MARFIN ANALYSIS
INVESTMENT BANK OF GREECE
Member of MARFIN FINANCIAL GROUP

Company update

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Plaisio €6.12

Retail

Competition challenges profitability

November 24, 2005

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OPINION

Remains	**Neutral**
TARGET PRICE	**€6.40**
Previous	**€7.90**

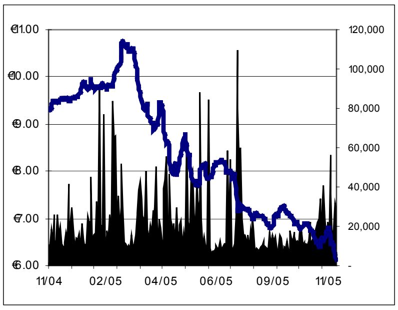
Key Data	
RIC	PLAr.AT
Bloomberg	PLAIS GA
Market Cap (€ m)	135.1
Shares outstanding	22,080,000
Free Float	32.3%
General Index	3,491.6

(€)	High	Low
52 weeks price range	10.7	6.1

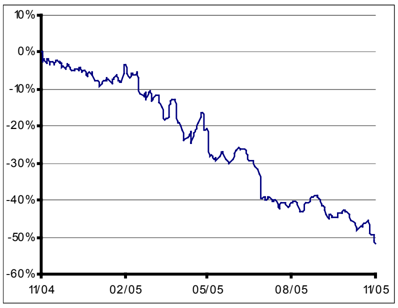
	(1m)	(3m)	(12m)
Daily Avg Volume	17,076	13,700	19,934
Absolute perf.	-9.5%	-13.3%	-34.5%
Rel. perf. to GI	-15.3%	-18.6%	-51.9%

- **Plaisio reported a weak set of 9M:05 results under IFRS, overall below expectations. Cons. sales came in 8.8% higher y-o-y reaching €176.6m. EBITDA reached €8.0m, decreasing 5.1% y-o-y and EBT reached €4.3m, decreasing 4.3% y-o-y.**
- **Management's guidance calls for a difficult Q4:05 on a stricter competitive environment that will affect profitability. A further decrease in gross margins and a decline in net earnings should be expected.**
- **Considering 9M:05 results and management's guidance we proceed to further adjustments in our FY:05 forecasts, mainly to reflect the impact of competition. We expect FY05 sales, EBITDA and EBT reaching €250.9m, €18.2m and €14.1m respectively.**
- **We also strongly believe that the company's diversified structure and management's deep knowledge of the market can still support the company's positioning within a difficult business environment.**
- **We underline however certain risks that could affect our investment case, such as a) a further decrease in margins due to competition, b) stricter cash flow discipline and c) difficult business conditions and of unfavorable macroeconomic trends.**
- **Our DCF valuation returns a target price of €6.40/share, from previous €7.90/share, and supports a neutral rating with an upside potential of 4.0% from current price levels.**

Stock Price
Nov '04 – Nov '05



Relative Performance
Nov '04 – Nov '05



Year	Sales (€m)	EBITDA (€m)	EBITDA mgn	EBT (€m)	EAT (€m)	EPS (€)	EPS ch	DPS (€)	DY	P/E	EV/ EBITDA	EV/ Sales	P/BV	P/CF	Net Debt /Equity	ROE
2003	181.9	19.1	10.5%	17.2	10.4	0.47	64.9%	0.21	3.4%	13.0	6.2	0.7	3.2	11.8	n/m	29.7%
2004	232.8	22.1	9.5%	17.6	10.8	0.49	4.4%	0.27	4.4%	12.5	5.6	0.5	2.8	9.3	n/m	24.1%
2005e	250.9	18.2	7.2%	14.1	9.4	0.43	-12.7%	0.21	3.5%	14.3	6.8	0.5	2.6	10.4	n/m	18.8%
2006f	264.9	18.1	6.8%	13.7	9.7	0.44	3.0%	0.22	3.6%	13.9	6.8	0.5	2.3	10.1	n/m	17.6%
2007f	280.3	19.2	6.8%	14.7	11.0	0.50	13.4%	0.22	3.7%	12.2	6.2	0.4	2.1	9.2	n/m	18.2%
2008f	298.5	20.4	6.8%	16.0	12.0	0.54	8.5%	0.24	4.0%	11.3	5.6	0.4	1.9	8.7	n/m	17.9%
2009f	321.6	22.0	6.8%	17.4	13.0	0.59	9.0%	0.27	4.3%	10.4	4.9	0.3	1.7	8.1	n/m	17.7%

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Ahead of changes in the competitive environment

Increased competition worries

From the beginning of the year, international retail chains about to enter the market have introduced competition worries both among the retail and the wholesale market segments. At the same time, the depressed consumer trends in the last quarters have raised concerns about future demand trends.

