

## RETAIL

June 03 2010

## JUMBO

## Further Pressures on Profits Ahead

## View

We revise our estimates and TP downwards, maintaining our conservative stance, after factoring in the impact from the recent austerity measures and the new tax regulations. Our Neutral stance on the company is based on: (i) Further weakening of top line growth (ii) increased pressures on the profit margins driven by the increasingly adverse FX conditions along with another 2% VAT increase to be absorbed by the company, and (iii) fair valuation.

- **Impact from weaker consumer spending; downside risk to company's guidance:** Consumer spending is expected to shrink further in the following quarters on the back of tumbling consumer sentiment and on the contraction of disposable income (by almost 11% as per NBG's Chief Economist's estimate) as a result of the recent austerity measures, increased taxation and inflationary pressures. Despite an improved outlook for Q4 09-10, which led the company to raise its FY 09-10 guidance by 1% and 5% in sales and EBT growth respectively, we believe there is downside risk on the FY 10-11 guidance will have to be adjusted lower; We note that it did not incorporate all the austerity measures and tax regulations that will put further pressure on disposable income and in effect on consumer spending.
- **Increasing pressures on Profitability:** External factors affecting the company's gross profitability will put further pressure on the company's gross profit. The increasingly negative outlook on FX rates and the additional 2% VAT increase (to be absorbed by the company) lead our profitability estimates lower. Furthermore, weaker top line will lead to lower operating leverage. Furthermore, the imposition of a c.10% windfall tax for each of the next 3 years and the 40% tax rate on distributed earnings will further weigh on the company's profitability.
- **Fair Valuation:** Our DCF-derived TP of €6.2 reflects a target P/E of 11.8x our CY 2011 earnings estimates, which is in line with the stock's five-year historical average PE of 11.8x.

## Changes in estimates

With regard to FY 10-11 estimates, we revised downwards our sales estimate by 1%, and expect a y-o-y decline of -0.3%, while we project a 30% drop in EBT vs. an 18% decrease previously.

| Key financials     | 2007  | 2008  | 2009  | 2010E | 2011E  |
|--------------------|-------|-------|-------|-------|--------|
| Turnover (€ m)     | 342.7 | 404.0 | 467.8 | 486.3 | 485.0  |
| EBITDA (€ m)       | 105.5 | 125.6 | 139.6 | 146.2 | 108.7  |
| Net profit (€m)    | 67.9  | 82.5  | 95.7  | 92.0  | 60.8   |
| Diluted EPS (€)    | 0.56  | 0.68  | 0.79  | 0.71  | 0.47   |
| Diluted EPS chng   | 35.8% | 21.7% | 16.1% | -5.7% | -34.1% |
| P/E (x) Dil        | 24.1  | 13.8  | 9.6   | 7.2   | 10.9   |
| EV/EBITDA (x)      | 15.4  | 9.3   | 7.0   | 4.6   | 6.2    |
| ROE (%)            | 34.8% | 32.6% | 29.9% | 22.4% | 12.3%  |
| ROIC(%)            | 20.2% | 21.6% | 17.8% | 16.1% | 10.3%  |
| Dividend Yield (%) | 1.2%  | 2.2%  | 3.2%  | 0.0%  | 0.0%   |
| FCF Yield (%)      | 1.7%  | 0.2%  | 4.8%  | 1.5%  | 3.7%   |

Source: The Company, National Securities Research estimates

Stock rating: **Maintain Neutral**

Current Price: **€ 5.1**  
(closing price 02/06/2010)

New 12M Target price: **€ 6.2**

Previous 12M Target price: **€ 7.4**

## Stock Data

|                             |                   |
|-----------------------------|-------------------|
| 52 week low / high          | 4.50-9.55         |
| Market cap in € m           | 662               |
| Reuters / Bloomberg         | BABr.AT / BELA GA |
| Free float (e)              | 70%               |
| Institutional ownership (e) | 66%               |

## Expected return

|                         |     |
|-------------------------|-----|
| Upside to price target  | 21% |
| Dividend yield estimate | 0%  |
| Total return forecast   | 21% |

