

# FOLLI FOLLIE GROUP

## Full Year 2012 Financial Results

March 28<sup>th</sup>, 2013



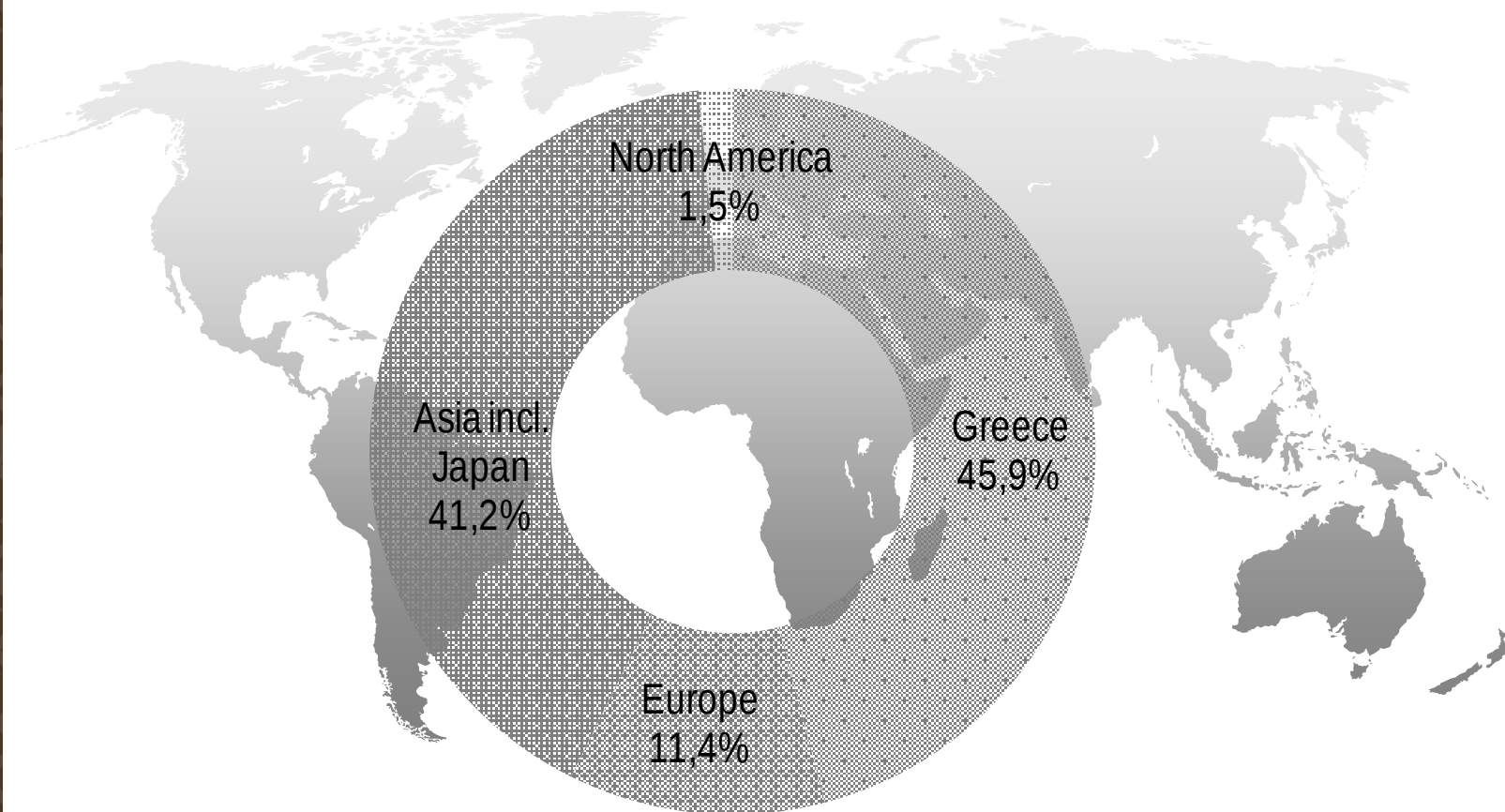
## Full Year 2012 Summarized Income Statement