Diversification

Plaisio is a retail company well placed in the domestic market using a multi-channel model. It diversifies through three different product categories; computers, office equipment and mobile telecommunications, and four business channels; stores, mail order, internet, and the interaction center, while it continues expanding with its retail network in Greece and at the same time in Bulgaria.

International expansion

Bulgaria is a new market and the company's presence there is still on an experimental phase. Plaisio entered the market through the establishment of an 800m^2 store, which started operations in June 2005. Apart from the store, Plaisio has developed a multi-channel network, similar to the Greek one, including catalogues, Internet and a Call center.

Competition

We expect significant changes in the domestic IT retail market from Q4:05, due to the expected entry of international retail chains in the market and the increasing marketing effort from established competitors. We highlight the following:

- The entrance of the German multinational retail chain Media Markt with a 4,750m^2 superstore in Athens in November 2005 and one in Thessalonica. Its business model is based on the concept of superstores with a minimal amount of employees and cash & carry shopping, through lower prices and a vast range of products (60,000 products).
- The French bookstore and electronics retailer Fnac entry with a 2,200m^2 store in the new "Lamda Olympia Village" Mall in Marousi (Athens Mall). Fnac is activated in multimedia, personal computers, consumables, mobile telephony products, CD's, DVD's and photo equipment. According to recent data, 33% of sales relates to IT products and 6% to TV and DVD products. Key growth catalysts identified are the competitive prices and the specialized staff.
- Dixons group presence through Kotsovolos group. Dixons main advantage is its pan-European size, through which it can achieve exclusive deals in competitive prices for Hi-tech products. Also, controllable operational expenses with respect to turnover and an already set store network by Kotsovolos offer a comparative advantage to the group.
- At the same time, Germanos has launched a new concept store chain called "Public". The first store has already initiated operations in Thessalonica Mediterranean Cosmos center, focusing in Cultural products (Books, Music etc.) and software products, while a second store in Athens is planed for 2006.

Management response and competitive advantages

In response to the above, Plaisio announced the opening of a new superstore (2,200m^2) in the Athens Mall, which is expected to operate with the opening of the shopping mall on November 25. The new store will promote a new store concept enhancing consumer comfort and accessibility. Nevertheless, reviewing its full year targets downwards, Plaisio warned that a further decrease in gross margins should be expected and estimated decreasing net earnings for the current year.

According to management, the main concern identified is competition relating mostly to retail sales and sales through Internet. As far as stores are concerned, management will try and maintain its market share through improved services responding to clients needs, providing experienced technical support, prompt service of equipment, availability of products, direct one to one marketing and better knowledge of the market. On a second stage, management will focus on improving Internet prices. The increased competition in Internet sales is an issue that can be solved only provided that the wholesale prices of branded products coming to Greece are the same across countries. We should also underline that Plaisio's B2B customers account for approximately 57% of its total consumer base. In our view, Plaisio's B2B business division will remain intact from growing competition, comprising one of the company's most valuable competitive advantages.

9M:05 Review

Multi-channel network supports top line growth…

Plaisio reported a weak set of 9M:05 results under IFRS, overall below expectations. Consolidated sales came in 8.8% higher y-o-y reaching €176.6m and slightly above our estimates for €174.8m. Plaisio opened no new stores in Q3:05, however the Bulgaria store, which opened in late June contributed slightly in 9M:05 sales. In view of no significant growth drivers, 9M:05 top line displays a similar pattern to H1:05, with top line growth driven by the maturing of existing and recently opened stores as well as the company's continuing diversification across products and distribution channels.

…but weak consumption trends and competition have a growing negative impact

However, the continuing feeble consumption patterns have a negative impact in top line growth. Furthermore, the forthcoming entrance of the international retail chains in the domestic market has already affected profitability as the company is in a process of adjusting its pricing policy.