## Trading Data

|                                  |     |      |
|----------------------------------|-----|------|
| Absolute                         | 3m  | -32% |
|                                  | 12m | -29% |
| Relative to ATG                  | 3m  | -10% |
|                                  | 12m | 12%  |
| 3m avg. daily trading vol. in €m |     | 1.4  |
| Weight in ATG                    |     | 1.5% |

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June 03 2010

## Q3 09-10 review

The company announced a solid set of results which were in line with our estimates. The inclusion of Easter sales (vs. being split between 2 quarters last year) had a positive effect on the top line even though it had a negative impact on profitability as it resulted in unfavorable product mix and increased advertising expenses. The company's improved net cash position led to significantly lower net interest expenses y-o-y. Sales reached €102.4m (+27.1% y-o-y), EBITDA €22.9m (+11.6% y-o-y), with the EBITDA margin at 22.4% (-310 bps. y-o-y), while net profits reached €15m (+18.5% y-o-y).

## Management raised FY 09-10 guidance

Jumbo's management, taking into account recent data and trends, raised its guidance for this fiscal year by 1% in sales growth and by 5% in EBT growth, thus expecting a better Q4 vs. previously. Currently, management expects growth in sales in EBT of 4% and 8%, respectively.

Management did not comment on FY 10-11 guidance. We recall that the company had announced early in April '10 that it expected sales to grow by 2-3% on the addition of new stores (6 in total) as the performance of existing stores is expected to decline by 7% y-o-y. In terms of profitability, the company expected a 20% decline in the EBT line, with an equal portion of the decline being attributable to the 2% increase in VAT (from 19% to 21%) and the strengthening of the USD vs. the EURO.

## Changes in estimates

In May '10 with the activation of the joint EU/IMF financial support mechanism, a complementary austerity package was implemented by the Government including among others cuts in salaries and in other allowances of public servants, higher direct and indirect personal taxes, increased VAT (by 2% from 21% to 23%) and excise taxes. These measures in conjunction with expected inflationary pressures will have a significant drag on disposable income. We note that the revised forecast on GDP contraction is now 4% vs. 2% previously, while unemployment is expected to rise as well.

**We therefore revise our estimates downwards adopting a more conservative stance and incorporating the new tax measures (VAT increase, windfall tax for companies of c. 10% of profits for the 2010-2012 period, 40% corporate tax in distributed earnings). We cut our estimates by c. 20% on average for the following 2 years.** Furthermore we expect that the company will refrain from distributing dividends over the next couple of years.

**FY 09-10 estimates:** We slightly raised our sales estimate by 1% and now expect sales to reach €486m (+4% y-o-y vs. +3% previously). We are projecting same stores' sales to decline by -0.4% y-o-y vs. -2.6% previously. In terms of profitability, we raise our EBITDA margin estimate by c. 45bps to 30.1% vs. 29.6% previously on improved product mix and lower advertising expenses in Q4 09-10. Consequently, we expect EBT growth of 6.9% vs. 3% previously. Our forecast for net profit stands at €92m (-4% y-o-y including the windfall tax of €9.8m) vs. €89m previously.

With respect to **FY 10-11** estimates, we now expect a -0.3% decline in sales vs. a +2% growth previously and a -30% decline in EBT vs. a -18% decline previously.

In more detail, we now model a -10% decline in same stores' sales vs. a -6.6% decline previously. In terms of profitability, we expect a c. 530bps contraction of gross margin vs. a 319bps contraction previously. The additional 2% VAT increase that will most probably be absorbed by the company, along with the increasing depreciation of the Euro vs. the USD, are the key factors putting further pressure on profitability. Regarding EBITDA, lower operating leverage along with increasing expenses related to the new stores' openings should drive the EBITDA margin lower by 765bps according to our current estimates, vs. a 454bps decline we previously expected. An additional windfall tax of €5 will lead net profits to € 61m -34% lower y-o-y vs. our prior estimate of €80m.

