

CORTEFIEL GROUP

A GROWING COMPANY

MISSION

CORTEFIEL IS A DIVERSIFIED, INTERNATIONAL GROUP WHICH AIMS TO SATISFY CONSUMER' NEEDS VIA SPECIALISED CHAINS VERTICALLY INTEGRATED.

CORTEFIEL LEVERAGES ITS COMMON STRUCTURE TO GENERATE STRUCTURAL ADVANTAGES AND A HIGHER DEGREE OF COMPETITIVENESS VERSUS OTHER CHAINS, THEREBY CREATING VALUE FOR ITS SHAREHOLDERS.

CORTEFIEL'S HISTORY

YEAR	SALES	E.B.T.	STORES
1975	3,567	222	25



Expanding retail business (Cortefiel)

1985	23,210	1,948	50
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Diversification (new concepts)

(*) 1999	98,531	10,628	474
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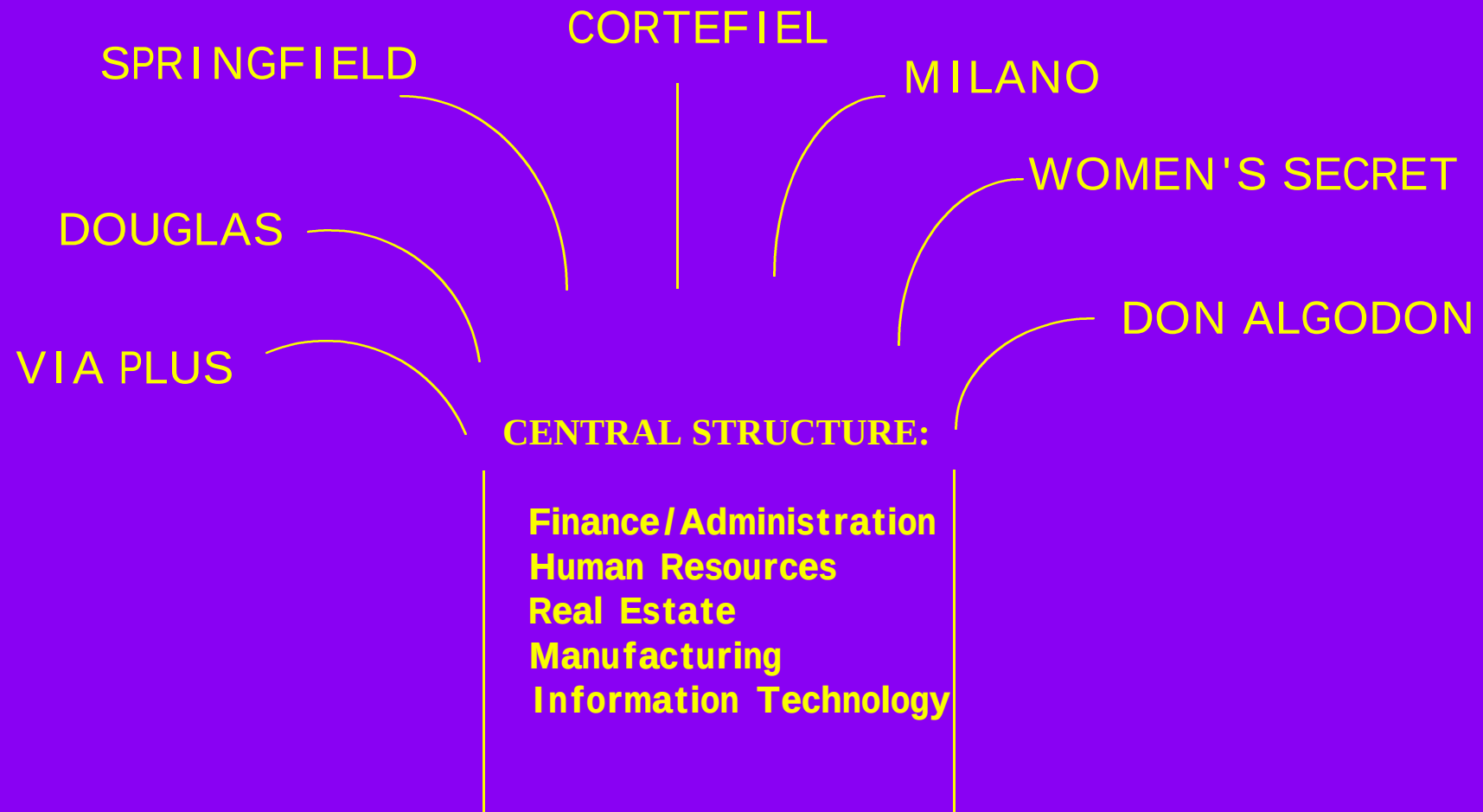