To split sales by product category, computer products sales accounted for 57.8% of total sales posting the highest y-o-y growth (+33.4%), whereas office products contribution in total sales accounted for 33.4% and mobile telephony related sales for the remaining 9%. We also notice that the customer's share in total sales has increased to 46% from 43% in Q1:05, while the stores-order share remains intact to 75%-25%.

Table 1: Sales Breakdown (in €m)

	Q1:05	H1:05	9M:05
Computer	35.6	68.1	102.1
% of Total	*56.7%*	*57.2%*	*57.8%*
Office	20.5	40.1	59.0
% of Total	*32.7%*	*33.7%*	*33.4%*
Mobile	6.7	10.8	15.8
% of Total	*10.6%*	*9.1%*	*8.9%*
TOTAL	**62.8**	**119.0**	**176.9**

Source: MARFIN ANALYSIS, Plaisio

Figure 1: 9M:05 Sales per Product Category

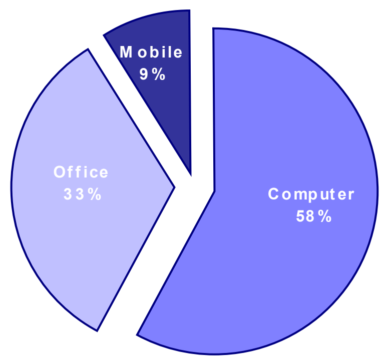
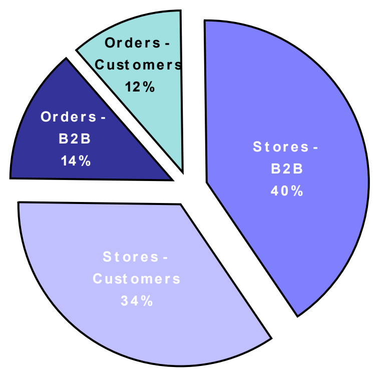


Figure 2: 9M:05 Sales per Distribution Channel



Source: MARFIN ANALYSIS, Plaisio

We witnessed a decline in gross margins justified by management as the preparation stage for competition via reducing final prices. Gross profit landed at €33.15m on a margin of 18.8% (-1.3ppts y-o-y). SGA's improved with respect to 9M:04 (14.5% as % of sales from 15.0% last year) reaching €25.6m (+4.9% y-o-y), even though including Bulgaria store operating costs. The above drove the EBITDA 5.1% lower y-o-y to €7.97m, on a decreased respective margin of 4.5% (-0.7ppts y-o-y) and lower than our estimates for €8.4m.

Below the EBITDA line, we observe the company's efforts to keep profitability intact, with depreciation expenses 2.4% lower y-o-y and almost zero net financial expenses. On the whole, EBT reached €5.3m, decreasing by 4.3% y-o-y, while EAT decreased by a lesser 2.9% landing at €3.40m, 6.8% lower than our estimates for €3.65m.

Regarding quarterly trends, note that Q3 is seasonally weak, suffering from lower margins and low sales volumes, while Q4 is by far the strongest quarter if the year.

Table 5: Actual 9M:05 results vs. expectations (in €m)

	9M:04 Greek GAAP	9M:04 IFRS	9M:05 IFRS	%ch IFRS	9M:05 Exp.	Act vs Exp
Sales	**162.4**	**162.2**	**176.6**	**8.8%**	**174.8**	**1.0%**
COGS	129.8	129.6	143.4	10.7%	141.8	1.1%
Gross Profit	**32.6**	**32.6**	**33.1**	**1.6%**	**33.0**	**0.5%**
Gross margin	*20.1%*	*20.1%*	*18.8%*	*-1.3pp*	*18.9%*	*-0.1pp*
EBITDA	**9.6**	**8.4**	**8.0**	**-5.1%**	**8.4**	**-5.1%**
EBITDA margin	*5.9%*	*5.2%*	*4.5%*	*-0.7pp*	*4.8%*	*-0.3pp*
EBIT	7.3	5.7	5.3	-6.4%	5.8	-8.9%
EBIT margin	*4.5%*	*3.5%*	*3.0%*	*-0.5pp*	*3.3%*	*-0.3pp*
EBT	**6.2**	**5.5**	**5.3**	**-4.3%**	**5.4**	**-1.5%**
EBT margin	*3.8%*	*3.4%*	*3.0%*	*-0.4pp*	*3.1%*	*-0.1pp*
EAT after Minoroties		**3.50**	**3.40**	**-2.9%**	**3.65**	**-6.8%**