Accordingly, we have adjusted lower our estimates for **FY 11-12**; we cut our sales estimate by 3% and our net profit estimate by 18%. We now expect sales to increase by 7.5% vs. 9.5% previously with same stores' sales -3.3% lower y-o-y vs. a -1.5% decline previously forecasted. Even though we expect a further contraction of the gross margin of c. 20bps the EBITDA margin should post a slight improvement (by 20bps) on the back of higher operating leverage. Net profits are seen now at €73m (+21% y-o-y) vs. our previous projection of €89m.

June 03 2010

In the following table our revised estimates are presented:

| Jumbo                             | FY 09-10 |       |      | FY 10-11 |      |        | FY 11-12 |     |        |
|-----------------------------------|----------|-------|------|----------|------|--------|----------|-----|--------|
|                                   | New      | Old   | Δ %  | New      | Old  | Δ %    | New      | Old | Δ %    |
| <b>Sales</b>                      | 486.3    | 481.7 | 1.0% | 485      | 490  | -1.0%  | 522      | 536 | -2.8%  |
| % change y-o-y                    | 4.0%     | 3.0%  |      | 0%       | 2%   |        | 8%       | 10% |        |
| <b>EBITDA</b>                     | 146      | 143   | 2.4% | 109      | 123  | -11.5% | 118      | 135 | -12.5% |
| % change y-o-y                    | 5%       | 2%    |      | -26%     | -14% |        | 8%       | 10% |        |
| EBITDA margin                     | 30.1%    | 29.6% |      | 22%      | 25%  |        | 23%      | 25% |        |
| <b>Net Profit</b>                 | 134      | 131   | 2.3% | 94       | 108  | -13.2% | 102      | 119 | -14.1% |
| % change y-o-y                    | 4%       | 2%    |      | -29%     | -17% |        | 9%       | 10% |        |
| <b>Net Profit Incl. Extr. Tax</b> | 27%      | 27%   |      | 19%      | 22%  |        | 20%      | 22% |        |
| % change y-o-y                    | 92       | 89    | 3.9% | 61       | 80   | -24.3% | 73       | 89  | -17.9% |

Source: National Securities estimates

## Valuation

We maintain our Neutral rating for the stock whilst cutting our TP to €6.2 per share from €7.4 previously. The company's business model up until Q3 09-10 has proven its resilience. However, going forward, the severe drag on disposable income from austerity measures and new taxation will inevitably affect the company's top line as well. Adverse FX movements, in conjunction with the company's decision to absorb recent VAT increases will negatively affect profitability further. We maintain our WACC estimate unchanged.

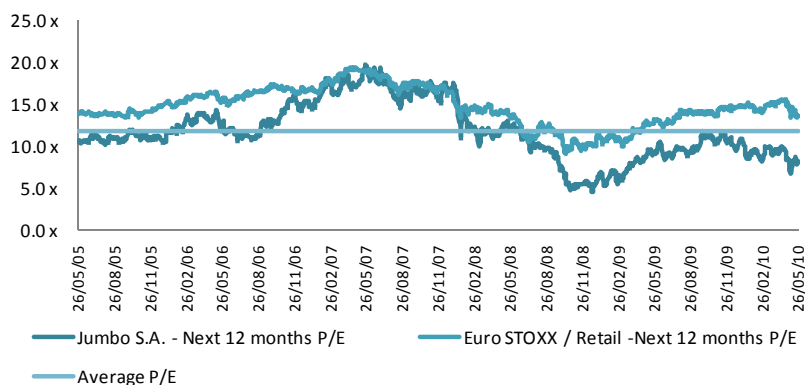
We detail our DCF estimates in the following table.