| <i>In EUR million</i>                       | FY 2012        | FY 2011        | % Change    |
|---------------------------------------------|----------------|----------------|-------------|
| <b>Revenue</b>                              | <b>1.110,0</b> | <b>1.021,4</b> | <b>8,7%</b> |
| <b>Gross margin</b>                         | <b>556,9</b>   | <b>516,5</b>   | <b>7,8%</b> |
| Selling expenses                            | -313,8         | -305,7         | 2,6%        |
| Administrative expenses                     | -73,6          | -56,6          | 30,0%       |
| Other income and expenses                   | 16,3           | 19,7           | -17,3%      |
| <b>Operating profit</b>                     | <b>185,8</b>   | <b>173,9</b>   | <b>6,8%</b> |
| Net financial income (expense)              | -54,9          | -52,0          | 5,6%        |
| Income taxes                                | -35,3          | -30,6          | 15,4%       |
| <b>Net profit before minority interests</b> | <b>95,6</b>    | <b>91,3</b>    | <b>4,7%</b> |
| Minority interests                          | -2,0           | -1,8           | 11,1%       |
| <b>Group share of net profit</b>            | <b>93,6</b>    | <b>89,5</b>    | <b>4,6%</b> |
| Amortisation - Depreciation                 | 27,0           | 24,8           | 8,9%        |
| <b>EBITDA</b>                               | <b>212,8</b>   | <b>198,7</b>   | <b>7,1%</b> |

## FF Group – Financial Highlights Full Year 2012

- § Strong revenue increase of 8.7% for the Folli Follie Group despite the severe recession in the domestic market for the fifth consecutive year with GDP declining by 22% between 2008 and 2012.
- § Group gross margin almost unchanged at 50.2% vs. 50.6% in the same period last year, mainly driven by the excellent performance of the Jewellery, Watches and Accessories activity.
- § Group EBITDA increased by 7.1%, the respective margin could be kept at high level of 19.2% vs. 19.5%, despite ongoing investments in all Group activities with capex reaching €23.9m vs 23.0m in FY 2011.
- § Full Year net profit increased by 4.6% to €93.6m impacted by deferred taxation in the local market. At a constant Greek corporate tax rate of 20% net profit after tax would have reached € 99.4m vs. € 91.3m (+8.8%) and net profit would have reached € 97.4m from € 89.5m .
- § Earnings per share reached for the Full Year 2012, 1.41825 vs. 1.35604 in FY 2011.
- § The Group network reached per year end 2012 - 864 POS globally.