Source: MARFIN ANALYSIS, Plaisio

Table 2: Short P&L 9M:04-9M:05 (in €m)

	Q3:04 Greek GAAP	Q3:04 IFRS	Q3:05 IFRS	%ch IFRS	9M:04 Greek GAAP	9M:04 IFRS	9M:05 IFRS	%ch IFRS
Sales	**52.1**	**52.3**	**57.6**	**10.1%**	**162.4**	**162.2**	**176.6**	**8.8%**
COGS	40.7	40.7	46.9	15.3%	129.8	129.6	143.4	10.7%
Gross Profit	**11.4**	**11.6**	**10.7**	**-8.1%**	**32.6**	**32.6**	**33.1**	**1.6%**
Gross margin	*21.9%*	*22.2%*	*18.5%*	*-3.7pp*	*20.1%*	*20.1%*	*18.8%*	*-1.3pp*
EBITDA	**3.4**	**3.0**	**2.6**	**-14.8%**	**9.6**	**8.4**	**8.0**	**-5.1%**
EBITDA margin	*6.5%*	*5.7%*	*4.4%*	*-1.3pp*	*5.9%*	*5.2%*	*4.5%*	*-0.7pp*
EBIT	2.6	2.1	1.7	-19.2%	7.3	5.7	5.3	-6.4%
EBIT margin	*5.1%*	*3.9%*	*2.9%*	*-1.1pp*	*4.5%*	*3.5%*	*3.0%*	*-0.5pp*
EBT	**2.4**	**2.1**	**1.8**	**-16.8%**	**6.2**	**5.5**	**5.3**	**-4.3%**
EBT margin	*4.5%*	*4.0%*	*3.0%*	*-1.0pp*	*3.8%*	*3.4%*	*3.0%*	*-0.4pp*
EAT after Minoroties		**1.3**	**1.1**	**-20.7%**		**3.50**	**3.40**	**-2.9%**

Source: MARFIN ANALYSIS, Plaisio

We also notice a significant decrease in cash items most probably explained by the financing of a part of the company's short-term debt, while at the same time the company is paying suppliers in cash in order to ensure better pricing and offers. As a result, the company has increased its working capital needs, a development that is expected to be maintained in the future considering a stricter competitive environment. The increase in working capital is mainly the result of an increase in receivables and decreased payables.

Forecast changes

Lower top line due to changes in timing and size of new stores

Considering 9M:05 results and management's guidance we downgrade further our FY05 estimates. We have lowered marginally our top line estimates by 1.7% to €250.9m, due to the changes in our assumptions related to the store's size and timing of operation. Under our new assumptions, total retail sales have been adjusted to €192.5m from €196.7m previously, while non-store sales are kept unchanged for both FY05 and FY06.

Table 6: Sales forecasts (consolidated, in €m)

	2004	2005e	2006f	2007f	2008f	2009f
Total medium sized stores (year-end)	12	12	13	14	14	15
Total medium sized store sales	**102.5**	**106.1**	**109.4**	**116.6**	**125.2**	**130.1**
Percentage of Total retail sales	*57.0%*	*55.1%*	*54.1%*	*54.6%*	*55.0%*	*52.9%*
Total superstores (year-end)	6	7	7	7	8	8
Total superstores sales	**77.3**	**85.7**	**91.5**	**95.6**	**100.8**	**114.3**
Percentage of Total retail sales	*43.0%*	*44.5%*	*45.2%*	*44.7%*	*44.3%*	*46.4%*
Total Bulgaria stores (year-end)		1	1	1	1	1
Total Bulgaria stores sales		**0.7**	**1.4**	**1.5**	**1.6**	**1.7**
Percentage of Total retail sales		*0.4%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*
Total retail sales	**179.8**	**192.5**	**202.3**	**213.8**	**227.6**	**246.1**
chg y-o-y	*31.4%*	*7.0%*	*5.1%*	*5.6%*	*6.5%*	*8.2%*
Percentage of Total Sales	*77.2%*	*76.7%*	*76.4%*	*76.2%*	*76.2%*	*76.5%*
Total non-store sales	**54.1**	**58.4**	**62.5**	**66.6**	**70.9**	**75.5**
chg y-o-y	*18.6%*	*8.0%*	*7.0%*	*6.5%*	*6.5%*	*6.5%*
Percentage of Total Sales	*23.2%*	*23.3%*	*23.6%*	*23.8%*	*23.8%*	*23.5%*
IFRS adjustment	*(0.58)*					
Group sales	**232.8**	**250.9**	**264.9**	**280.3**	**298.5**	**321.6**
y-o-y % ch	*28.0%*	*7.8%*	*5.6%*	*5.8%*	*6.5%*	*7.8%*