| Year                      | Jun-11f     | Jun-12f | Jun-13f | Jun-14f | Jun-15f | Jun-16f | Jun-17f | Jun-18f | Jun-19f | Jun-20f | Term Value |
|---------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|
| <b>EBIT</b>               | 94          | 104     | 111     | 115     | 121     | 123     | 125     | 127     | 126     | 128     | 128        |
| % chng                    | -29.5%      | 10.5%   | 6.7%    | 3.4%    | 5.2%    | 1.9%    | 1.9%    | 0.9%    | -0.1%   | 1.5%    |            |
| margin                    | 19%         | 20%     | 20%     | 19%     | 19.4%   | 18.9%   | 18.6%   | 18.3%   | 18.0%   | 18.0%   |            |
| Less: Tax                 | 32          | 28      | 23      | 24      | 24      | 25      | 25      | 25      | 25      | 26      | 26         |
| <b>After tax EBIT</b>     | 62          | 76      | 88      | 91      | 97      | 98      | 100     | 101     | 101     | 103     | 103        |
| Less: WC additions        | 17          | 17      | 15      | 14      | 13      | 12      | 10      | 7       | 5       | 5       | 0          |
| Plus: depreciation        | 15          | 16      | 17      | 17      | 18      | 18      | 19      | 19      | 19      | 19      | 0          |
| Less: Cap ex              | 50          | 50      | 62      | 34      | 57      | 25      | 28      | 21      | 13      | 31      | 0          |
| <b>Net Capex &amp; WC</b> | 53          | 51      | 60      | 31      | 52      | 19      | 19      | 9       | 10      | 16      | 0          |
| <b>Free Cash Flow</b>     | 9           | 24      | 27      | 59      | 45      | 80      | 81      | 92      | 92      | 87      | 104        |
| Discounted FCF            | 8           | 20      | 21      | 41      | 28      | 46      | 43      | 44      | 40      | 35      |            |
| WACC                      | 9.6%        |         |         |         |         |         |         |         |         |         |            |
| Sum of PV of CF           | 327         |         |         |         |         |         |         |         |         |         |            |
| Perpetuity Growth         | 0.0%        |         |         |         |         |         |         |         |         |         |            |
| PV of Residual Value      | 422         |         |         |         |         |         |         |         |         |         |            |
| Firm Value                | 749         |         |         |         |         |         |         |         |         |         |            |
| Less: Net debt (June-10e) | 8           |         |         |         |         |         |         |         |         |         |            |
| <b>Equity Value</b>       | <b>742</b>  |         |         |         |         |         |         |         |         |         |            |
| Target price Jun 10       | <b>5.71</b> |         |         |         |         |         |         |         |         |         |            |
| <b>12M TP</b>             | <b>6.2</b>  |         |         |         |         |         |         |         |         |         |            |
| Vs current price          | 5.1         |         |         |         |         |         |         |         |         |         |            |
| Upside potential          | 21%         |         |         |         |         |         |         |         |         |         |            |

Source: National Securities estimates

Our DCF-derived TP of €6.2 reflects a target P/E of 11.8x our CY 2011 earnings estimates, which is in line with the stock's five-year historical average PE of 11.8x.