## Revenue split by geographical region

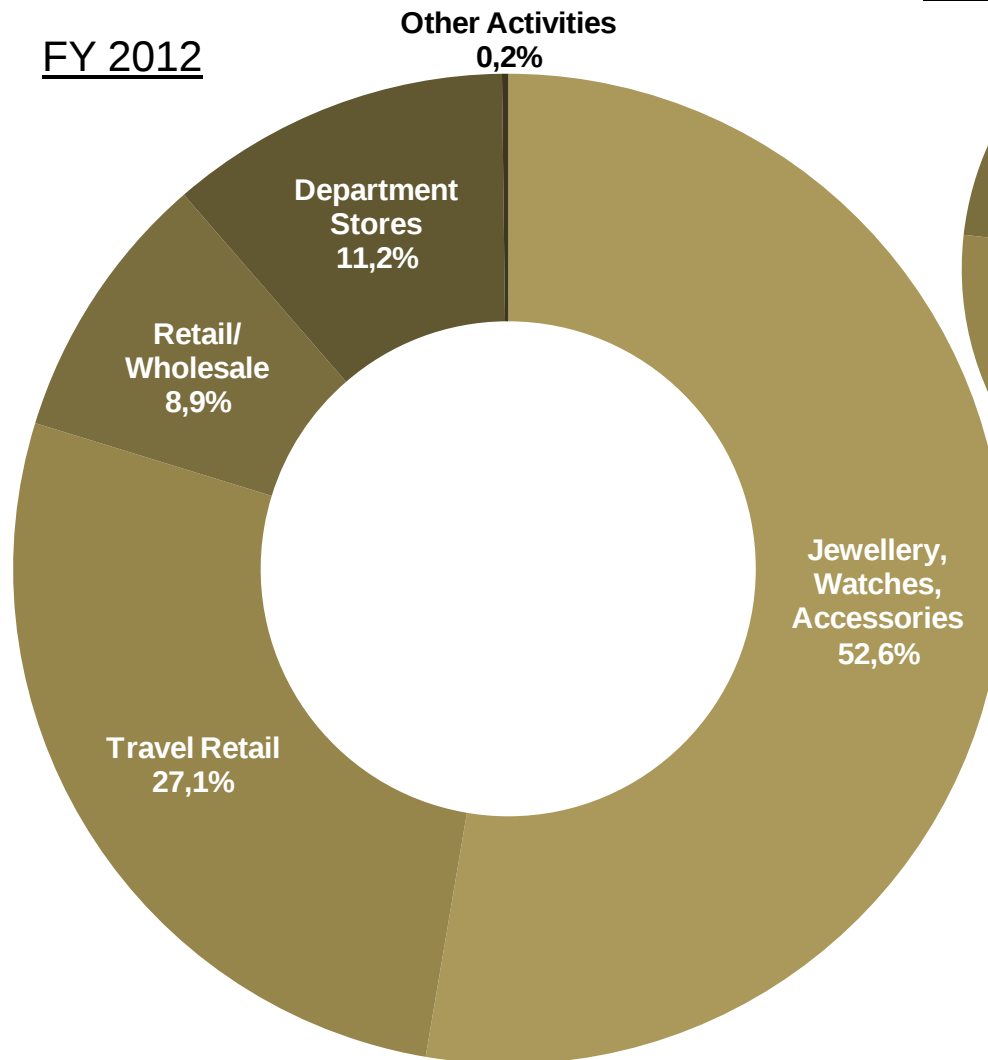


## Revenue by activity

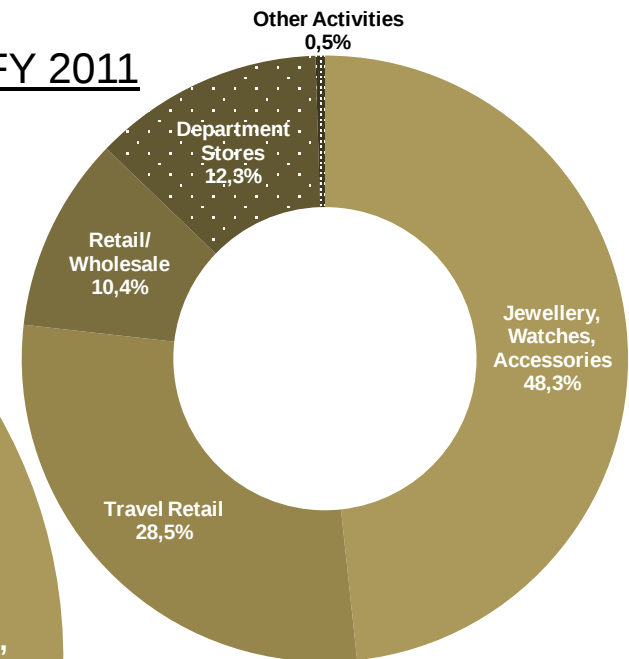
| <i>In million EUR</i>           | FY 2012        | FY 2011        | chg. in %   |
|---------------------------------|----------------|----------------|-------------|
| Jewellery, Watches, Accessories | 583,8          | 493,4          | 18,3%       |
| Travel Retail                   | 300,3          | 290,9          | 3,2%        |
| Retail & Wholesale              | 98,4           | 106,2          | -7,3%       |
| Department Stores               | 123,8          | 125,8          | -1,6%       |
| Other Activities                | 3,7            | 5,1            | -27,5%      |
| <b>Total</b>                    | <b>1.110,0</b> | <b>1.021,4</b> | <b>8,7%</b> |

