

# Folli Follie Group First Quarter 2009 Financial Results

28<sup>th</sup> May, 2009



Folli Follie Aoyama Flagship Store, Tokyo

## FF Group First Quarter 2009 - Overview Financials

		% of sales
<b>Total Sales</b>	<b>210,9</b>	
<b>EBITDA</b>	<b>46,6</b>	<b>22,1%</b>
<b>EBIT</b>	<b>41,9</b>	<b>19,9%</b>
<b>EBT</b>	<b>34,0</b>	<b>16,1%</b>
<b>EAT after min.</b>	<b>24,9</b>	<b>11,8%</b>

## FF Group – Financial Highlights First Quarter 2009

- § Overall the FF group shows resilience in a tough environment yet for another quarter.
- § Increased group sales by 11% compared to the same period last year, despite high comparables and an unfavorable economic climate.
- § Group operating profit increases by 9%
- § EBITDA margin maintained at high level with 22%
- § Net profit after taxes and minorities increased by 28%

## FF Group – Summarized Income Statement

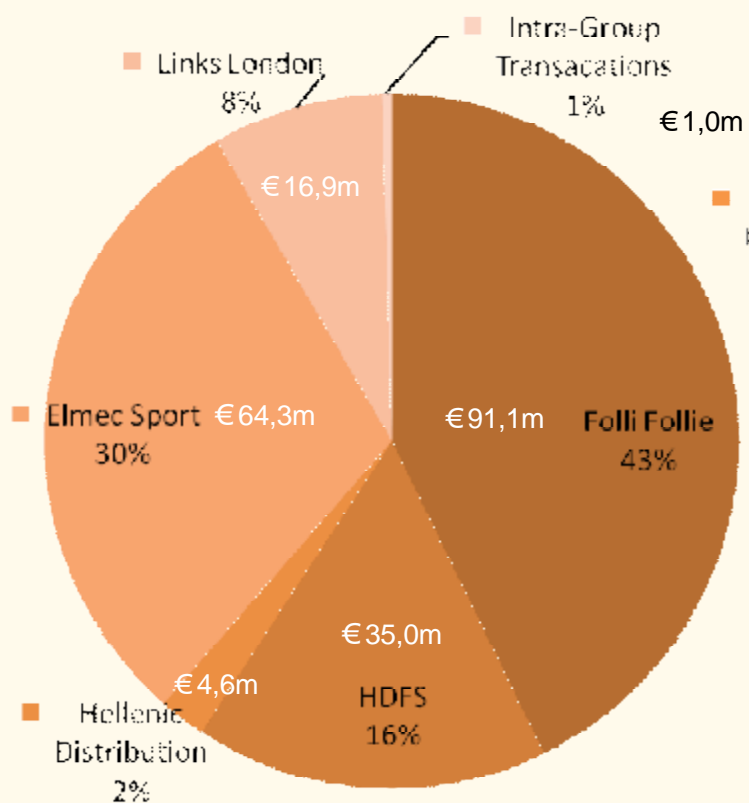
<i>In million EUR</i>	Q1 2009	Q1 2008	% Change
<b>Revenue</b>	<b>210,9</b>	<b>189,3</b>	<b>11,4%</b>
<b>Gross margin</b>	<b>106,3</b>	<b>96,9</b>	<b>9,7%</b>
Selling expenses	-60,4	-52,7	14,6%
Administrative expenses	-12,9	-11,6	11,2%
Other income and expenses	8,9	5,9	
<b>Operating profit</b>	<b>41,9</b>	<b>38,5</b>	<b>8,8%</b>
Net financial income (expense)	-7,9	-10,1	-21,8%
Income taxes	-7,3	-6,4	14,1%
<b>Net profit before minority interests</b>	<b>26,7</b>	<b>22,1</b>	<b>20,8%</b>
Minority interests	-1,8	-2,7	
<b>Group share of net profit</b>	<b>24,9</b>	<b>19,4</b>	<b>28,4%</b>
Amortisation - Depreciation	4,7	4,7	
<b>EBITDA</b>	<b>46,6</b>	<b>43,3</b>	<b>7,6%</b>

## FF Group –Revenue by company

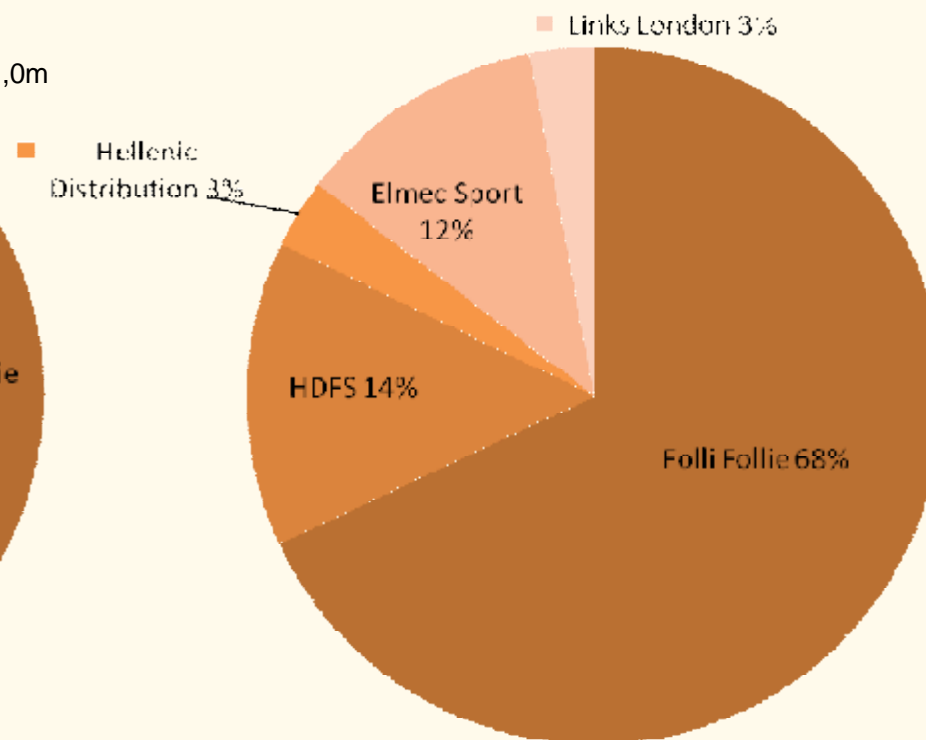
<i>In million EUR</i>	Q1 2009	Q1 2008	Organic growth
Folli Follie stand alone	91,1	76,9	18,5%
Hellenic Duty Free Shops	35,0	38,6	-9,3%
Hellenic Distributions	4,6	4,6	0,0%
Elmec Sport	64,3	56,2	14,4%
Links London	16,9	14,0	20,7%
Intra-Group Sales	1,0	1,0	0,0%
<b>Total</b>	<b>210,9</b>	<b>189,3</b>	<b>11,4%</b>