### Jumbo vs. DJ Euro Stoxx Retail Index



Source: FactSet, National Securities

June 03 2010

## Jumbo consolidated accounts

| <i>in m, unless otherwise stated</i>           | Jun-05       | Jun-06       | Jun-07       | Jun-08       | Jun-09       | Jun-10 e      | Jun-11 e     | Jun-12 e     |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
| <b>BALANCE SHEET</b>                           |              |              |              |              |              |               |              |              |
| Net fixed assets                               | 135          | 158          | 195          | 237          | 280          | 323           | 359          | 394          |
| Current Assets                                 | 150          | 173          | 231          | 276          | 372          | 429           | 455          | 498          |
| Accounts receivable                            | 42           | 49           | 54           | 75           | 66           | 71            | 73           | 78           |
| Inventories                                    | 75           | 101          | 122          | 166          | 191          | 202           | 227          | 245          |
| Cash   | 31           | 22           | 52           | 30           | 110          | 110           | 110          | 110          |
| <b>TOTAL ASSETS</b>                            | <b>297</b>   | <b>343</b>   | <b>437</b>   | <b>525</b>   | <b>664</b>   | <b>763</b>    | <b>825</b>   | <b>903</b>   |
| <b>Net debt position</b>                       | <b>77</b>    | <b>70</b>    | <b>66</b>    | <b>88</b>    | <b>74</b>    | <b>8</b>      | <b>8</b>     | <b>-11</b>   |
| Shareholders' equity                           | 115          | 168          | 222          | 285          | 356          | 465           | 526          | 600          |
| Minority interest on share capital             | 0            | 0            | 0            | 0            | 0            | 0             | 0            | 0            |
| Long-term liabilities                          | 111          | 80           | 101          | 82           | 186          | 166           | 166          | 166          |
| Bank debt                                      | 106          | 75           | 96           | 76           | 181          | 158           | 158          | 158          |
| Subsidies                                      | 0            | 0            | 0            | 0            | 0            | 0             | 0            | 0            |
| Short-term liabilities                         | 71           | 94           | 115          | 158          | 122          | 133           | 134          | 137          |
| Accounts payable & other ST liabilities        | 49           | 52           | 64           | 87           | 82           | 84            | 93           | 100          |
| Liabilities for taxes                          | 20           | 25           | 29           | 28           | 37           | 49            | 41           | 37           |
| Liabilities to banks                           | 2            | 17           | 22           | 43           | 3            | 0             | 0            | 0            |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>          | <b>297</b>   | <b>343</b>   | <b>437</b>   | <b>525</b>   | <b>664</b>   | <b>763</b>    | <b>825</b>   | <b>903</b>   |
| <b>RATIO ANALYSIS</b>                          |              |              |              |              |              |               |              |              |
| Activity: Avg working capital to turnover days | n.a.         | 108          | 113          | 121          | 129          | 137           | 149          | 150          |
| Avg receivables to turnover days               | n.a.         | 25           | 243          | 296          | 189          | 214           | 257          | 257          |
| Avg trade creditors to purchases days          | n.a.         | 115          | 115          | 128          | 171          | 149           | 159          | 159          |
| Avg inventories to turnover days               | n.a.         | 240          | 159          | 148          | 174          | 131           | 121          | 121          |
| Financial Structure: Bank debt to equity       | 0.94         | 0.55         | 0.53         | 0.42         | 0.52         | 0.34          | 0.30         | 0.26         |
| Fixed to total assets                          | 49.5%        | 49.6%        | 47.2%        | 47.5%        | 43.9%        | 43.8%         | 44.8%        | 44.8%        |