## Revenue split by activity

FY 2012

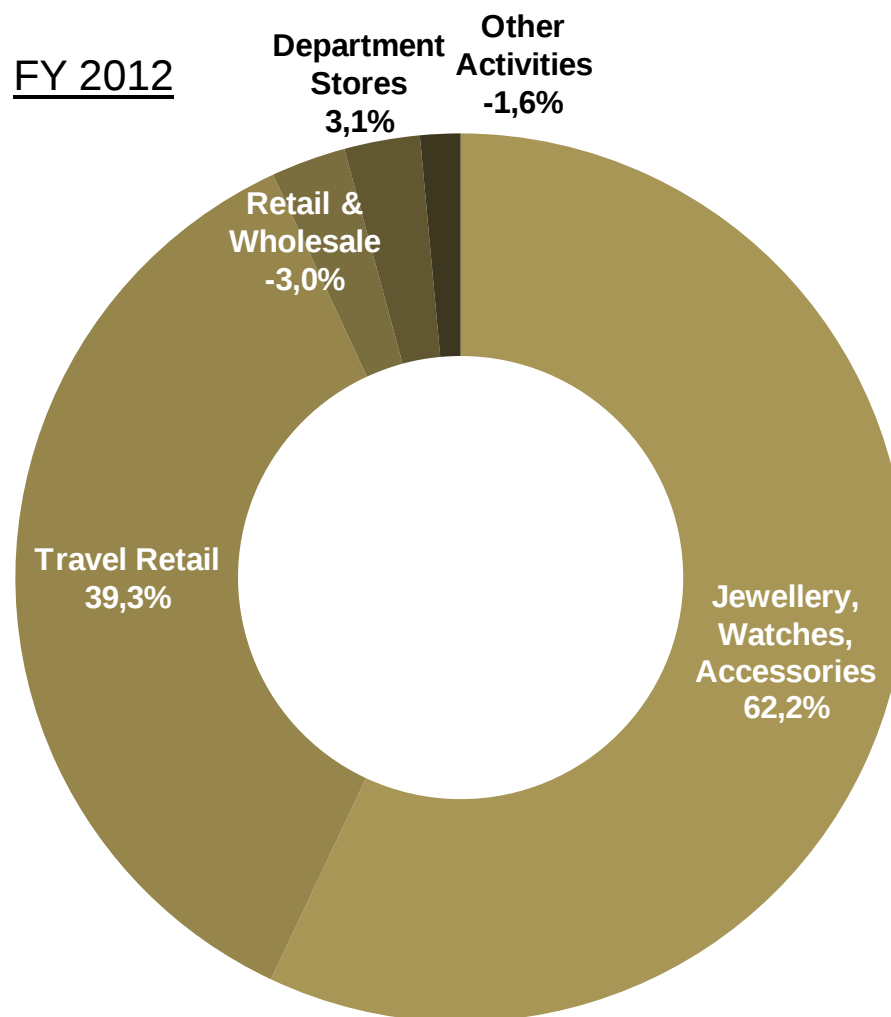


FY 2011

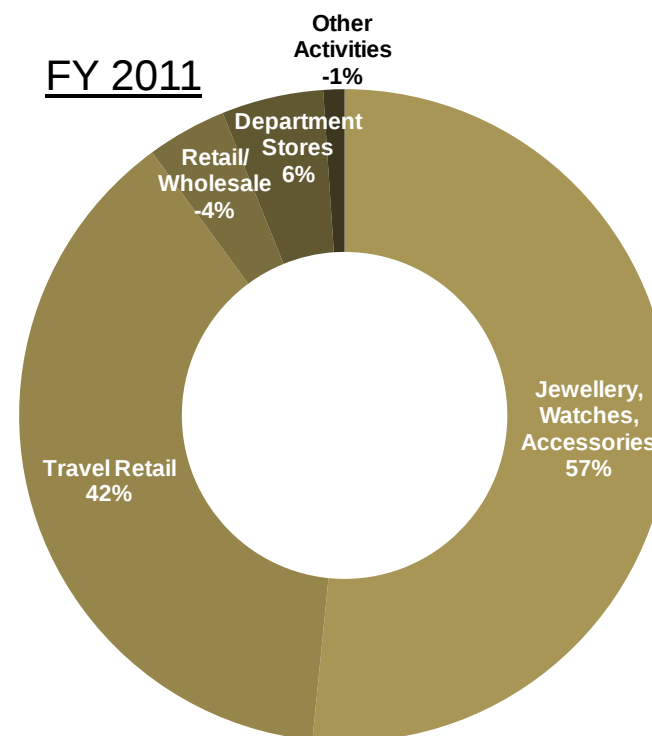


## EBITDA by activity

FY 2012

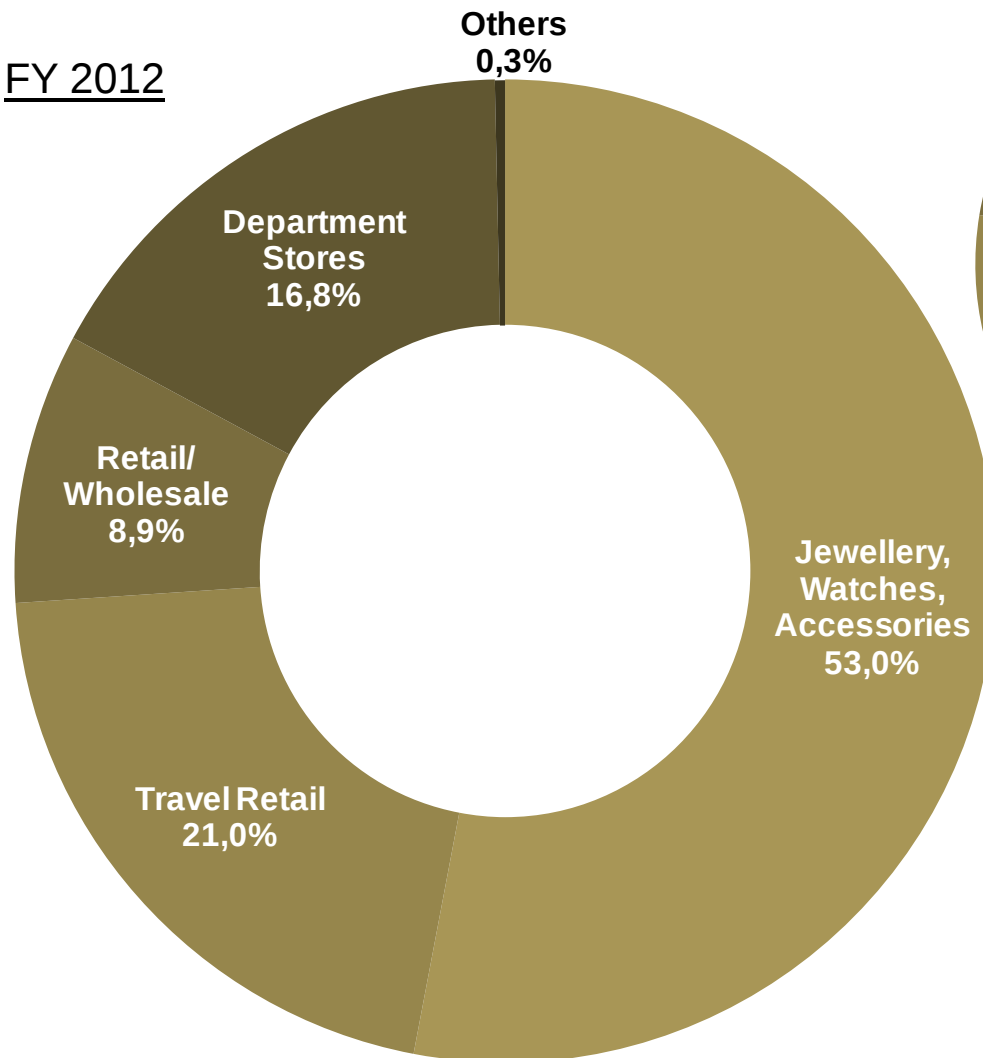


FY 2011

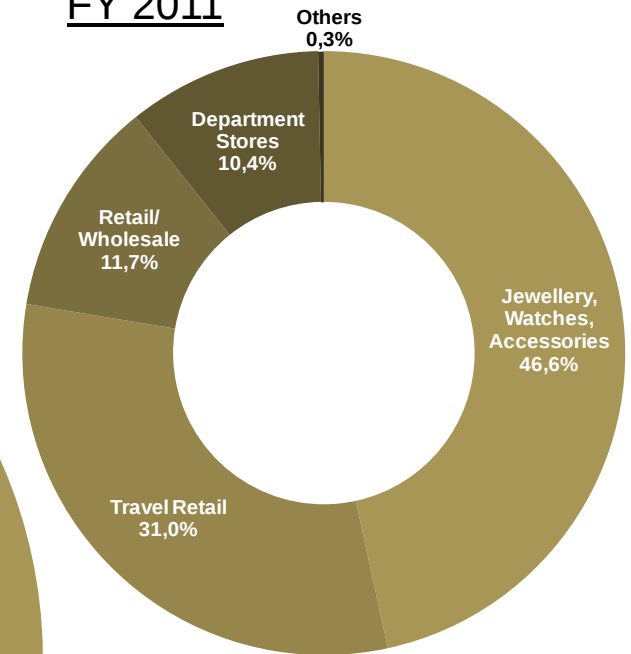


## Capex split by activity

FY 2012

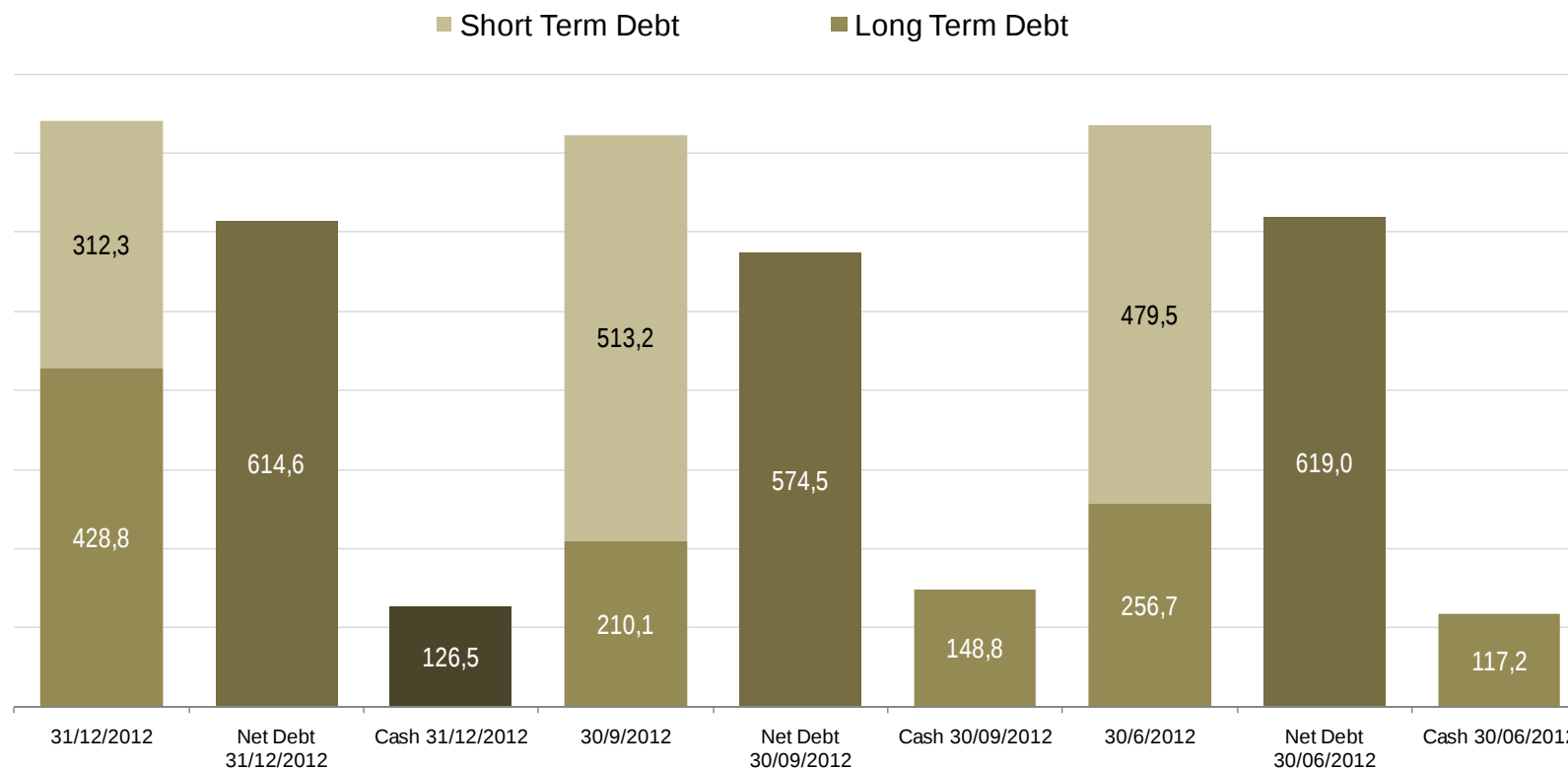


FY 2011



Total Group capex reached in FY 2012 €23.9 million vs. € 23,0 million in FY 2011

# Debt Structure by quarter



Total debt increased in Q4 by €17.7million, Cash decreased in Q4 by €22.3m, Net Debt/EBITDA decreased from 3.00 times in FY 2011 to 2.89 times in FY 2012.