# FF Group – Revenue and EBITDA split by company

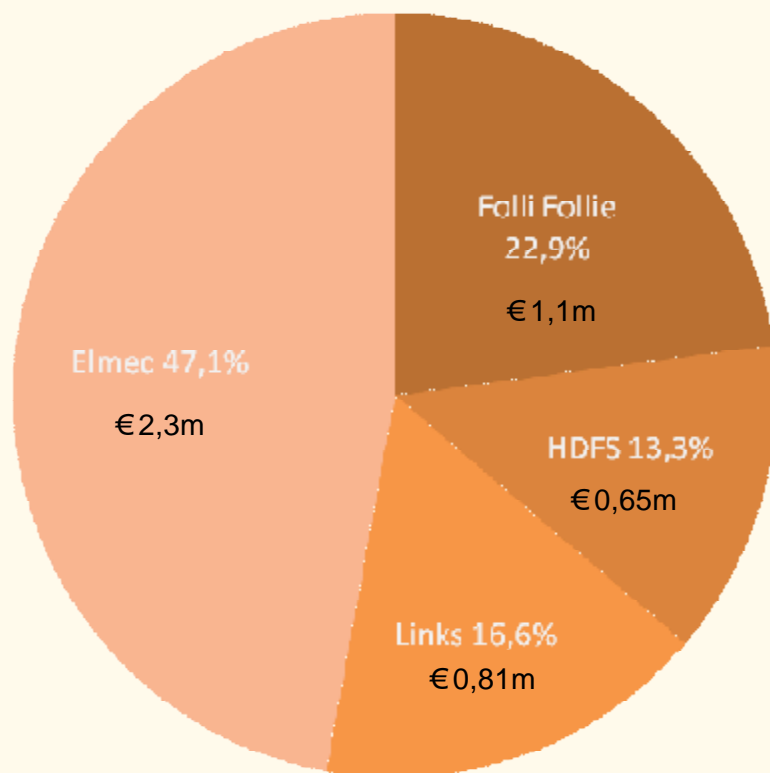
Revenue split by company



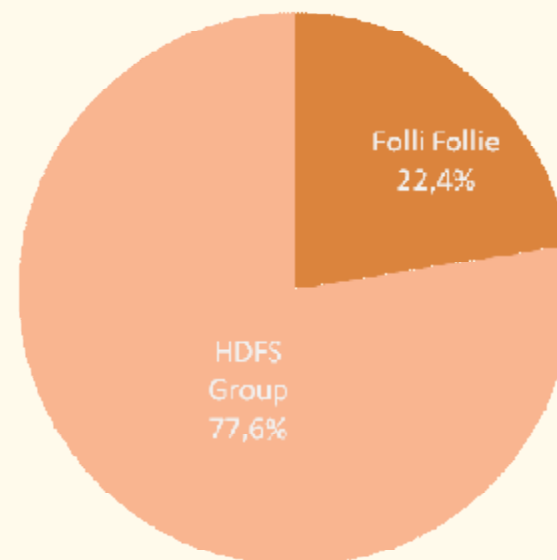
EBITDA split by company



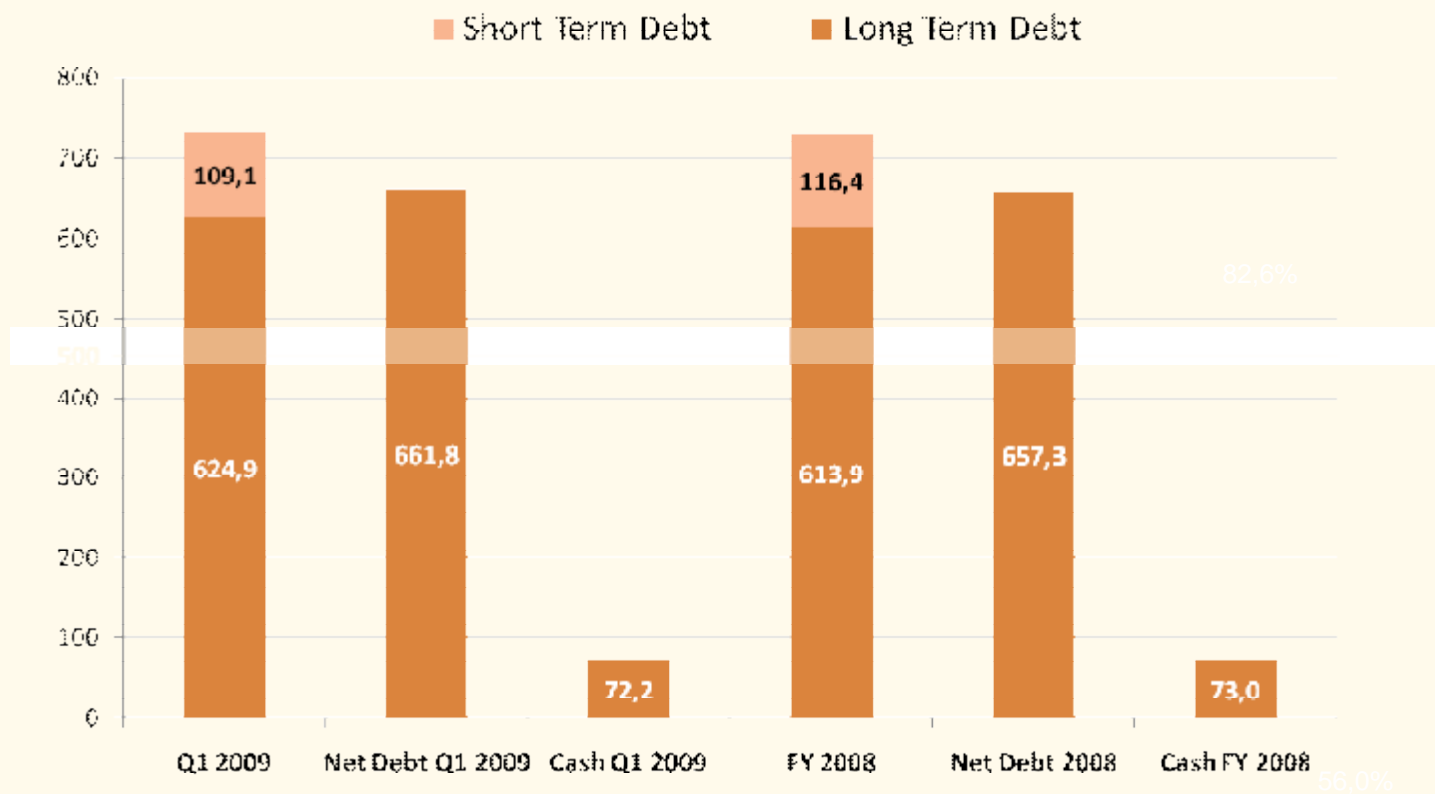
## FF Group – Q1 2009 Capex Split by company



## Group Capex Q1 2009



# FF Group Debt Structure FY 2008 vs. FY 2007





**CASH FLOW STATEMENT-indirect method ( Amounts reported in Thousand Euros )**

	THE GROUP		THE COMPANY	
	1/1-31/3/2009	1/1-31/3/2008	1/1-31/3/2009	1/1-31/3/2008
Cash Flows related to Operating Activities				
Net Profit before taxes	33.976	28.468	-1.836	-4.938
<i>Adjustments in respect of non-cash transactions:</i>				
Depreciation and Amortisation	4.763	4.725	306	278
Devaluation of tangible and intangible assets				
Provisions	278	530	27	31
Exchange differences	11.982	-11.341	0	0
Cash flows from investing activities	-1.175	-430	-920	-283
Debit interest and similar expenses	9.033	10.309	3.953	5.439
<b>Adjustments related to working capital or other operating activities</b>				
Decrease/(increase) of Inventories	-27.811	-8.895	-440	-71
Decrease/(increase) of Receivables	-6.621	-10.559	1.977	2.476
Increase/(decrease) of payable accounts (except Banks)	-6.974	-183	774	-1.125
<b>Minus</b>				
Interest paid and similar expenses	-8.234	-3.402	-1.922	-1.648
Income Tax paid	-6.824	-7.648	0	-1.203
<b>Net cash inflows/(outflows) from Operating Activities (a)</b>	<b>2.393</b>	<b>1.574</b>	<b>1.919</b>	<b>-1.044</b>
Cash Flows related to Investing Activities		0	0	0
Purchases of subsidiaries, associates and other investments	-82	-18.510	-28	-12.631
Purchases of tangible and intangible assets	-4.945	-4.140	-135	-629
Proceeds from sale of tangible and intangible assets	102	347	4	0
Proceeds from sale of financial assets	344	0	0	0
Dividends received	0	0	0	0
Interest received	1.069	553	767	316
Decrease/(increase) of other long-term receivables	-247	1.691	15	-3
<b>Net cash inflows/(outflows) from Investing Activities (b)</b>	<b>-3.759</b>	<b>-20.059</b>	<b>623</b>	<b>-12.947</b>
Cash Flows related to Financing Activities		0	0	0
Own Stock	-205	-994	0	56.0%
Proceeds from Loans	1.181	15.901	-4.903	5.680
Repayment of Loans				
Payments for leases	-449	-83	-8	-8
Dividends paid	0	-500	0	-500
<b>Net cash inflows/(outflows) from Financing Activities (c)</b>	<b>527</b>	<b>14.324</b>	<b>-4.911</b>	<b>5.172</b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+( c )</b>	<b>-839</b>	<b>-4.161</b>	<b>-2.369</b>	<b>-8.819</b>
Cash and cash equivalents at the beginning of the period	73.064	91.509	3.983	14.443
<b>Cash and cash equivalents at the end of the period</b>	<b>72.225</b>	<b>87.348</b>	<b>1.614</b>	<b>5.624</b>