| Profitability: Return on total assets          | n.a.         | 15.5%        | 17.4%        | 17.2%        | 16.1%        | 12.9%         | 7.7%         | 8.6%         |
| Return on equity                               | n.a.         | 34.9%        | 34.8%        | 32.6%        | 29.9%        | 22.4%         | 12.3%        | 13.3%        |
| Return on capital employed                     | 16.5%        | 19.4%        | 20.2%        | 21.6%        | 17.8%        | 16.1%         | 10.3%        | 10.3%        |
| <b>CASH FLOW</b>                               |              |              |              |              |              |               |              |              |
| Profit after tax before minorities             | 42.5         | 54.3         | 71.8         | 82.5         | 95.7         | 92.0          | 60.8         | 74.6         |
| Plus: Depreciation & amortization              | 7.5          | 8.5          | 8.8          | 9.7          | 11.4         | 12.7          | 14.6         | 15.5         |
| Plus: net interest expenses                    | 5.8          | 4.9          | 4.9          | 5.4          | 4.9          | 1.7           | 1.9          | 1.7          |
| Less: gain/loss on disposal of PP&E            | 0.0          | 0.0          | 0.0          | 0.0          | 0.6          | 0.0           | 0.0          | 0.0          |
| <b>Gross cash flow</b>                         | <b>55.8</b>  | <b>67.6</b>  | <b>85.5</b>  | <b>97.6</b>  | <b>111.4</b> | <b>106.4</b>  | <b>77.2</b>  | <b>91.8</b>  |
| Plus: Chng in accounts payable                 | 13.5         | 5.5          | 5.8          | 15.9         | 0.5          | 1.0           | 7.6          | 6.0          |
| Less: Chng in accounts receivable              | 6.8          | 0.3          | 0.0          | 13.1         | -9.3         | 3.0           | 2.4          | 2.0          |
| Less: Chng in inventories                      | 2.7          | 26.1         | 21.0         | 43.9         | 25.6         | 10.6          | 24.7         | 18.0         |
| Working capital chng                           | -2.2         | 28.9         | 14.4         | 34.9         | 22.2         | 13.7          | 17.3         | 16.9         |
| <b>Operating cash flow</b>                     | <b>58.0</b>  | <b>38.8</b>  | <b>71.1</b>  | <b>62.7</b>  | <b>89.2</b>  | <b>92.8</b>   | <b>59.9</b>  | <b>74.8</b>  |
| Less: Purchases of fixed assets                | 23.2         | 31.6         | 43.7         | 60.1         | 47.5         | 55.0          | 50.0         | 50.0         |
| Less: Chng in investments                      | 0.0          | 0.0          | 0.6          | -0.1         | 0.0          | 0.6           | 0.0          | 0.0          |
| <b>Free cash flow</b>                          | <b>34.8</b>  | <b>7.2</b>   | <b>26.7</b>  | <b>2.7</b>   | <b>41.7</b>  | <b>37.2</b>   | <b>9.9</b>   | <b>24.8</b>  |
| <b>PROFIT &amp; LOSS</b>                       |              |              |              |              |              |               |              |              |
| <b>Turnover</b>                                | <b>229.1</b> | <b>281.3</b> | <b>342.7</b> | <b>404.0</b> | <b>467.8</b> | <b>486.3</b>  | <b>485.0</b> | <b>521.5</b> |
| % chng   | n.a.         | 22.8%        | 21.8%        | 17.9%        | 15.8%        | 4.0%          | -0.3%        | 7.5%         |
| COGS & SG&A                                    | 164.8        | 198.5        | 237.1        | 278.1        | 328.2        | 340.1         | 376.2        | 402.0        |
| <b>EBITDA</b>                                  | <b>64.2</b>  | <b>82.8</b>  | <b>105.5</b> | <b>125.6</b> | <b>139.6</b> | <b>146.2</b>  | <b>108.7</b> | <b>119.5</b> |
| % chng   | n.a.         | 28.9%        | 27.4%        | 19.0%        | 11.1%        | 4.7%          | -25.6%       | 9.9%         |
| <b>EBITDA margin</b>                           | <b>28.0%</b> | <b>29.4%</b> | <b>30.8%</b> | <b>31.1%</b> | <b>29.8%</b> | <b>30.1%</b>  | <b>22.4%</b> | <b>22.9%</b> |
| Net depreciation                               | 7.5          | 8.5          | 8.8          | 9.7          | 11.4         | 12.7          | 14.6         | 15.5         |
| <b>EBIT</b>                                    | <b>56.7</b>  | <b>74.4</b>  | <b>96.7</b>  | <b>116.1</b> | <b>128.2</b> | <b>133.5</b>  | <b>94.1</b>  | <b>104.0</b> |
| % chng   | n.a.         | 31.1%        | 30.1%        | 20.0%        | 10.4%        | 4.2%          | -29.5%       | 10.5%        |
