

Fashion Box Hellas (BOXr.AT)

Sector:
Trade of Apparel, Footwear &
Accessories

Year of Establishment: 1995

Year of Listing: 2002

Main Shareholders:

Tsouvelekakis Kon/nos	38.70%
Storcest Holdings BV	40.30%
Free Float	21.00%

Analysts:

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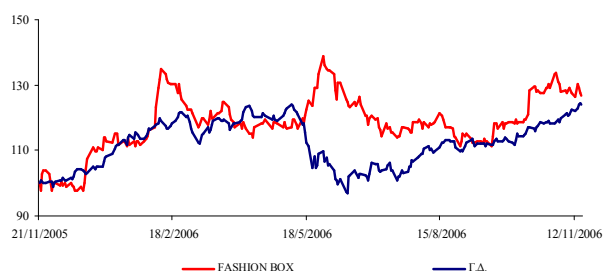
Stock Data

Price (20/11/2006)	€ 2.36
Number of Shares	7,812,500
Capitalization	€ 18,437,500
Beta	0.53

Return

R – 1 M	-1.26%
R – 6 M	-6.72%
R – 12 M	26.88%

Relative Performance with ASE General Index (52 weeks)



Key Investment Points

- The Company's development is mainly based on the **exclusive importing, distribution and promotion of the "Replay" trademark**, which has attained large recognition both in Greece and abroad. Today the Company holds approximately a 5% market share in casual dressing in Greece (the total market is estimated at € 300 million), presenting a constant annual growth in turnover.
- The Company's major growth drivers for the upcoming years are:
 1. **The expansion of its activities in Greece aiming at reinforcing its market share.** The Company's revenues are generated through both retail sales with the expansion of its self-owned store network and franchising agreements, and through wholesale activities with the development of representatives and shop-in-shops. The Company targets the simultaneous development of wholesale and retail sales, giving emphasis mainly at the latter as it plans to open 12 new stores in the next 5 years. At the same time, it plans to renovate its existing selling points, in an effort to make them attractive to consumers. Until the end of November 2006, 2 new Replay selling points are expected to open, covering an area of approximately 150 m² (the first in the new Mega Outlet shopping center in Thessaloniki and the second in the new Factory Outlet in Spata, within the airport's Commercial Park).
 2. **The expansion of its activities in Southeastern European countries**, following Cyprus, FYROM, Romania and Bulgaria. The Company is implementing a business plan to establish selling points in the Romanian and Albanian markets during the fiscal 2007. In the Romanian market the Company has already a strategic cooperation with Elmec Sport group, with regard to the distribution of Replay branded products through the retail franchise Famous Brands, and furthermore it is seeking to establish independent selling points. Recently, the new Replay Corner commenced operations in Bourgas Bulgaria.
- During the 9M period of 2006, consolidated sales presented an increase of 26.1% and amounted to € 18.5 million compared to € 14.7 million the previous year. The high growth of foreign sales played a significant role in the aforementioned increase, amounting to € 2.4 million compared to € 1.7 million in 2005 (+36.3%). Consolidated earnings after taxes and minority interest for the 9month period of 2006 amounted to € 820 thousand compared to € 602 thousand in the respective period of 2005, posting an increase of 36.2%.

Company Fundamentals and Financial Ratios

(in mill. €)	Turnover	EBITDA	EAT	P/E	P/BV	EV/EBITDA	Net Loans / Total Equity	ROE
2004	15.93	1.72	0.42	44.4	3.2	12.1	0.40	7.2%
2005	19.63	1.64	0.55	33.8	3.0	12.8	0.43	9.1%
2006 E	23.10	2.14	0.71	25.9	2.7	10.5	0.59	10.9%
2007 E	26.80	2.45	0.81	22.6	2.4	9.4	0.60	11.2%

Please refer to the important disclosures at the end of this research report

Company Profile

Fashion Box Hellas S.A. was established in 1995 by Constantinos Tsouvelekakis and the Dutch firm Storclest Holdings BV (subsidiary of Fashion Box S.p.A.), with the objective to promote and distribute Replay products in Greece. It is noted that the Italian Group Fashion Box S.p.A. maintains one of the most significant positions globally in the production and distribution of the casual clothing sector. In 2005, it recorded total sales amounting to € 326 million, which are expected to reach € 380 million in 2006.

The retail network consists of partnerships through franchising and company owned selling points. With 16 retail stores, from which 4 comprise outlets, the Company accommodates consumers in Greece and Cyprus, developing selling points in the most commercial areas of the urban centers. The selection criterion for each selling point is the careful combination of the market's strength and the store's location. For 2005, retail sales represented 37.6% of total sales.

The wholesale sector is based on the promotion of products through selected selling points of authorized representatives. Partners are strictly selected based on the overall presentation of the selling point, the combination of other brand names distributed by the selling point and its financial robustness. Today, Fashion Box Hellas possesses a broad network of partners that comprises of approximately 200 authorized representatives, 5 Franchising partnerships, 15 Shop-in-Shops and 11 Replay Corners, all serving the consumers of Greece, Cyprus, Bulgaria, FYROM and Romania. For 2005, sales abroad represented 12% of total turnover.

Financial Highlights

The Group presents a good financial structure, with the ratio of "equity to debt" amounting to 1.7 at the end of the current year, compared to 1.6 during 2005. The Company's investment plan, amounting to € 1.1 million approximately for 2006, in combination with the recent restructuring of its bank debt, are expected to retain double digit sales' growth for the period 2006-2007. A determinative role in achieving higher results in the forthcoming years will also be played via a more efficient management of operating expenses and by a more effective commercial policy, with the working capital cycle ranging between 80-85 days.

Income Statement (mil. €)	2004	2005	2006 E	2007 E	Balance Sheet (mil. €)	2004	2005	2006 E	2007 E
Turnover	15.93	19.63	23.10	26.80	Net Fixed assets	3.17	3.66	4.15	4.54
Gross Profit	6.72	7.79	9.20	10.80	Current Assets	9.98	11.46	13.68	15.84
Operating Expenses	5.46	6.69	7.56	8.85	Cash Equivalents	0.72	0.75	0.59	0.63
EBITDA	1.72	1.64	2.14	2.45	Total Assets	13.87	15.87	18.42	21.01
Financial Results	-0.18	-0.16	-0.30	-0.35	Total Equity	5.80	6.16	6.84	7.66
Depreciations	0.74	0.55	0.55	0.62	Long-term Liabilities	3.35	3.18	4.45	4.97
Earnings before Taxes	0.79	0.94	1.29	1.48	Short-term Liabilities	4.72	6.52	7.13	8.38
Earnings after tax & minority interest	0.42	0.55	0.71	0.81	Total Equity & Liabilities	13.87	15.87	18.42	21.01

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Covered Company	Reuters	Price	Price Close	Disclosure
General Commercial & Industrial	GCIr.AT	€ 0.85	26 October 2006	6
Fashion Box Hellas	BOXr.AT	€ 2.36	20 November 2006	6

1. VRS has acted as financial consultant for the covered company within the past 24 months.
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