# Folli Follie



Folli Follie Hong Kong Advertisement Campaign

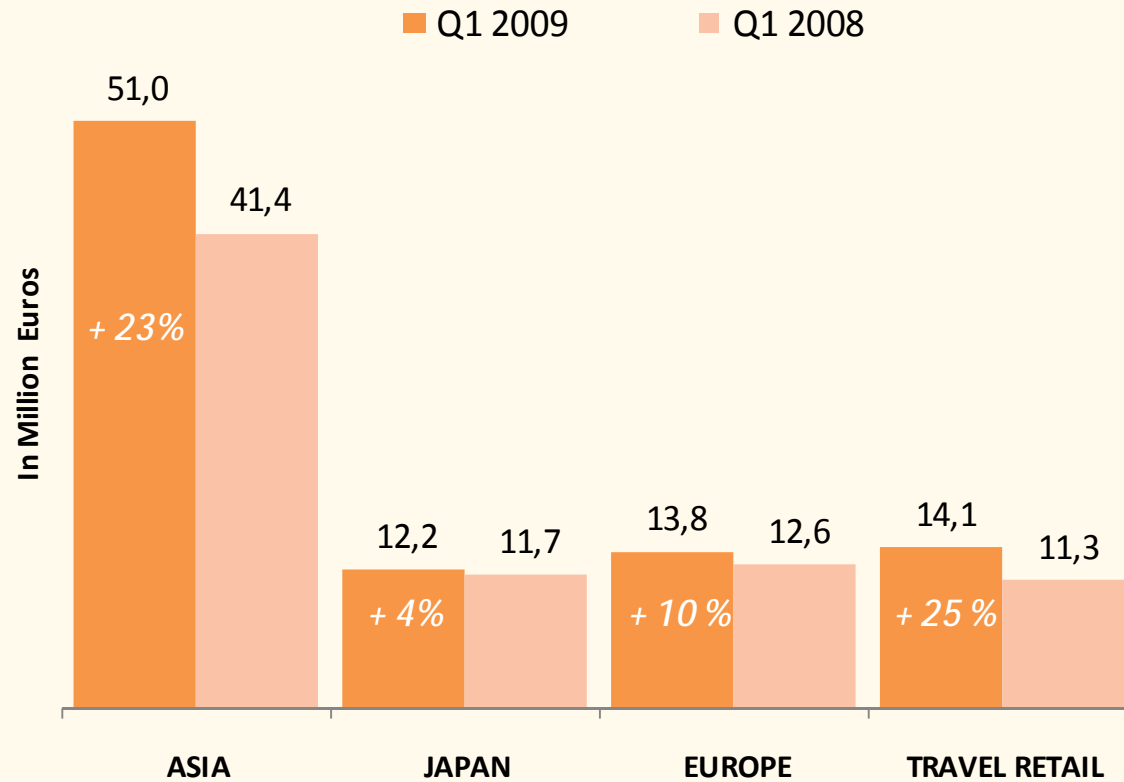
## Folli Follie stand-alone: Financial Highlights First Quarter 2009

- § Remarkable performance with double digit revenue growth despite high comparables in the first quarter of 2008.
- § EBITDA margin remained at high level of 35% vs. 37% in Q1 2008
- § Gross margin nearly unchanged at 56% vs. 57% in Q1 2008
- § Earnings before Tax with a strong increase of 20% also supported by notably decreasing interest expenses (€-1,5m)
- § Net profit increased by 24%

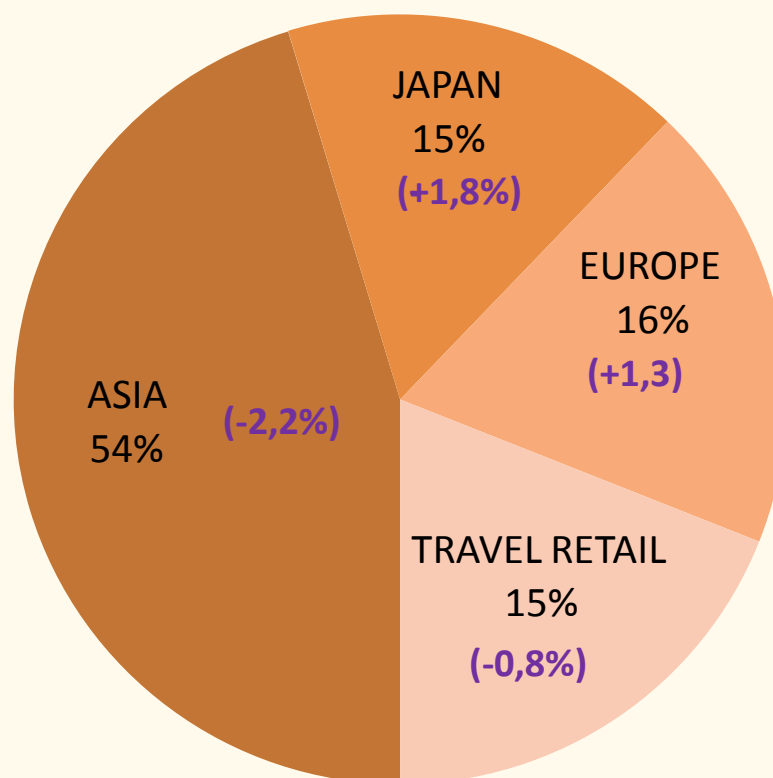
## Folli Follie stand-alone: First Quarter 2009 Financial Highlights

<i>In million EUR</i>	Q1 2009	Q1 2008	% Change
<b>Revenue</b>	<b>91,1</b>	<b>76,9</b>	<b>18,5%</b>
<b>EBITDA</b>	<b>31,7</b>	<b>28,5</b>	<b>11,2%</b>
EBITDA Margin	34,8%	37,1%	
Gross Margin	55,8%	56,6%	
EBT	29,8	24,8	20,2%
<b>Net profit after minorities</b>	<b>25,0</b>	<b>20,2</b>	<b>23,8%</b>
EPS (€)	0,76	0,61	24,6%

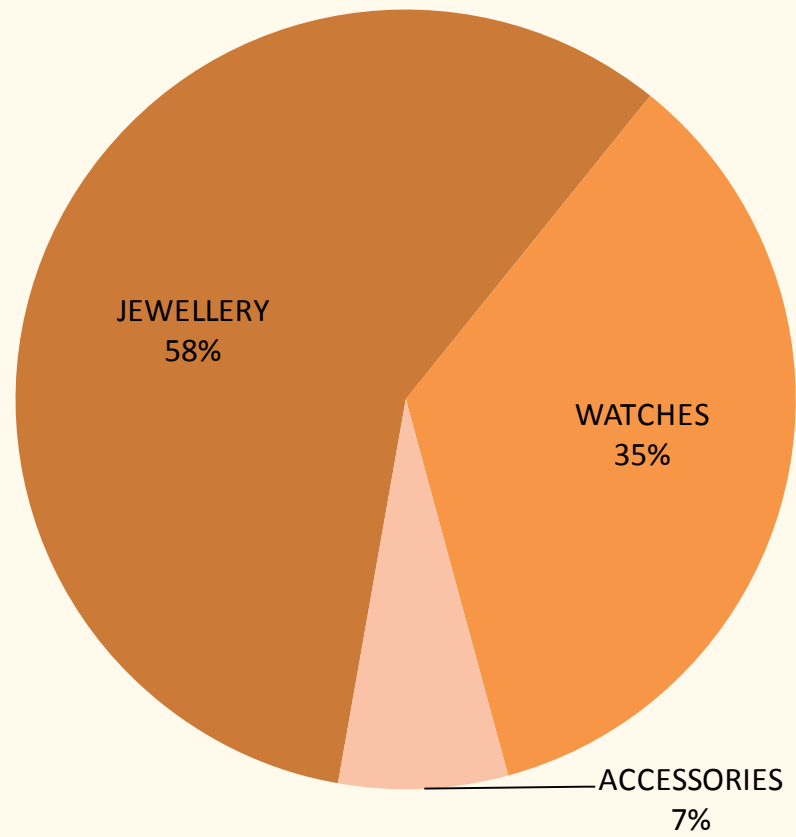
# Net sales by Region



## Net sales by Region



# Product Category Sales



## Remarks

- § During the 1<sup>st</sup> quarter of 2009, 5 new points of sale opened:
  - 2 in the UK, 1 in Korea, and 1 in China, 1 in Thailand
- § End of Q1 2009 Folli Follie counted 382 points of sale in 25 countries and a presence in 34 airlines worldwide
- § 3% of total turnover in local currency accounted from new openings from 31/03/2008 till 31/03/2009