| <b>Operating profit margin</b>                 | <b>24.8%</b> | <b>26.4%</b> | <b>28.2%</b> | <b>28.7%</b> | <b>27.4%</b> | <b>27.5%</b>  | <b>19.4%</b> | <b>19.9%</b> |
| Net interest expenses                          | 5.8          | 4.9          | 4.9          | 5.4          | 4.9          | 1.7           | 1.9          | 1.7          |
| % of avg debt                                  | n.a.         | 6.6%         | 7.2%         | 6.9%         | 6.0%         | 4.1%          | 23.5%        | -99.1%       |
| Pre-tax profit                                 | 51.0         | 69.5         | 91.8         | 110.7        | 123.3        | 131.8         | 92.3         | 102.4        |
| % chng   | n.a.         | 36.3%        | 32.1%        | 20.6%        | 11.3%        | 6.9%          | -30.0%       | 10.9%        |
| Minority stake in profits                      | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0           | 0.0          | 0.0          |
| Minority profit/Net profit                     | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%          | 0.0%         | 100.0%       |
| Income tax                                     | 16.8         | 20.0         | 23.9         | 28.2         | 27.5         | 39.8          | 31.5         | 27.8         |
| % effective tax rate                           | 33.0%        | 28.9%        | 26.0%        | 25.5%        | 22.3%        | 30.2%         | 34.1%        | 27.1%        |
| <b>Profit after tax</b>                        | <b>34.1</b>  | <b>49.4</b>  | <b>67.9</b>  | <b>82.5</b>  | <b>95.7</b>  | <b>92.0</b>   | <b>60.8</b>  | <b>74.6</b>  |
| % chng   | n.a.         | 44.9%        | 37.4%        | 21.5%        | 16.0%        | -3.9%         | -34.0%       | 22.8%        |
| <b>Net profit margin</b>                       | <b>14.9%</b> | <b>17.6%</b> | <b>19.8%</b> | <b>20.4%</b> | <b>20.5%</b> | <b>18.9%</b>  | <b>12.5%</b> | <b>14.3%</b> |
| EPS after tax (in Euro)                        | 0.31         | 0.42         | 0.56         | 0.68         | 0.79         | 0.71          | 0.47         | 0.57         |
| EPS chng                                       | n.a.         | 36.3%        | 34.2%        | 21.5%        | 16.0%        | -10.3%        | -34.1%       | 22.8%        |
| <b>EPS diluted</b>                             | <b>0.29</b>  | <b>0.39</b>  | <b>0.53</b>  | <b>0.65</b>  | <b>0.752</b> | <b>0.68</b>   | <b>0.62</b>  | <b>0.72</b>  |
| EPS Diluted adj for extraordinary tax          | 0.29         | 0.39         | 0.53         | 0.65         | 0.752        | 0.78          | 0.55         | 0.61         |
| % change                                       | Na.          | 36.5%        | 35.8%        | 21.7%        | 16.1%        | 4.3%          | -30.1%       | 11.7%        |
| <b>Dividends</b>                               | <b>11.1</b>  | <b>13.9</b>  | <b>19.4</b>  | <b>24.2</b>  | <b>27.9</b>  | <b>0.0</b>    | <b>0.0</b>   | <b>0.0</b>   |
| Dividend policy: Payout Ratio                  | 36.7%        | 33.6%        | 33.8%        | 34.2%        | 34.1%        | 0.0%          | 0.0%         | 0.0%         |
| DPS (in Euro)                                  | 0.10         | 0.12         | 0.16         | 0.20         | 0.23         | 0.00          | 0.00         | 0.00         |
| % chng   | n.a.         | 15.3%        | 39.1%        | 25.0%        | 15.0%        | na            | na           | na           |
| <b>Market cap</b>                              | <b>423</b>   | <b>634</b>   | <b>1555</b>  | <b>1081</b>  | <b>691</b>   | <b>664</b>    | <b>664</b>   | <b>664</b>   |
| Diluted number of shares                       | 121,234,716  | 130,149,033  | 130,149,033  | 130,149,033  | 130,149,033  | 129,907,744   | 130,149,033  | 130,149,033  |
| Basic number of shares                         | 111,444,186  | 118,471,908  | 121,234,716  | 121,234,716  | 121,234,716  | 129,907,744   | 130,149,033  | 130,149,033  |
| <b>EV</b>                                      | <b>500</b>   | <b>704</b>   | <b>1622</b>  | <b>1170</b>  | <b>765</b>   | <b>671</b>    | <b>672</b>   | <b>652</b>   |
| End-year/current stock price common shares     | 4.09         | 8.29         | 12.40        | 4.34         | 8.87         | 5.10          | 5.10         | 5.10         |
| % chng of common stock price                   | 59.9%        | 102.7%       | 49.6%        | -65.0%       | 104.4%       | -42.5%        | n.a.         | n.a.         |
| <b>Out/under performance</b>                   | <b>21.6%</b> | <b>69.0%</b> | <b>26.9%</b> | <b>1.5%</b>  | <b>66.3%</b> | <b>-17.9%</b> | <b>n.a.</b>  | <b>n.a.</b>  |