Source: MARFIN ANALYSIS

Deterioration in margins main reason underlying reducing profitability

The deterioration posted in the gross margin, reflecting alertness against competition, is identified as the key reason for decreasing profitability. We now change our gross margin estimates to 20.0% from 20.4% previously, seeing gross profits reaching €50.2m. Moreover, SGA's are almost flat y-o-y estimated at €32.9m incorporating Bulgaria establishment costs, and improved with respect to H1:05 reflecting the seasonally strong Q4 performance.

All in all, we expect EBITDA reaching €18.2m (-17.7% y-o-y) with the respective margin decreasing to 7.2%, from 7.7% previously and 9.5% in FY04. Further, having adjusted our net financial expenses lower, we see EBT reaching €14.1m (-20.0% y-o-y) and EAT €9.4m on an effective tax rate of 32%, 8.5% below our previous estimates.

Table 8: 2005-2009 forecasts (in €m)

	FY05e new	%ch	FY05 old	New vs old	FY06e new	%ch	FY06 old	New vs old	FY07e	FY08e	FY09e
Sales	**250.9**	**7.8%**	**255.1**	**-1.7%**	**264.9**	**5.6%**	**275.8**	**-4.0%**	**280.3**	**298.5**	**321.6**
COGS	200.7	11.1%	203.1	-1.2%	212.7	6.0%	221.2	-3.8%	225.1	239.7	258.3
Gross Profit	**50.2**	**-3.9%**	**52.0**	**-3.6%**	**52.2**	**4.0%**	**54.6**	**-4.4%**	**55.2**	**58.8**	**63.4**
Gross margin	*20.0%*	*-2.4pp*	*20.4%*	*-0.4pp*	*19.7%*	*-0.3pp*	*19.8%*	*-0.1pp*	*19.7%*	*19.7%*	*19.7%*
EBITDA	**18.2**	**-17.7%**	**19.7**	**-8.0%**	**18.1**	**-0.3%**	**19.4**	**-6.7%**	**19.2**	**20.4**	**22.0**
EBITDA margin	*7.2%*	*-2.2pp*	*7.7%*	*-0.5pp*	*6.8%*	*-0.4pp*	*7.0%*	*-0.2pp*	*6.8%*	*6.8%*	*6.8%*
EBIT	14.6	-20.7%	16.2	-9.7%	14.5	-0.7%	16.1	-9.7%	14.6	14.5	15.6
EBIT margin	*5.8%*	*-2.1pp*	*6.3%*	*-0.5pp*	*5.5%*	*-0.3pp*	*5.8%*	*-0.4pp*	*5.2%*	*4.9%*	*4.8%*
EBT	**14.1**	**-20.0%**	**15.4**	**-8.5%**	**13.7**	**-2.8%**	**15.3**	**-10.4%**	**14.7**	**16.0**	**17.4**
EBT margin	*5.6%*	*-1.9pp*	*6.0%*	*-0.4pp*	*5.2%*	*-0.4pp*	*5.5%*	*-0.4pp*	*5.2%*	*5.3%*	*5.4%*
EAT after Minoroties	**9.4**	**-12.7%**	**10.3**	**-8.5%**	**9.7**	**3.0%**	**10.9**	**-10.4%**	**9.4**	**9.7**	**11.0**

Source: MARFIN ANALYSIS

For the following years, we have assumed lower sale growth trends, expecting a partial loss of the retail stores market share, since some consumers will divert towards the new retail chains. We also expect gross margins to remain low signifying a FY05-09 EPS CAGR of 3.8%. We assume a decrease in debt requirements in the long run, while capex requirements remain at an average 1.0% of sales. Last we lower the effective tax rate, gradually reaching 25%.