HELLENIC  
**DUTY**  
**FREE**  
SHOPS



Links of London, Flutter & Wow Collection

## First Quarter 2009 – Contribution by Company

Amounts in € million	HDFS	ELMEC Sport	Hellenic Distributions	Links London	HDFS Group 3M 2009	% of sales	HDFS Group 3M 2008	% of sales	YoY
<b>Sales</b>	35.8	64.3	4.6	16.9	121.6		114.1		
<b>Intra-Group Sales</b>	-0.8				-0.8		-0.7		
<b>Total Sales</b>	35.0	64.3	4.6	16.9	<b>120.8</b>		<b>113.4</b>		6.5%
<b>EBITDA</b>	6.6	5.4	1.5	1.4	<b>15.1</b>	12.5%	<b>15.7</b>	13.8%	-3.7%
Depreciation					3.2		3.2		
<b>EBIT</b>					<b>11.9</b>	9.8%	<b>12.4</b>	11.0%	-4.5%
Interest & participation income					-4.7		-5.1		
<b>EBT</b>					<b>7.1</b>	5.9%	<b>7.3</b>	6.5%	-2.3%
Taxes					2.5		1.9		
<b>EAT</b>					<b>4.7</b>	3.9%	<b>5.4</b>	4.8%	-14.0%
Minority interest					0.1		0.3		
<b>EAT after minorities</b>					<b>4.5</b>	3.8%	<b>5.1</b>	4.5%	-10.7%

## Links of London: Q1 year-on-year comparison

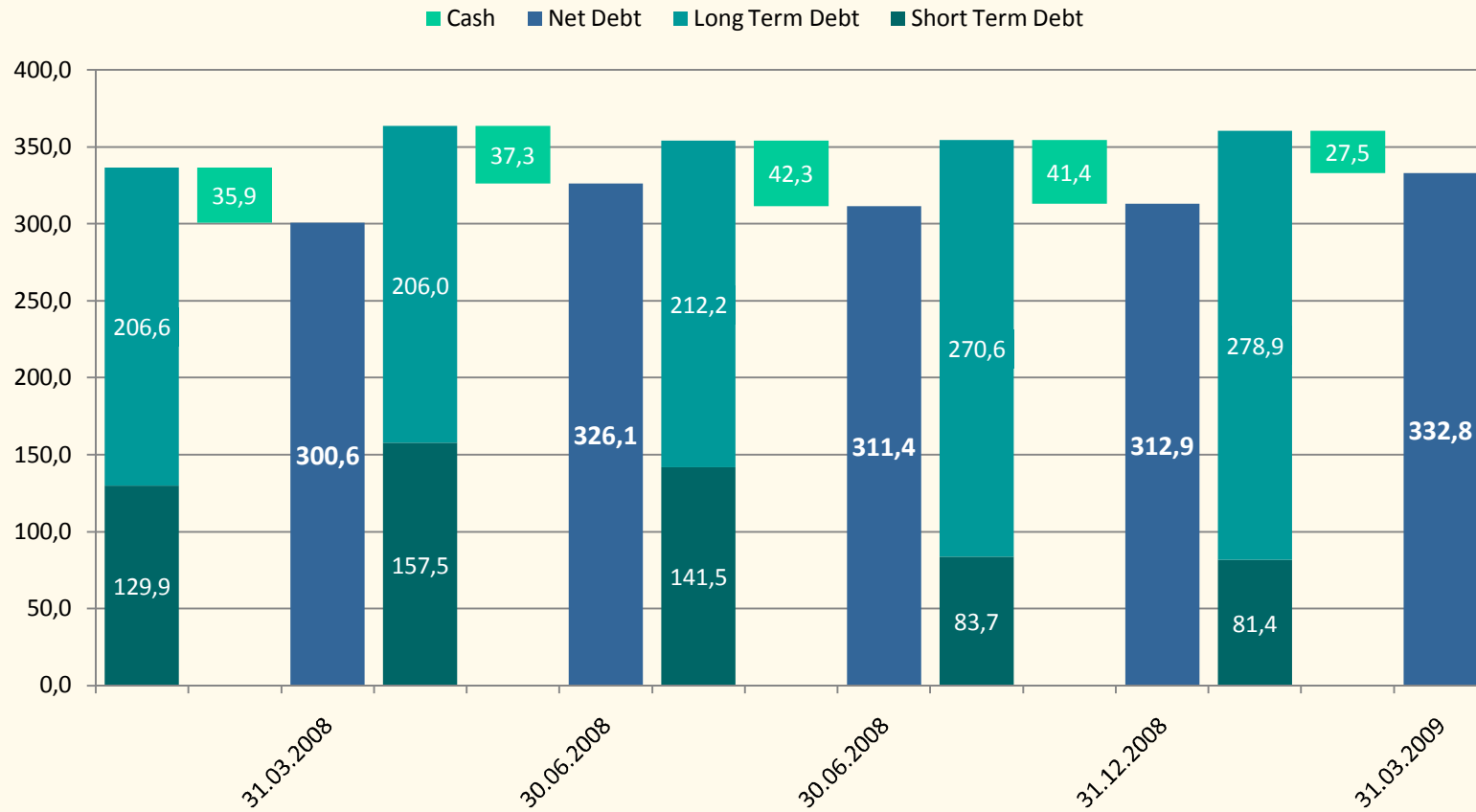


<i>(amounts in GBP '000)</i>	<b><u>3M 2009</u></b>	<b><u>% Sales</u></b>	<b><u>+/- 09/08</u></b>
<b>Turnover</b>	<b>15,341.2</b>	100.0%	44.4%
Cost of Sales	<u>3,973.1</u>	25.9%	39.9%
Gross Profit	<u>11,368.1</u>	74.1%	46.1%
Other Income	90.0		246.2%
Administration Expenses	2,696.5	17.6%	17.3%
Sales Expenses	8,179.8	53.3%	53.2%
Interest income/expenses	-120.3		
<b>Earnings before Tax</b>	<b><u>461.4</u></b>	3.0%	1469.5%
Total Depreciation	712.3		
<b>EBITDA</b>	<b><u>1,294.0</u></b>	8.4%	100.4%
<b>EBIT</b>	<b><u>581.7</u></b>	3.8%	242.5%
Income tax	130.3		
<b>EAT</b>	<b><u>331.1</u></b>	2.2%	-256.1%

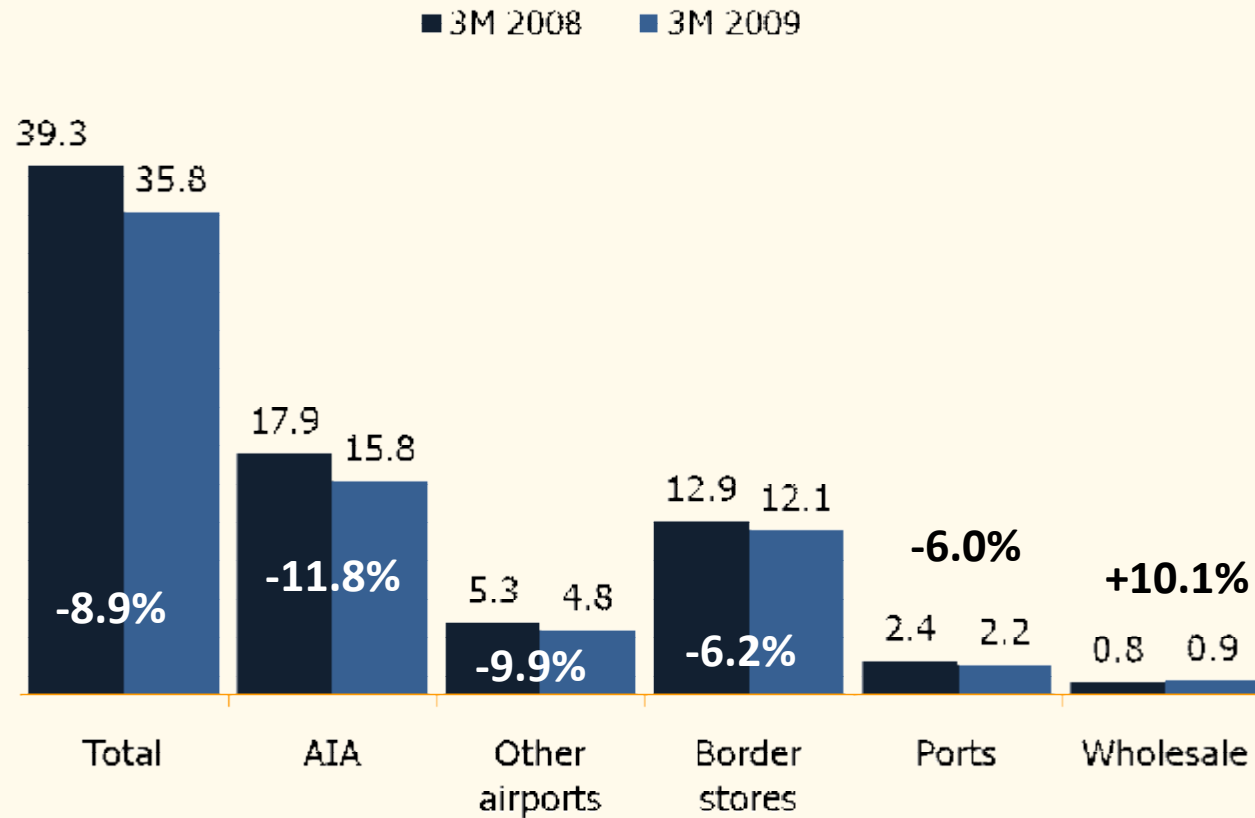
## HDFS Group Cash Flow Statement – 3M 2009

