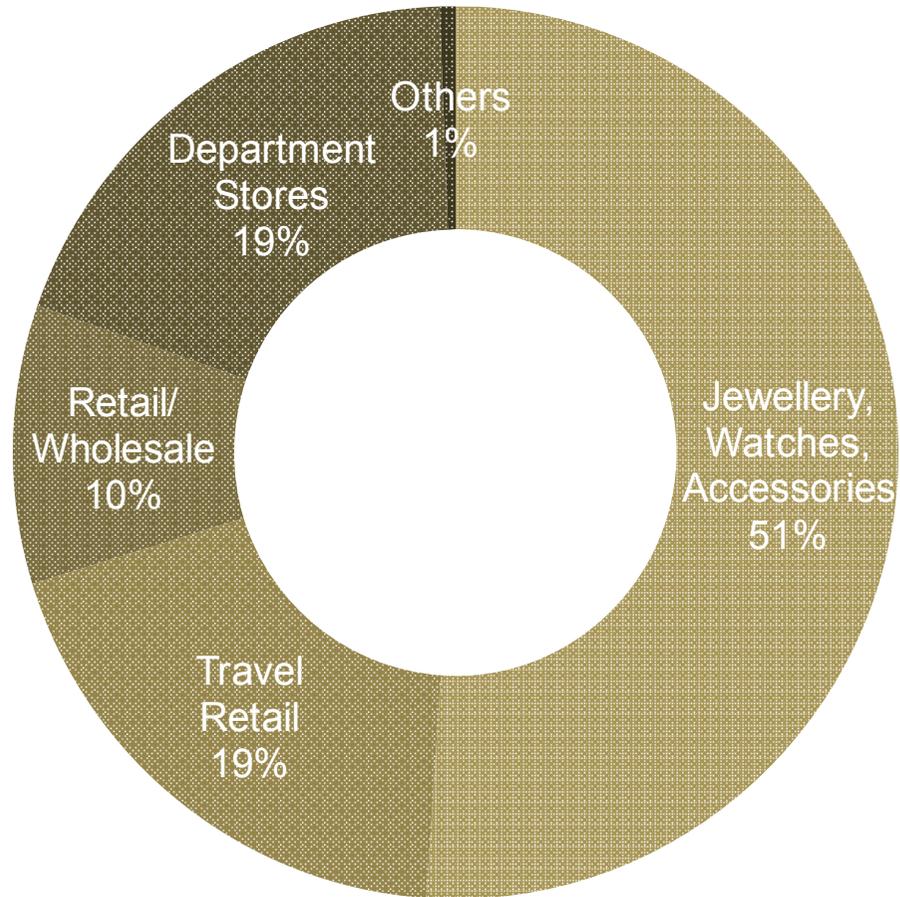
9-M 2012



9-M 2011

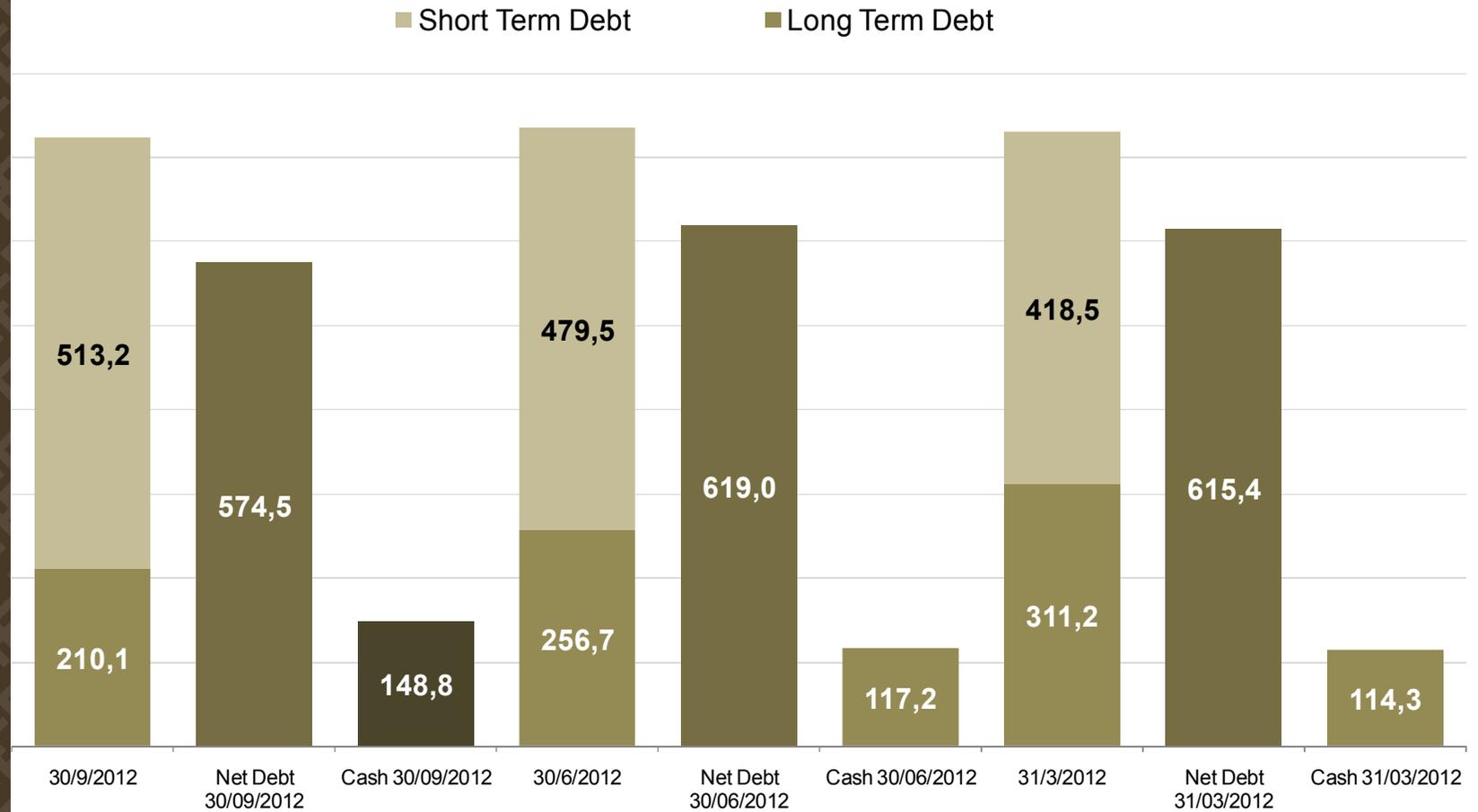


## Capex split by activity



Group capex reached in 9-M 2012 €19,8 million vs. €15,1 million in 9-M 2011

# Debt Structure by quarter



Total debt decreased in Q3 2012 by EUR 12,8m, net debt decreased by EUR 44,4m

## Free Cash Flow evolution

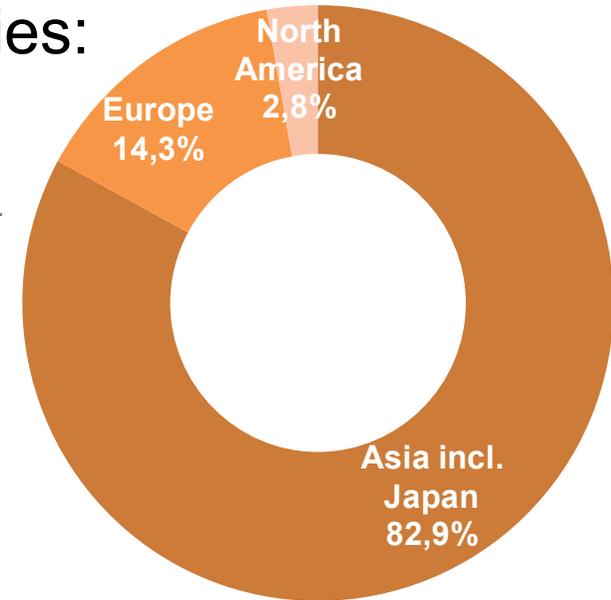
in € m	2009	2010	2011	9M 2012	9M 2011
<b>Cash from operations before changes in working capital</b>	<b>199</b>	<b>204</b>	<b>192</b>	<b>173</b>	<b>134</b>
Net interest paid	-31	-33	-40	-29	-28
Income taxes paid	-32	-46	-34	-20	-19
<b>Net cash from operations before changes in working capital</b>	<b>135</b>	<b>125</b>	<b>118</b>	<b>124</b>	<b>87</b>
Working capital requirements**	-80	-95	-118	-74	-66
Net Operating investments***	-26	-22	-22	-20	-15
<b>Free Cash Flow*</b>	<b>29</b>	<b>7</b>	<b>-22</b>	<b>30</b>	<b>6</b>