Source: The company, National Securities Research estimates

June 03 2010

## Disclosure Appendix

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### Disclosure Checklist for Companies mentioned & other price data information

| Company Name | Reuters | Rating  | Price | Price date / time             | Disclosure |
|--------------|---------|---------|-------|-------------------------------|------------|
| Jumbo        | BABr.AT | Neutral | €5.10 | June 02 2010 / Official Close | None       |

Source: National Securities

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### Rating and target price history

| Date      | Rating     | Price | Target price | Date             | Rating     | Price    | Target price |
|-----------|------------|-------|--------------|------------------|------------|----------|--------------|
| 16-Apr-04 | Overweight | 3.82  | 4.50         | 27-Sept 07       | Overweight | 24.26    | 29.00        |
| 06-May-04 | Overweight | 3.92  | 4.67         | 24 –Dec 07       | Overweight | 24.52    | 29.40        |
| 01-Sep-04 | Overweight | 3.85  | 5.00         | 04- March 08     | Overweight | 17.10    | 26.2         |
| 25-Nov-04 | Overweight | 4.22  | 5.25         | 21- May 08       | Overweight | 20.12    | 26.2         |
| 11-Feb-05 | Overweight | 6.18  | 7.08         | 26 Sept- 08      | Overweight | 13.70    | 21.0         |
| 18-May-05 | Overweight | 6.47  | 7.67         | 20 Nov 08        | Outperform | 4.30 Adj | 7.55 Adj     |
| 26-Aug-05 | Overweight | 7.22  | 9.58         | 05 March 09      | Outperform | 4.90     | 7.14         |
| 24-Feb-06 | Overweight | 10.03 | 12.50        | 20 May 09        | Outperform | 7.13     | Under Review |
| 02-Oct-06 | Overweight | 11.94 | 14.20        | 02 October 2009  | Outperform | 9.24     | 11.24        |
| 23-Nov-06 | Overweight | 15.04 | 17.50        | 11 November 2009 | Outperform | 9.30     | 11.24        |
| 15-Feb-07 | Overweight | 20.30 | 22.50        | 05 March 2010    | Outperform | 7.6      | 9.6          |
| 23-May-07 | Overweight | 25.00 | 29.00        | 08 April 2010    | Neutral    | 6.45     | 7.40         |

Source: National Securities

### Risks and sensitivity:

- Economic slowdown in Greece and the Balkans (Romania, Bulgaria) could negatively affect consumption
- Currency risk.
- Unfavourable domestic demographics.
- Competition from big international retailers.

Our target price and estimates are sensitive to various factors including interest rates, inflation, the local economic environment, market volatility, management continuity or other company specific events

### Ratings Distribution (Last quarter)

|  | Outperform | Neutral | Underperform |
|--|------------|---------|--------------|
| Greek Equity Research Coverage (46)  | 53%        | 41%     | 8%           |
| % of companies in each rating category that are investment banking clients | 62%        | 62%     | 14%          |

Source: National Securities

June 03 2010

## Definition of investment ratings

**Outperform, Neutral, Underperform:** Denote notional investment ratings (not recommendations) pegged to the performance of the General Index, which imply a positive, neutral and negative view respectively.

**Outperform:** The stock is expected to perform above the General Index.

**Neutral:** The stock is expected to perform in line with the General Index.

**Underperform:** The stock is expected to perform below the General Index.

Further information on the securities referred to herein may be obtained from National P&K Securities and National P&K Securities S.A. – London branch upon request.

All prices and valuation multiples are based on the closing of the market's last session prior to the issue of the report, unless stated otherwise.

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