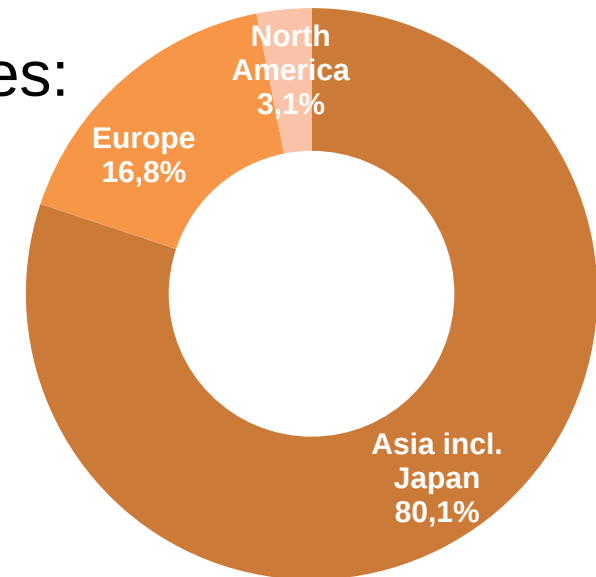
## Free Cash Flow evolution

| <i>in € million</i>                               | 2009 | 2010 | 2011 | 2012 |
|---------------------------------------------------|------|------|------|------|
| Cash from operations (before changes in W.C.)     | 199  | 204  | 192  | 213  |
| Net interest paid                                 | -31  | -33  | -40  | -38  |
| Income taxes paid                                 | -32  | -46  | -34  | -24  |
| Net cash from operations (before changes in W.C.) | 135  | 125  | 118  | 151  |
| Working capital requirements                      | -80  | -95  | -118 | -127 |
| Net Operating investments                         | -26  | -23  | -22  | -23  |
| Free Cash Flow*                                   | 29   | 7    | -22  | 1    |

## Jewellery, Watches and Accessories:

### Key figures (in Eur million)

|               | FY 2012 | FY 2011 | change |
|---------------|---------|---------|--------|
| Revenue       | 583,8   | 493,4   | 18,3%  |
| EBITDA        | 132,4   | 114,4   | 15,7%  |
| EBITDA margin | 22,7%   | 23,2%   |        |
| Gross Margin  | 55,2%   | 56,0%   |        |