\* before available for sale financial assets and investments, transactions relating to equity and financing

## Jewellery, Watches and Accessories:

### Key figures (in Eur million)

	9-M 2012	9-M 2011	change
Revenue	430,6	363,5	18,5%
EBITDA	91,0	85,5	6,4%
EBITDA margin	21,1%	23,5%	
Gross Margin	52,7%	53,9%	



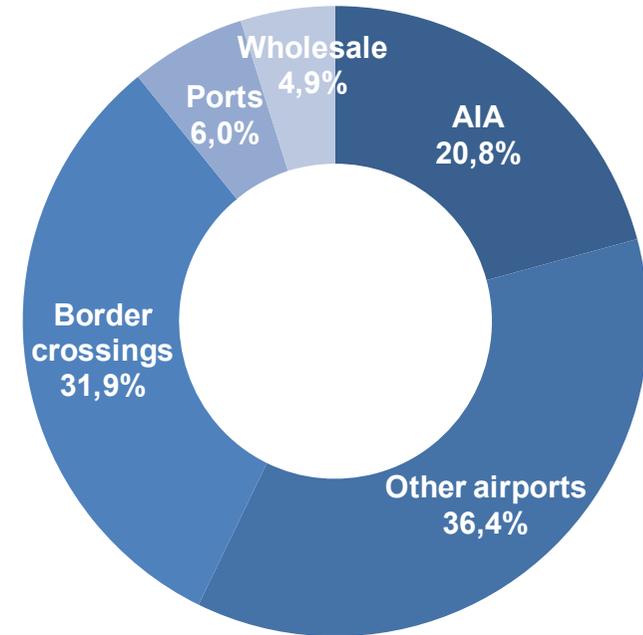
- Impressive revenue increase by 18.5%, throughout all regions, In constant currency terms, revenues would have reached €403m (+10.8%).
- Gross profit increased by 15.1%, with the respective margin settling at 52,3% against 53.9% in the same period last year.
- EBITDA increased by 6.4% with the respective margin at 21.1% from 23.5%.
- Folli Follie brand opened in the third quarter of 2012 – 13 new POS\* with the network reaching now 508 POS.

\*16 relocations

## Travel Retail:

### Key figures (in Eur million)

	9-M 2012	9-M 2011	change
Revenue	240,7	229	5,1%
EBITDA	75,2	70,5	6,7%
EBITDA margin	31,2%	30,8%	
Gross Margin	51,1%	52,0%	

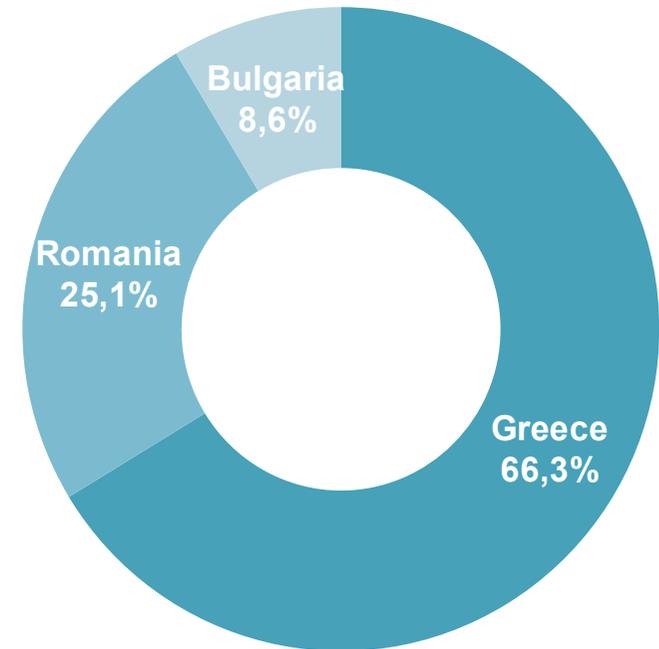


- Solid revenue performance (+5.1%) on last year high comparables, and by taking into consideration a decline in passenger departures of -6.1% during the first 9-months, compared to an increase of passenger departures of 8.4% in the same period of 2011.
- Solid gross profit growth at +3.3%, with the respective margin reaching 51.1% against 52.0% in the same period last year.
- EBITDA reached €75.2m from €70.5m with the respective margin at 31.2% from 30.8% the same period last year.
- Duty Free Sales at 62.3% against 37.7% Duty Paid dominate clearly the sales mix reaching the record level of €153m compared to €130.1m in 9-M 2011 and €97.8m in 9-M 2010.
- Spending per customer increased by 4.2% from €39.36 in 9M 2011 to €41.02 in 9M 2012.