Regarding working capital we have proceeded to an increase in our receivable days and decreased our payable days following 9M:05 trends and in anticipation that lower payable days will be sustained given that competition necessitates lower prices. Consequently, cash & cash equivalents are assumed decreased and we see the company reporting a positive dept position by the end of FY05, in contrast to its usual debt free balance sheet.

Valuation and rating

DCF valuation returns a value of €6.4 per share justifying a neutral rating

We have applied a WACC of 9.0% and assumed perpetuity growth of 1.0% in our standard DCF valuation. Beyond our 5-year explicit forecast period we have assumed a growth of 2.0% in the company's free cash flows for another 5 years.

The forecast adjustments and changes in working capital requirements and cash flows lead us to keep a more conservative stance regarding the company's longer-term prospects downgrading our target price to €6.4 per share, which implies a 4.0% upside from current price levels and justifies a neutral recommendation.

Table 9: DCF Valuation

Shares Outstanding	22,080,000				
WACC	9.0%				
Growth in Second Stage	2.0%				
Perpetuity growth rate	1.0%				
Year	**2005**	**2006**	**2007**	**2008**	**2009**
Net Present Value of Free cash flow	4.4	5.4	6.9	7.8	7.5
Sum of NPVs of FCFs					31.9
Second Stage					
Year	**2010**	**2011**	**2012**	**2013**	**2014**
Net Present Value of Free cash flow	7.0	6.5	6.1	5.7	5.3
Sum of NPVs of FCFs					30.7
Total NPVs of FCFs					**62.6**
					66.5
Enterprise Value					**129.1**
Less: Net Debt/(Cash)					(11.4)
Equity Value					**140.5**
Share Value					**€ 6.4**
Premium / (Discount) to current share price					*4.0%*

Source: MARFIN ANALYSIS

Peer group comparison and multiples

Plaisio has under performed the ATHEX's General Index 49.5% Y-t-D and currently trades 14.3x its FY05e EPS, implying a 22.6% discount vs. its market cap weighted peer group and an 8.5% discount from the DJ Retail Index. At target price, Plaisio trades 14.9x its FY05e P/E, which indicates a 19.6% discount to its peers and a 4.9% discount to the DJ Retail Index. We present a selected peer group below, noting however that none of the following companies is directly comparable to Plaisio.

Table 6: Plaisio vs. peer group

	Price	Market Cap.	P/E 05	P/E 06	Ev/EBITDA 05	Ev/EBITDA 06	Ev/Sales 05	Ev/Sales 06	EBITDA % Change 05	EBITDA % Change
Radioshack Corp	19.8	2652.2	12.9	11.6					7.0%	5.2%
Staples Inc	19.9	14,761.1	21.1	18.7	11.7	9.9	1.1	1.0	28.6%	13.9%
Germanos	13.7	1,109.3	17.7	15.0	12.1	10.5	1.2	1.1	12.8%	13.4%
Dixons Group	2.2	4162.7	13.3	12.5	5.4	5.1	0.3	0.3	0.1%	4.7%
Insight Enterprises	18.0	871.6	16.3	13.7						
Pc Connection Inc	5.4	137.3	21.4	14.8						
Cdw Corp	50.9	4231.6	18.5	17.2	10.1	9.6	0.7		25.5%	2.9%
Weigthed Average			***18.5***	***16.6***	***9.2***	***7.9***	***0.8***	***0.7***	***20.1%***	***11.2%***
Simple Average			***17.3***	***14.8***	***9.8***	***8.5***	***0.9***	***0.8***	***12.1%***	***9.3%***
DJ Euro Stoxx Retail	255.2	63492.1	15.6	13.8						
Plaisio	**6.1**	**135.1**	**14.3**	**13.9**	**6.8**	**6.8**	***0.5***	***0.5***	**-17.7%**	**-0.3%**
Premium / Discount										
Plaisio vs Peer group			***-22.6%***	***-16.2%***	***-26.1%***	***-14.6%***	***-42.0%***	***-37.9%***	***-37.8pp***	***-11.4pp***
Plaisio vs DJ Euro Stock Retail			***-8.5%***	***0.9%***						