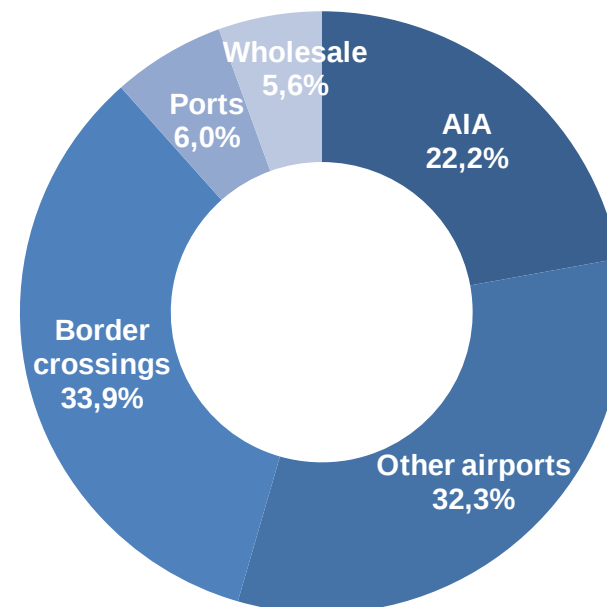
- § Continuation of the strong revenue trend with FY sales increased by 18.3% and Q4 sales increased by 17.9%. Asia's revenue contribution increased from 76.2% to 80.1%
- § Gross profit increased by 16.6% to €322.4m from €276.5m, with the respective margin at 55.2% against 56.0% in the same period last year.
- § Q4 2012 Gross Margin remained at high level and reached 62.3% from 62.1% in Q4 2011.
- § Full Year EBITDA at €132.4m from €114.4m with the respective margin at 22.7% from 23.2%. Strong increase of 4<sup>th</sup> quarter EBITDA Margin at 27.0% from 22.2% in last quarter of 2011, despite further investments in the brands.
- § Folli Follie brand opened in the fourth quarter of 2012 – 45 new POS\* (vs. 13 new POS in Q3 2012) with the network reaching at year end 539 POS from 488 POS in FY 2011 and is represented in 37 airlines.

\*14 relocations

## Travel Retail:

### Key figures (in Eur million)

|               | FY 2012 | FY 2011 | change |
|---------------|---------|---------|--------|
| Revenue       | 300,3   | 290,9   | 3,2%   |
| EBITDA        | 83,7    | 84,3    | -0,7%  |
| EBITDA margin | 27,9%   | 29,0%   |        |
| Gross Margin  | 50,5%   | 52,0%   |        |

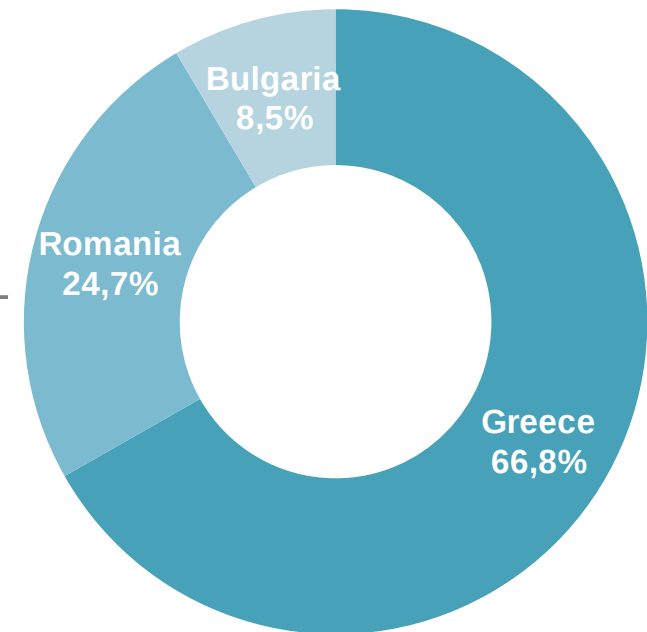


- § Solid revenue performance during the Full Year, with sales increased by 3.2% to €300.3 million, taking into consideration a decline in passenger departures of -5.83% with retail sales up 5.66%, compared to an increase of passenger departures of 6.0% in the same period of 2011. Passenger traffic at Athens International Airport declined by 11% throughout the year with revenues decreased by 7.4%.
- § Full Year Gross profit increased by 0.3% to €151.8m, with the respective margin at 50,5% against 52.0% in the same period last year.
- § EBITDA reached €83.7m from €84.3m with the respective margin at 28.0% from 29.0% the same period last year.
- § Duty Free sales increased by 13.3% reaching €193 million from €170.5 million in FY 2011.
- § Spending per customer increased by 4.15% to €40.94.