<i>(Euro '000)</i>	<u>3M 2009</u>	<u>3M 2008</u>
<b><u>Operating Cash Flow</u></b>		
<b>Cash flow before working capital changes</b>	<b>14,025</b>	<b>15,704</b>
Investments in working capital	-23,192	-15,125
<b>Cash from operations</b>	<b>-9,167</b>	<b>579</b>
Interest expenses	-6,166	-1,641
Taxes paid	-3,952	-4,861
<b>Net cash from operating activities (a)</b>	<b>-19,285</b>	<b>-5,923</b>
<b><u>Cash flow from investment activities</u></b>		
Acquisition of subsidiaries	-54	-5,878
CapEx and other investments	-3,762	-2,900
Sale of assets	348	151
Interest income	300	176
Dividends received	0	0
<b>Cash flow from investment activities (b)</b>	<b>-3,168</b>	<b>-8,451</b>
<b><u>Cash flow from financing activities</u></b>		
Increase / (Decrease) of debt	8,787	13,225
Share buyback	-206	-994
Dividends paid	0	0
<b>Cash flow from financing activities (c)</b>	<b>8,581</b>	<b>12,231</b>
<b>Increase / (decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>-13,872</b>	<b>-2,143</b>
<b>Cash at the beginning of the period</b>	<b>41,416</b>	<b>38,013</b>
<b>Cash at the end of the period</b>	<b>27,544</b>	<b>35,870</b>

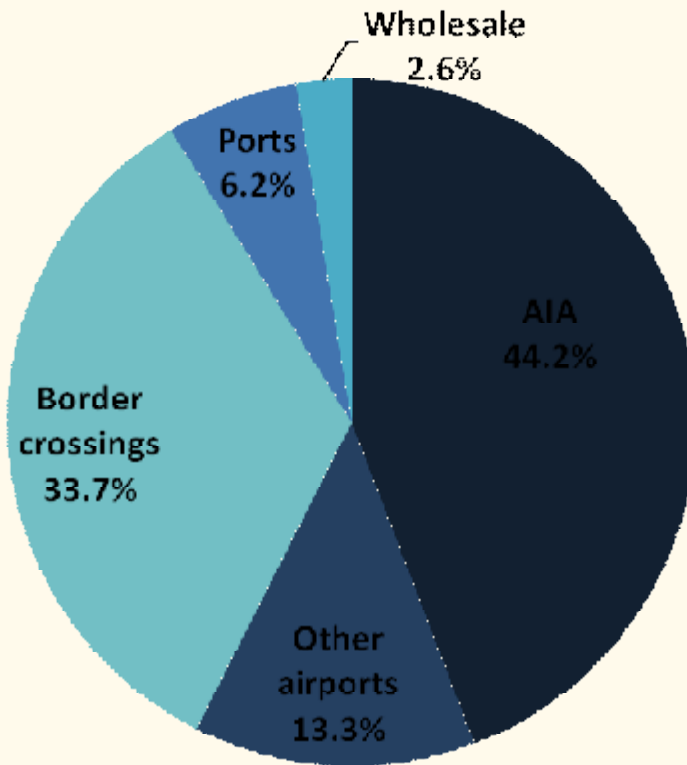
## HDFS Group Debt Structure – 3M 2009



## Sales by channel



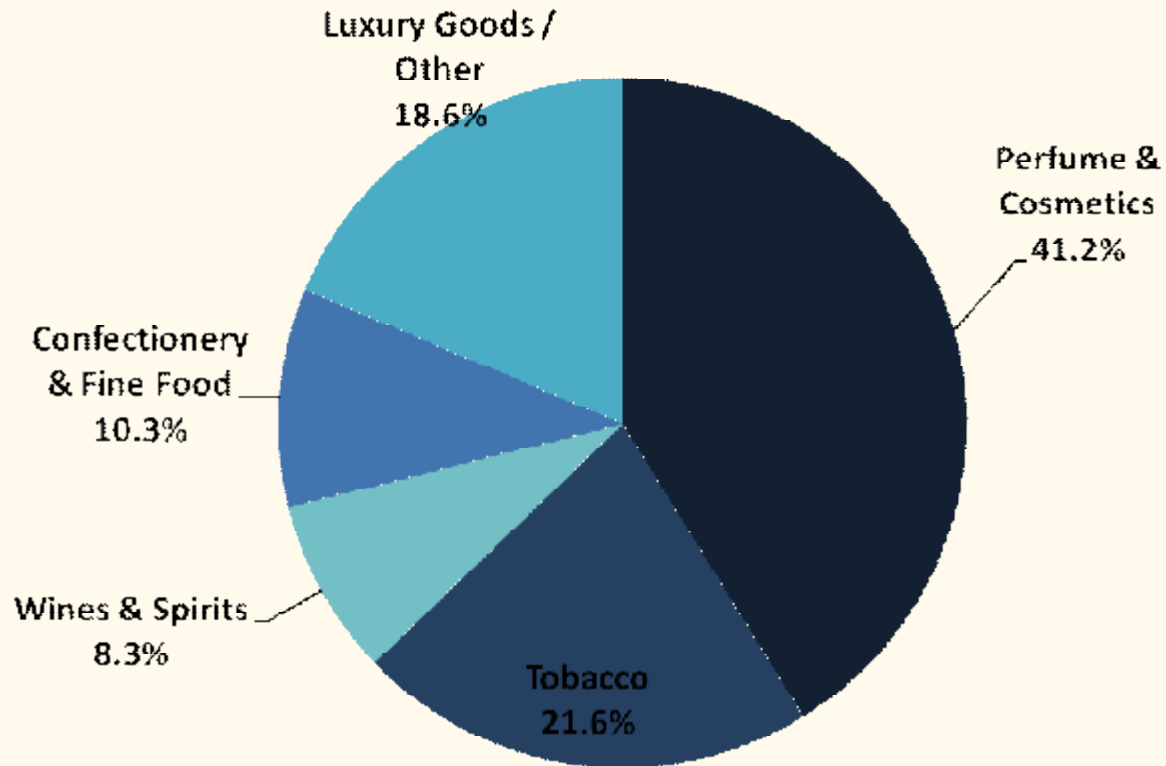
## Sales by channel



### Net sales 3M 2009 vs. 3M 2008:

- § AIA sales -11.8% YoY
- § Other airports' sales -9.9% YoY
- § Border sales -6.2% YoY
- § Port sales -6.0% YoY
- § Wholesale +10.1% YoY

## Sales by category



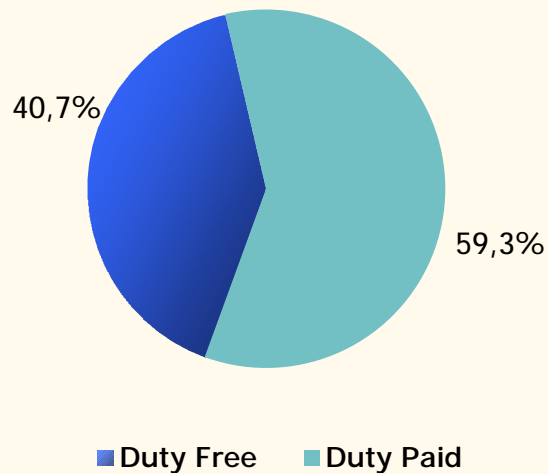
### Best performing product categories:

- § Tobacco sales -3.0% at €7.7 million.
- § Luxury Goods / Other products sales -4.8% at €6.7 million.
- § Confectionery & Fine Food sales -7.9% at €3.7 million.

