

Comment on Company Release Full Year 2012 Results

Valuation & Research Specialists (VRS)
VRS Research Team
info@valueinvest.gr

FOLLI FOLLIE (KAE) [Bloomberg Ticker: FGRP:GA, Reuters Ticker: HDFr.AT] Business Sector: Jewellery, Travel Retail, Department Stores

FOLLI FOLLIE Reported Full Year 2012 Results

Folli Follie reported full year 2012 results on March 28, 2013. The major results of the Group are highlighted below:

(In € million)	2012	%	2011
Sales	1,110	9%	1,021
EBITDA	213	7%	199
EBT	131	7%	122
EATAM	94	5%	90

Source: Consolidated Financial Statements based on IFRS.

- With regard to capital structure, the Group operates on high levels of inventory and trade receivables when these accounts are compared to consolidated revenues. There is a balanced structure between long-term and short-items on both the asset and the liability side. During the year 2012, there was a notable contraction of operating cash flows according to the Group's cash flow statement.

Investment Highlights and Prospects

We underline the following points with regard to the Group's investment characteristics and prospects:

- Folli Follie Group posted resilient financial results in terms of sales and profitability during the year 2012. We consider this as positive given the tough period for the Greek economy and the domestic market which generates 46% of total consolidated revenues and also in view of the Group's product portfolio which is demand wise sensitive to price and economic cycle.
- Another positive sign was the attainment of relatively strong operating and net profit margins during the year 2012. The segment "Jewellery, Watches, Accessories" is expected to remain the largest contributor to the Group's revenues and income.

(In € million)	2012	%	2011	% of Total (Y 2012)
Jewellery, Watches, Accessories	584	18%	493	53%
Travel Retail	300	3%	291	27%
Department Stores	124	-2%	126	11%
Retail & Wholesale	98	-7%	106	9%
Other Activities	4	-27%	5	0%
Total	1,110		1,021	100%

Source: Consolidated Financial Statements based on IFRS.

DISCLOSURE STATEMENT & DISCLAIMER

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by VRS, and VRS does not make any representation as to its accuracy and completeness. Opinions, estimates, and statements nonfactual in nature expressed in its research represent VRS's judgment as of the date of its reports, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates, and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of "covered companies" by no means.

Share Price (02/04/2013)	€ 13.65
Number of Shares (.000)	66,948
Market Cap (in € mn)	913.84
A.D. Volume (p)	73,637
Beta (vs. ASE G.I. – 1y)	1.37
Statistical Data	
Max 52 week	14.52 €
Min 52 week	3.30 €
1-M Rtn	1.87%
6-M Rtn	51.67%
12-M Rtn	66.46%

Source: Company, Euro2day, Reuters, VRS.

Share Price Performance (1 year, in €)