Internationalisation (Springfield)

(*) Estimation

STRUCTURE & STRATEGY

BUSINESS STRUCTURE

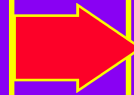


CORPORATE STRATEGY & POLICY

Strategy

Decentralised commercial functions:

- assortment
- marketing
- operations



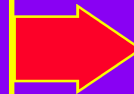
Policy



Always give the client
a good reason to buy

Centralised corporate functions:

- logistics
- I.T.
- Administration and finance
- general services
- personnel



To achieve lower
operating costs

STRATEGY TO GROW

TWO-WAY APPROACH:

SPAIN:

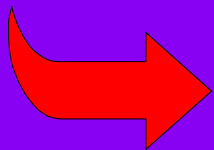
- ✓ Enhancing current business
- ✓ Sustained growth
- ✓ Niche identification

INTERNATIONAL:

- ✓ Identification of suitable concepts to be exported:
Springfield, Milano, Women's Secret
- ✓ Identification of markets: Europe

WHY GROWING INTERNATIONALLY

- **STRONGER BUYING POWER**
- **LOWER OVERHEADS: OPERATING LEVERAGE**
- **INCREASING BRAND-NAME RECOGNITION**
- **IMPROVING STRATEGIC POSITION**
- **ACCES TO TECNOLOGY**