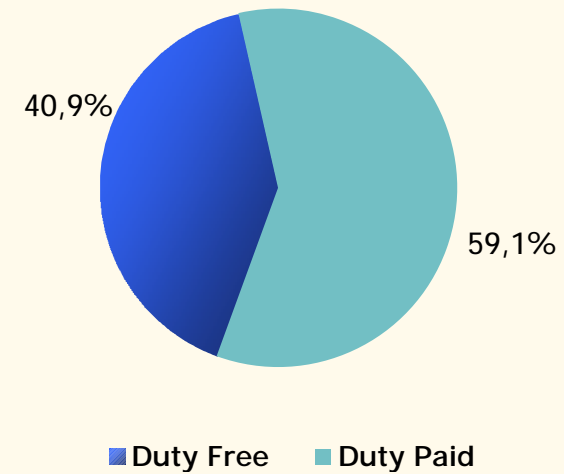


## Duty Free versus Duty Paid sales

3M 2008



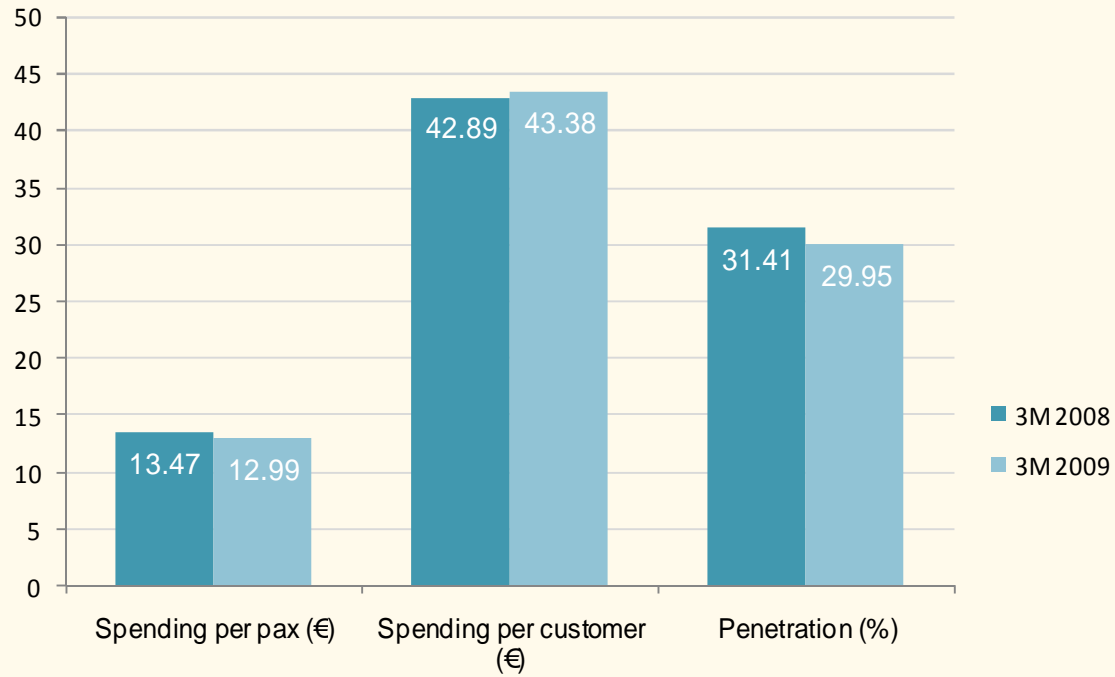
3M 2009



§ DF sales decreased by 8.5% reaching €14.6 million from €16.0 million in 3M 2008

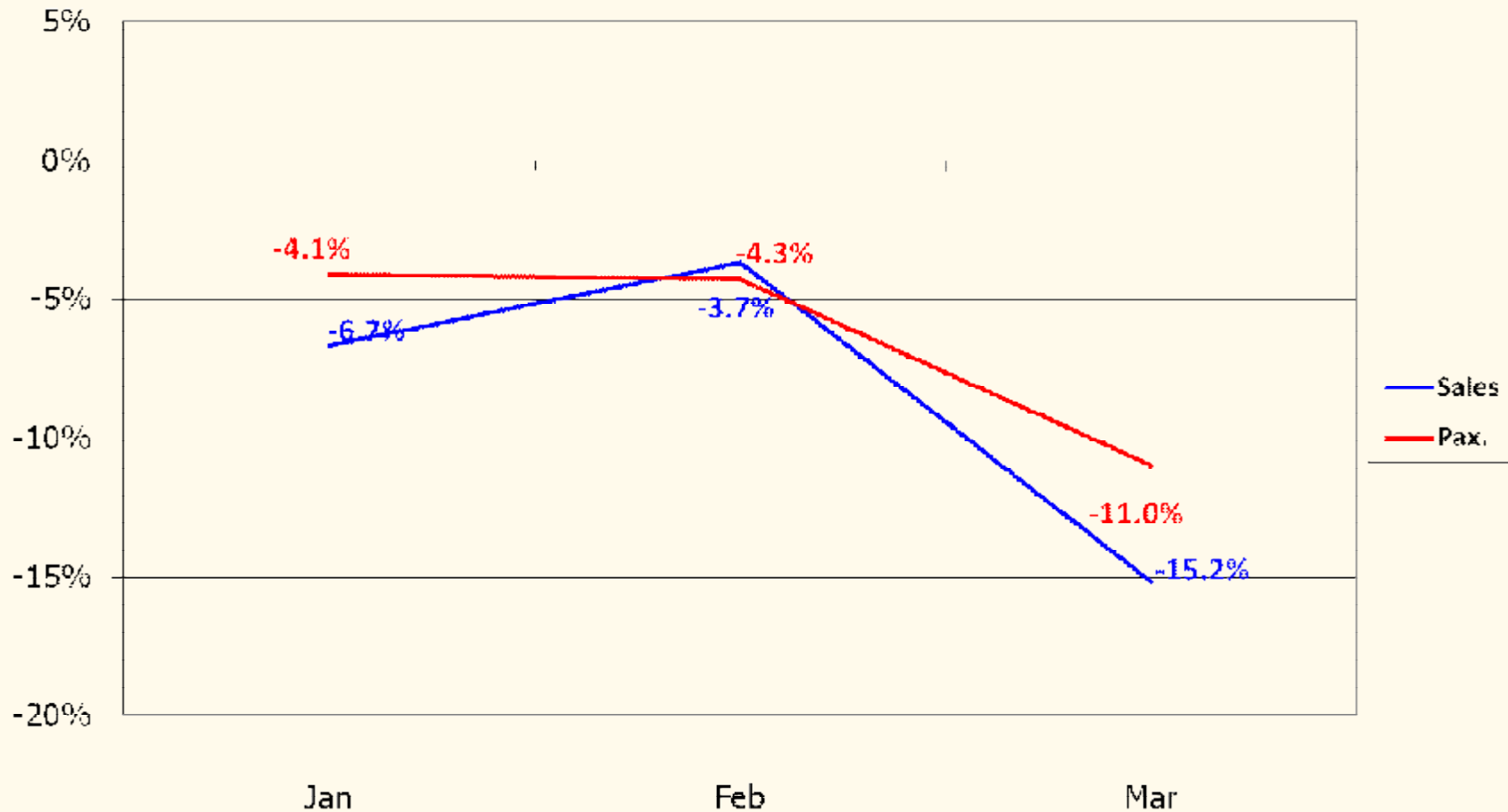
§ DP sales decreased by 9.1% reaching €21.2 million from €23.3 million in 3M 2008

## Key performance indicators



- § Pax spending -3.56% YoY
- § Customer spending +1.14% YoY
- § Decreased penetration by 146 bps