Source: MARFIN ANALYSIS, JCF

Risks to our Valuation

We still believe that the company's diversified structure along with management's deep knowledge of the market can support the company's positioning within a difficult business environment. However, we summarize below certain business risks that may have an impact on our forecasts and valuation. The main risks identified are:

- The further decrease in margins due to competition, from the entrance of international retail chains in Greece. We should note that currently earnings visibility appears inadequate due to the forthcoming and so long anticipated changes in the business environment.
- Furthermore, the stricter competitive conditions could alter the cash flow discipline and debt free position witnessed in previous years.
- Difficult business conditions that may force management to alter its planned stores roll out.
- Potential difficulties in the Bulgaria market that could burden further profitability.
- Potential unfavorable macroeconomic trends in the future that may have a further effect in the company's financial performance through consumption trends.

Summary Financial Data

Profit & Loss *(in € m)*	2004	2005e	2006f	2007f	2008f	2009f
Turnover	**232.8**	**250.9**	**264.9**	**280.3**	**298.5**	**321.6**
Cost of Goods Sold	(180.6)	(200.7)	(212.7)	(225.1)	(239.7)	(258.3)
Gross Profit	52.2	50.2	52.2	55.2	58.8	63.4
Operating Expenses	30.9	32.9	35.0	37.0	39.4	42.5
Other Income	0.8	0.9	0.9	1.0	1.0	1.1
EBITDA	**22.1**	**18.2**	**18.1**	**19.2**	**20.4**	**22.0**
Depreciation	3.7	3.6	3.6	3.6	3.6	3.6
EBIT	**18.4**	**14.6**	**14.5**	**15.6**	**16.9**	**18.4**
Net Investment Inc. (Exp.)	(0.0)	0.0	0.0	0.0	0.0	0.0
Net Interest Inc. (Exp.)	(0.7)	(0.5)	(0.8)	(0.8)	(0.9)	(1.0)
Exceptionals (Net)	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**17.6**	**14.1**	**13.7**	**14.7**	**16.0**	**17.4**
Taxes	(6.8)	(4.7)	(4.0)	(3.7)	(4.0)	(4.3)
Net Profit After Tax	**10.8**	**9.4**	**9.7**	**11.0**	**12.0**	**13.0**
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
EAT	**10.8**	**9.4**	**9.7**	**11.0**	**12.0**	**13.0**
Dividends	6.0	4.7	4.9	5.0	5.4	5.9

Per Share Data *(in €)*						
EPS	0.49	0.43	0.44	0.50	0.54	0.59
CEPS	0.66	0.59	0.60	0.66	0.70	0.76
DPS	0.27	0.21	0.22	0.22	0.24	0.27
BVPS	2.17	2.39	2.61	2.88	3.18	3.51
No Of Shares (Yr-end, m)	22.08	22.08	22.08	22.08	22.08	22.08
Adj. No Of Shares (m)	22.08	22.08	22.08	22.08	22.08	22.08

Valuation Data						
P/E (x)	12.5	14.3	13.9	12.2	11.3	10.4
P/CF (x)	9.3	10.4	10.1	9.2	8.7	8.1
P/BV (x)	2.8	2.6	2.3	2.1	1.9	1.7
Div. Yield (%)	4.4%	3.5%	3.6%	3.7%	4.0%	4.3%
EV / Sales (x)	0.5	0.5	0.5	0.4	0.4	0.3
EV / EBITDA (x)	5.6	6.8	6.8	6.2	5.6	4.9

Growth Rates						
Turnover	28.0%	7.8%	5.6%	5.8%	6.5%	7.8%
EBITDA	15.3%	-17.7%	-0.3%	5.8%	6.5%	7.8%
EBIT	2.1%	-20.7%	-0.7%	7.3%	8.4%	8.9%
EBT	2.7%	-20.0%	-2.8%	7.4%	8.5%	9.0%
EAT	4.4%	-12.7%	3.0%	13.4%	8.5%	9.0%
EPS	4.4%	-12.7%	3.0%	13.4%	8.5%	9.0%