## Retail/Wholesale:

### Key figures (in Eur million)

|                | FY 2012 | FY 2011 | change |
|----------------|---------|---------|--------|
| Revenue        | 98,4    | 106,2   | -7,3%  |
| EBIT DA        | -6,3    | -8,7    |        |
| EBIT DA margin | -6,4%   | -8,2%   |        |
| Gross Margin   | 39,5%   | 40,3%   |        |

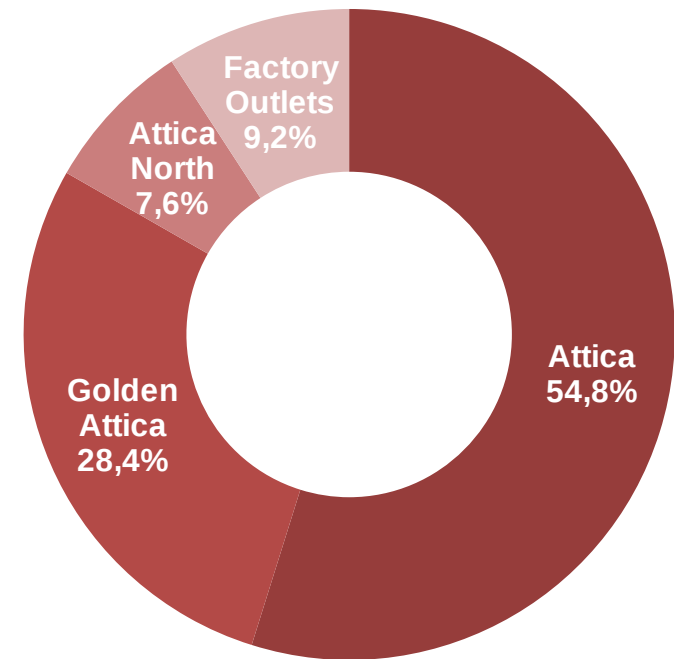


- § Revenues decrease by 7.3% from €106.2m to €98.4m as a result of the recession of the Greek economy and the associated compression of domestic consumption for the fifth consecutive year. Q4 2012 revenues decreased by -2.1% compared to Q4 2011.
- § Gross profit decreased by 9.2% from €42.8m to €38.8m, with the respective gross margin slightly decreased from 40.3% to 39.5% in the same period last year.
- § EBITDA for the full year at €-6.3m from €-8.7m in the full year 2011.

## Department Stores:

### Key figures (in Eur million)

|               | FY 2012 | FY 2011 | change |
|---------------|---------|---------|--------|
| Revenue       | 123,8   | 125,8   | -1,6%  |
| EBITDA        | 6,4     | 11,1    | -42,3% |
| EBITDA margin | 5,2%    | 8,8%    |        |
| Gross Margin  | 35,1%   | 35,7%   |        |



- § Modest revenues decline by -1.6% from €125.8m to €123.8m impacted by the domestic economic development with the fall of private consumption and growing unemployment as key contraction drivers.
- § Gross profit slightly declined by 3.3% reaching €43.5m with the respective gross margin at 35.1% from 35.7% in the same period last year.
- § EBITDA decreased by 42.3% from €11.1m to €6.4m

## Other activities:

### Key figures (in Eur million)

|                | FY 2012 | FY 2011 | change |
|----------------|---------|---------|--------|
| Revenue        | 3,7     | 5,1     | -27,5% |
| EBIT DA        | -3,5    | -2,3    | -52,2% |
| EBIT DA margin | -94,1%  | -45,8%  |        |
| Gross Margin   | 9,2%    | 18,8%   |        |

§ Revenues decreased by 27.5% to €3.7m from €5.1m.

§ Gross profit decreased by 64.7% € 0.34m from €0.96m in the same period last year.

§ EBITDA decreased from €-3.5m to €-2.3m.



China, Xinjiang Uygur, Wulumuqi Meimei Store

## DISCLAIMER

This document is for institutional investors only and is not available to private customers. This document is being supplied to a limited number of recipients and it may not be distributed, published or reproduced in whole or in part or disclosed by recipients to any other person.

Each investor contemplating purchasing securities issued by Duty Free Shops S.A. (with the distinctive title Folli Follie Group) or any of its subsidiaries should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, Duty Free Shops S.A. (with the distinctive title Folli Follie Group) or any of its subsidiaries and should carefully consider the high risks involved in purchasing these securities. This is not an invitation to invest in securities.

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this presentation that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of Duty Free Shops S.A. (with the distinctive title Folli Follie Group). Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement.

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