### SALES vs. DEPARTING PASSENGERS Growth



**Sales performance for 3M 2009 -8.9%**

**Pax performance for 3M 2009 -6.1%**



Coach boutique exclusive collection

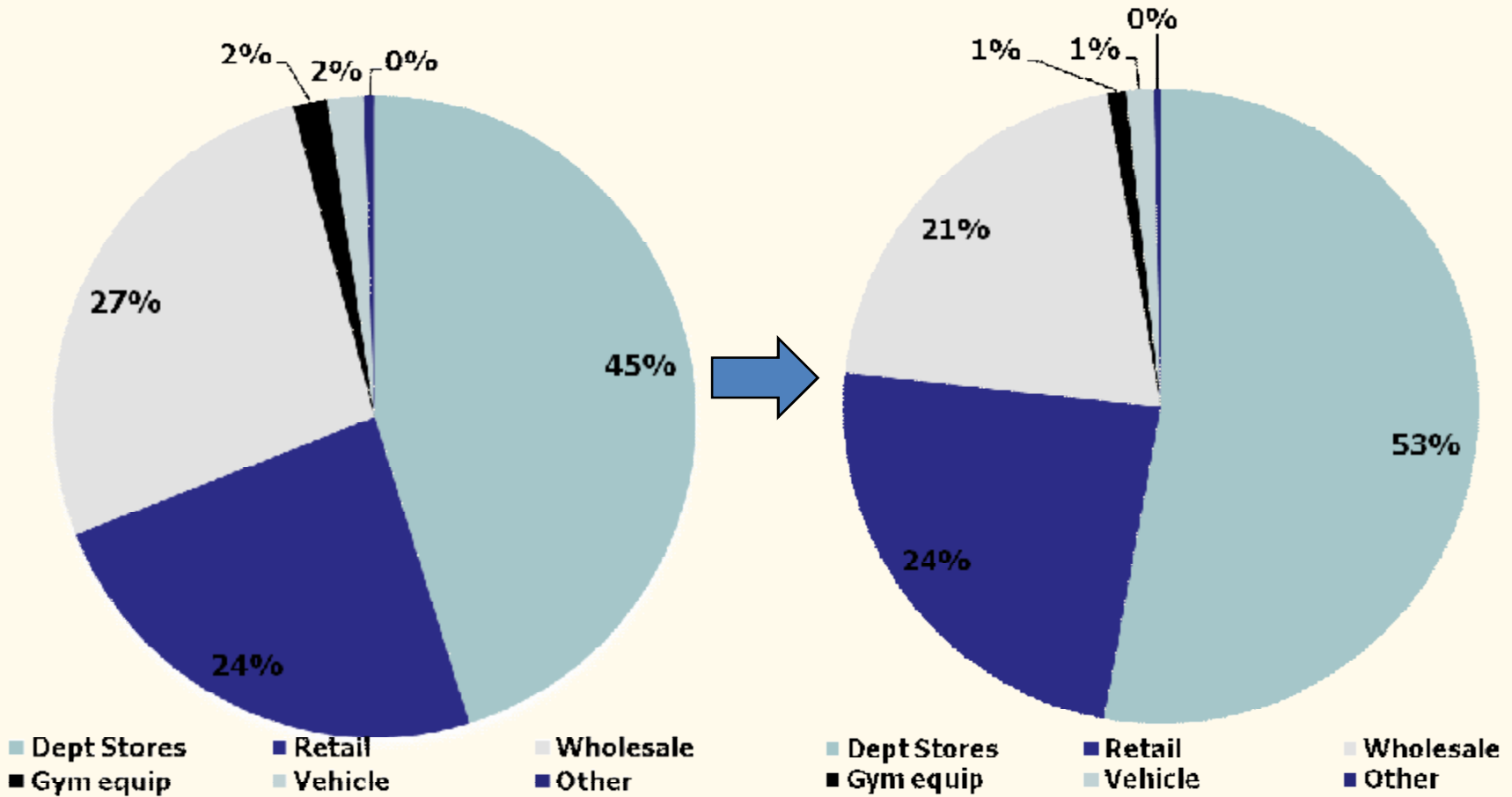
## First Quarter 2009 Financial Results

<i>Amounts in € mil</i>	Elmec Sport	attica I,II	Elmec Romania	Elmec Bulgaria	Factory Outlets	Other affiliates	Intra-group	Elmec Group 2009:Q1	% of sales	Elmec Group 2008:Q1	% of sales	YOY cng %
<b>Turnover</b>	<b>28,0</b>	<b>30,9</b>	<b>9,7</b>	<b>2,8</b>	<b>3,4</b>	<b>0,5</b>	<b>-10,8</b>	<b>64,3</b>		<b>56,2</b>		<b>14,5%</b>
<i>y-o-y cng %</i>	<i>10%</i>	<i>37%</i>	<i>-18%</i>	<i>19%</i>	<i>11%</i>							
<b>EBITDA</b>								<b>5,4</b>	<b>8,4%</b>	<b>6,5</b>	<b>11,5%</b>	<b>-16,7%</b>
<b>EBIT</b>								<b>3,8</b>	<b>5,9%</b>	<b>5,1</b>	<b>9,0%</b>	<b>-25,4%</b>
Interests								<b>3,1</b>		<b>4,6</b>		
<b>EBT</b>								<b>6,9</b>	<b>10,7%</b>	<b>3,4</b>	<b>6,0%</b>	<b>106,1%</b>
Taxes								<b>-1,4</b>		<b>-0,6</b>		
<b>EAT reported</b>								<b>5,5</b>	<b>8,5%</b>	<b>2,7</b>	<b>4,9%</b>	<b>100,8%</b>
Minority interests								<b>0,1</b>		<b>-0,1</b>		
<b>EATA &amp; minor</b>								<b>5,6</b>	<b>8,7%</b>	<b>2,6</b>	<b>4,6%</b>	<b>116,9%</b>