Ratios						
Gross Margin	22.4%	20.0%	19.7%	19.7%	19.7%	19.7%
EBITDA Margin	9.5%	7.2%	6.8%	6.8%	6.8%	6.8%
EBT Margin	7.6%	5.6%	5.2%	5.2%	5.3%	5.4%
Net Margin	4.6%	3.8%	3.7%	3.9%	4.0%	4.1%
Tax Rate	38.6%	33.0%	29.0%	25.0%	25.0%	25.0%
ROE (avg)	24.1%	18.8%	17.6%	18.2%	17.9%	17.7%
Net Debt / Equity	n/m	n/m	n/m	n/m	n/m	n/m
Interest Coverage	2458%	2910%	1824%	1849%	1882%	1902%

Balance Sheet *(in € m)*	2004	2005e	2006f	2007f	2008f	2009f
Net Fixed Assets	17.2	17.7	17.0	16.4	15.9	15.2
Investments	1.4	1.4	1.4	1.4	1.4	1.4
Other LT Assets & Accruals	0.1	0.1	0.2	0.3	0.3	0.3
Total Fixed Assets	**18.7**	**19.1**	**18.6**	**18.1**	**17.5**	**16.9**
Inventories	34.8	36.8	39.0	41.9	44.7	48.1
Debtors	23.3	25.4	26.8	28.4	30.3	32.6
Cash & Equivalents	5.6	6.3	6.6	7.0	7.5	8.0
Marketable Securities	5.8	5.8	6.0	9.2	13.9	18.6
Other Current Assets	3.0	3.3	3.7	4.2	4.5	4.8
Total Current Assets	**72.5**	**77.6**	**82.2**	**90.8**	**100.8**	**112.2**
Total Assets	**91.2**	**96.7**	**100.9**	**108.8**	**118.3**	**129.1**
Creditors	32.2	31.9	32.0	33.9	36.1	38.9
Short Term Debt	0.0	0.5	0.0	0.0	0.0	0.0
CP of Long Term Debt	0.0	0.0	0.0	0.0	0.0	0.0
Other	9.1	9.7	9.3	9.3	10.0	10.8
Total Current Liabilities	**41.2**	**42.0**	**41.3**	**43.2**	**46.1**	**49.7**
Long Term Debt	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Other LT Liabil. & Prov.	2.0	2.0	2.0	2.0	2.0	2.0
Total Liabilities	**43.2**	**44.0**	**43.3**	**45.2**	**48.0**	**51.7**
Total Equity	**48.0**	**52.7**	**57.6**	**63.7**	**70.2**	**77.4**

Cash Flow Statement *(in € m)*						
EBITDA	22.1	18.2	18.1	19.2	20.4	22.0
Taxes Paid	6.0	4.4	4.7	4.0	3.7	4.0
Cash Tax rate (%)	34.3%	31.5%	34.0%	27.0%	23.0%	22.9%
Trade Wkg Capital needs	12.9	4.5	3.5	2.6	2.4	3.0
Capex and Participations	3.4	4.0	3.0	3.0	3.0	3.0
Other non-opg Items	5.5	(0.5)	(0.6)	(0.6)	(0.4)	(0.5)
Free Cash Flow bef. Finc.	5.2	4.8	6.4	9.0	11.0	11.5
Dividends Paid	6.0	4.7	4.9	5.0	5.4	5.9
Net Interest Payments	0.7	0.5	0.8	0.8	0.9	1.0
Change in Debt	0.0	0.5	(0.5)	0.0	0.0	0.0
Capital Gains	(0.0)	0.0	0.0	0.0	0.0	0.0
New Equity	0.0	0.0	0.0	0.0	0.0	0.0
Change in Mkt Securities	**(0.5)**	**0.0**	**0.3**	**3.2**	**4.7**	**4.7**

Source: MARFIN ANALYSIS, Plaisio

Important Disclosures

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Outperform: Relative outperformance compared to the ATHEX general index of 10% or more over a 12-month period

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Rating distribution

Companies covered:	40
Outperform:	19 (47.5%)
Neutral:	17 (42.5%)
Underperform:	0 (0.0%)
Under review:	4 (10.0%)

Companies covered from the retail sector: 6	
Outperform:	5 (83.3%)
Neutral:	1 (16.7%)
Underperform:	0 (0.0%)
Under review:	0 (0.0%)

Rating History

1. 05/09/2005 Neutral, Target Price €7.90
2. 27/07/2004 Outperform, Target Price €12.50
3. 22/04/2004 Outperform, Target Price €12.30
4. 12/03/2004 Outperform, Target Price €12.30
5. 29/01/2004 Outperform, Target Price €10.80

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