## Retail/Wholesale:

### Key figures (in Eur million)

	9-M 2012	9-M 2011	change
Revenue	77,7	85	-8,6%
EBITDA	2,5	-0,5	600,0%
EBITDA margin	3,2%	-0,6%	
Gross Margin	47,2%	42,6%	

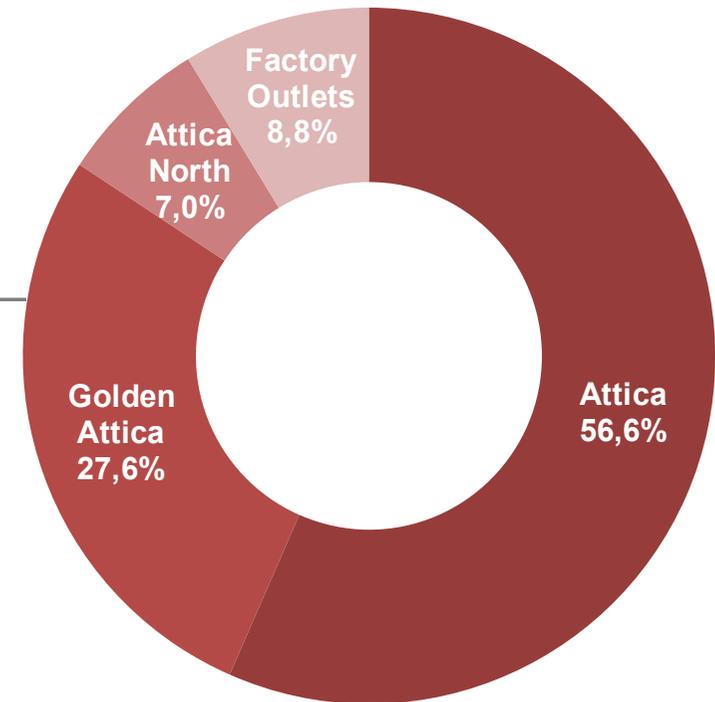


- Revenues declined by 8.6% driven by the reluctance of private consumption mainly due the implementation of further fiscal measures, remuneration interventions and the persistent rise in unemployment.
- Gross profit decreased marginally by 1.2% with the respective gross margin increasing from 42.6% to 47.2% in the same period last year, supported by a decline of COGS by 15.9%.
- EBITDA turned in the 9 months period positive and increased from € -0.5m to € 2.5m with the respective margin at 3.2% from -0.6% the previous year.

## Department Stores:

### Key figures (in Eur million)

	9-M 2012	9-M 2011	change
Revenue	89,5	93,9	-4,7%
EBITDA	4,9	7,0	-30,0%
EBITDA margin	5,5%	7,4%	
Gross Margin	33,9%	34,8%	



- Revenues declined in the 9 month period by -4.7% and on a lfl basis by -12.4%. Q3 revenues increased by 1.4%, (compared to a decline of 3.4% in Q2 and a decline of 11.5% in Q1) impacted by Attica North which contributed with €6.3m to revenues since its start in early March 2012.
- Gross profit declined by 7% reaching €30.3m with the respective gross margin at 33.9% from 34.8% in the same period last year. Q3 Gross margin at 34.2% vs. 31.6% the same period last year indicating a resilience during the summer sales period.
- EBITDA decreased from €7.0m in 9-M 2011 to €4.9m with the respective margin at 5.5% from 7.4% in the previous period.

## Other activities:

### Key figures (in Eur million)

	9-M 2012	9-M 2011	change
Revenue	3,0	4,1	-26,8%
EBITDA	-1,7	-1,6	-6,3%
EBITDA margin	-56,3%	-39,7%	
Gross Margin	14,7%	20,6%	

- Revenues decreased by 26.8% to €3.0m from €4.1m.
- Gross profit decreased by 48.0% to €0.44m from €0,85m in the same period last year.
- EBITDA decreased by 3.4% to €-1.68m from €-1.63m.

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