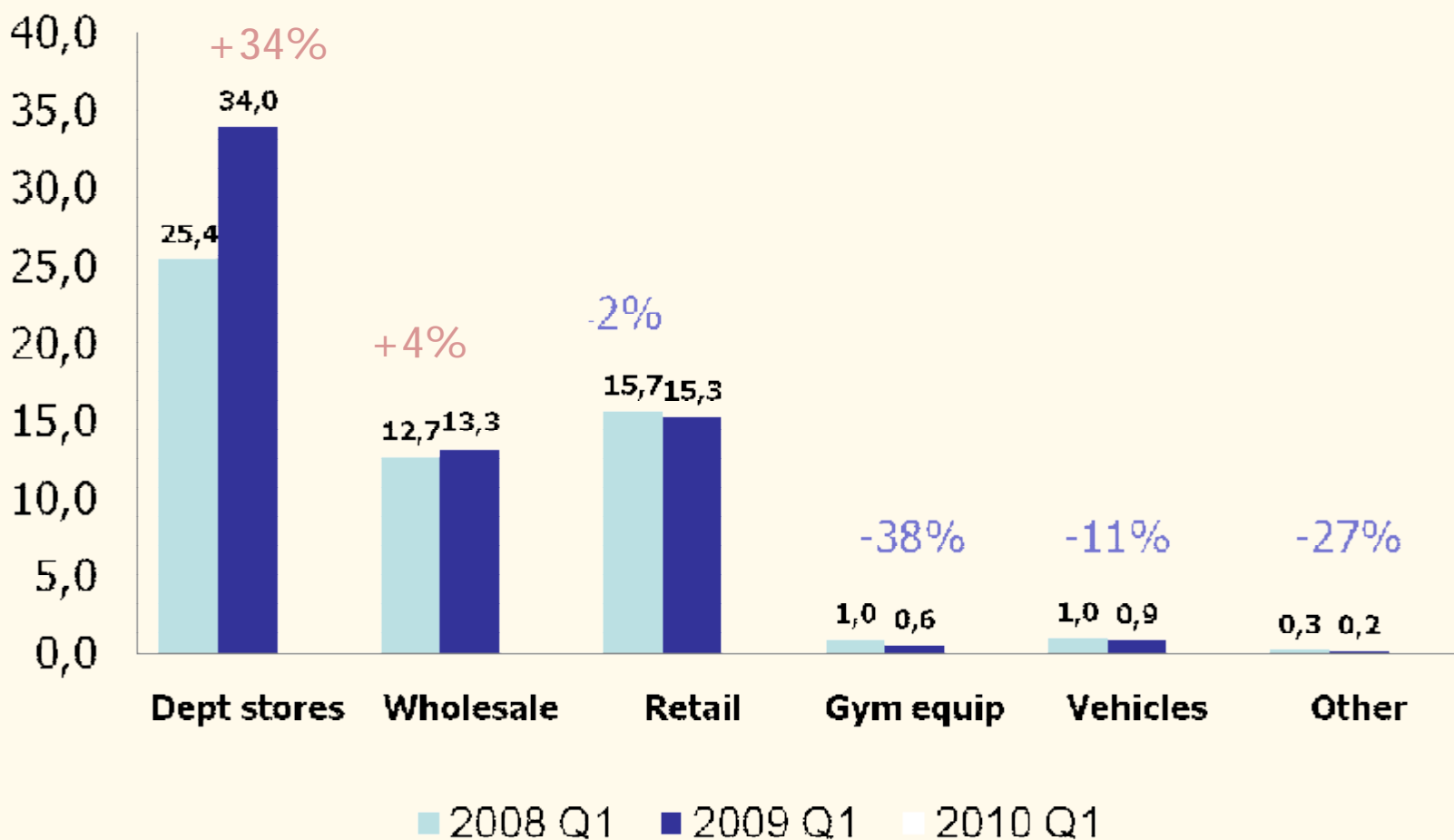
# % Sales by segment

2008 Q1

2009 Q1



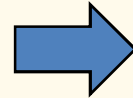
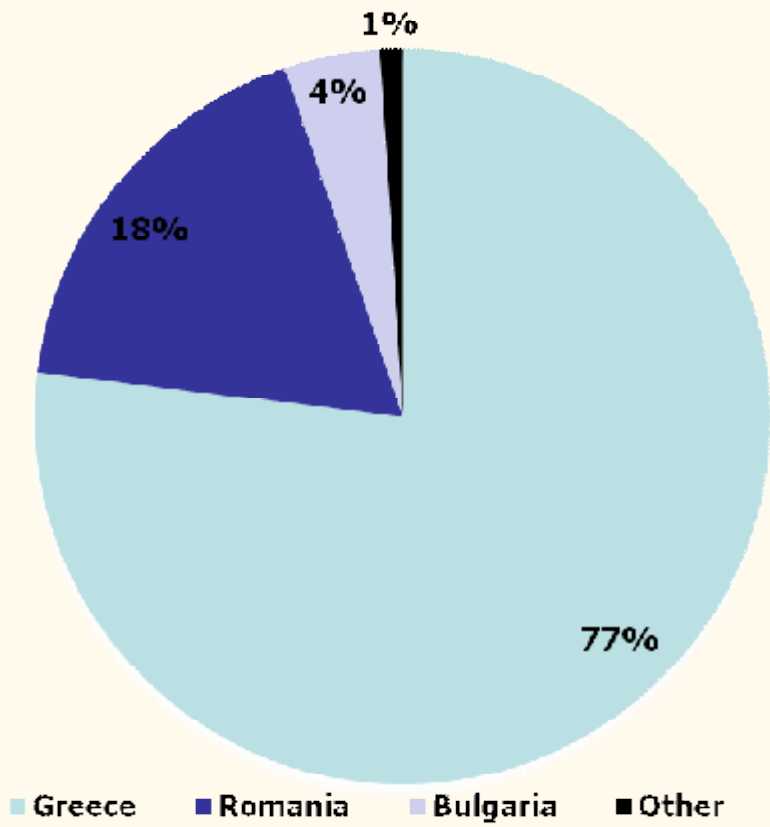
## Net Sales by segment



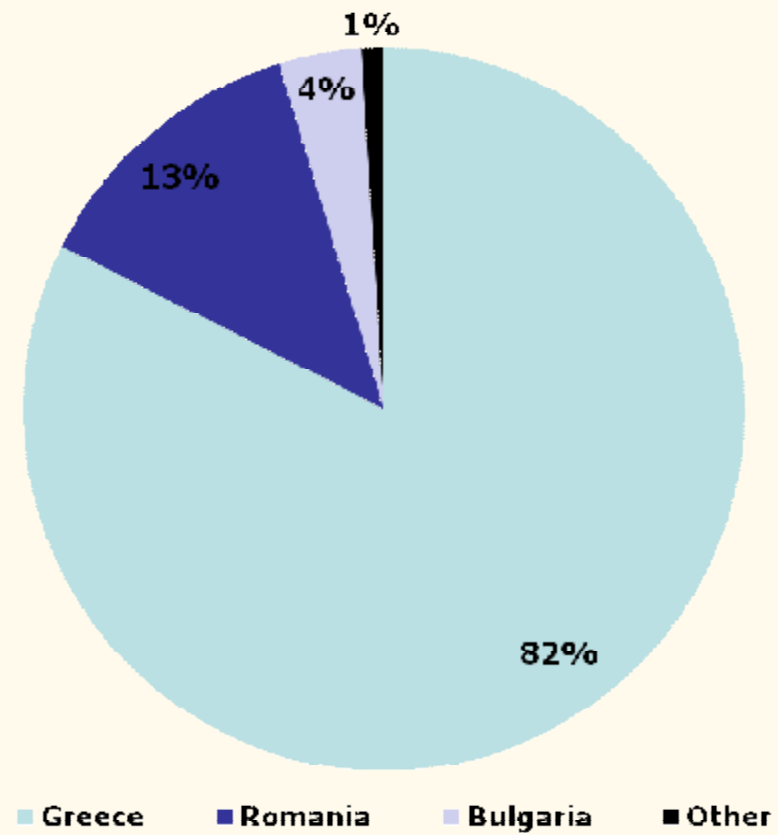
Amounts are in mn euro

# % Sales by region

## 2008 Q1

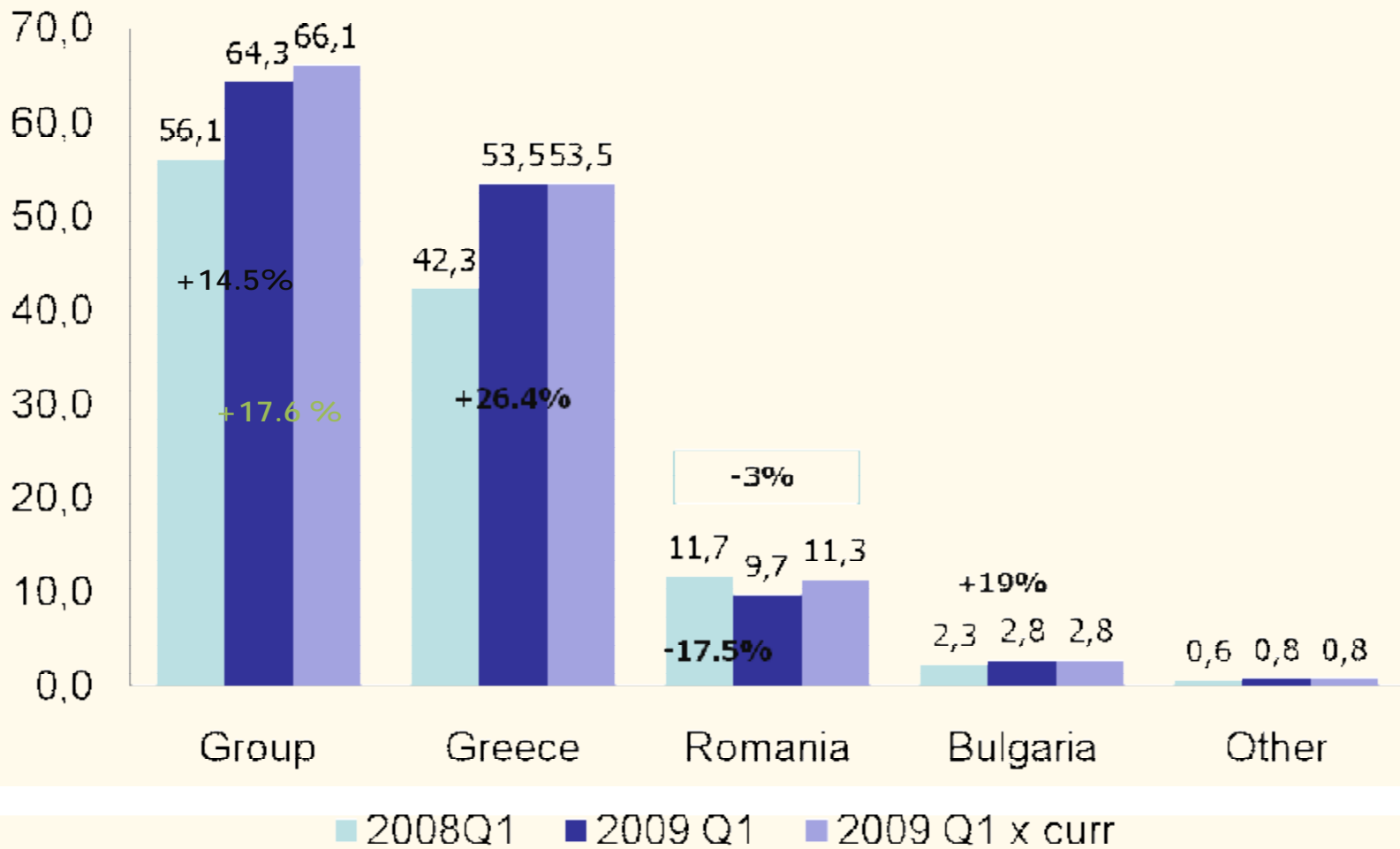


## 2009 Q1





## Net Sales by region



Amounts are in mn euro

*Intra group sales (mainly from Greece) stood at €10.8 mn in 2009 Q1 Vs € 9.3 mn in 2008 Q1*



Links of London, Cufflinks Collection