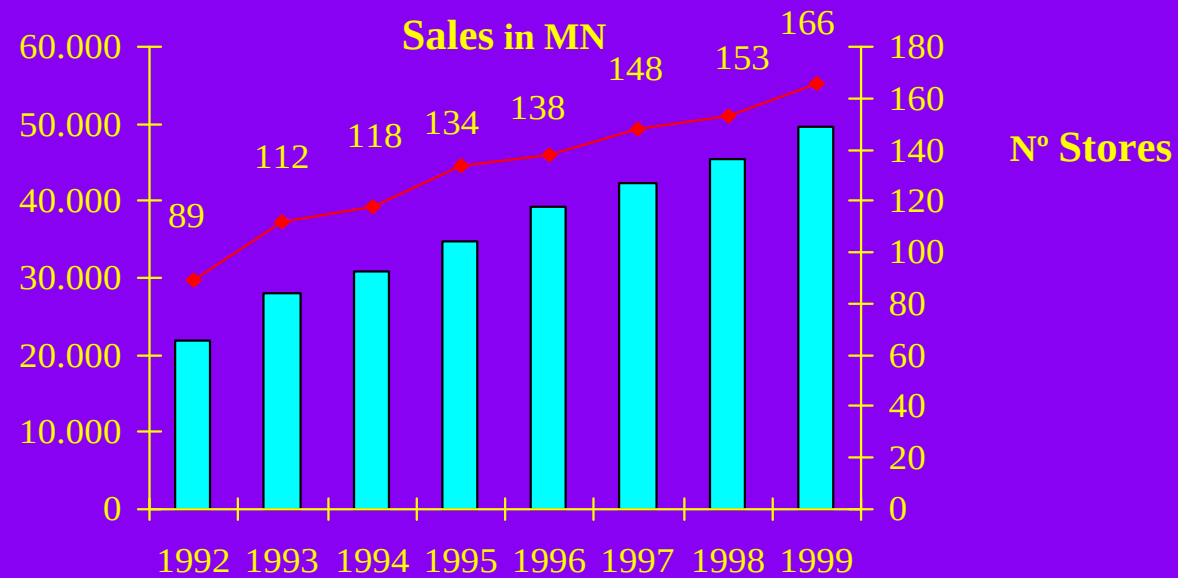


**EUROPEAN SPECIALISED CHAINS
ARE THE FUTURE OF THE SECTOR**

BUSINESS' EVOLUTION

CORTEFIEL STORES

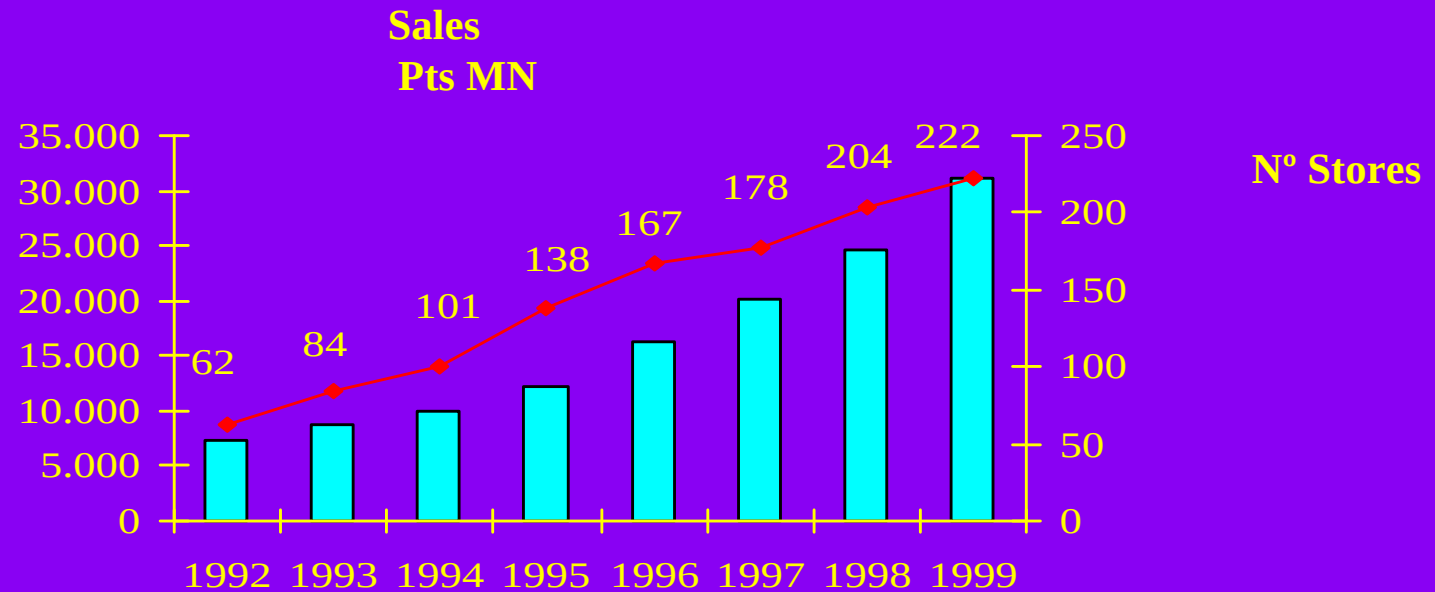
CORTEFIEL STORES



- ✓ L-F-L SALES 4.9%
- ✓ REFURBISHMENT PLAN
- ✓ OPEN IN ONE OF THE MAIN EUROPEAN CITIES
- ✓ BIG CHALLENGER IN LADIES WEAR
- ✓ OVER 2MN CARDHOLDERS

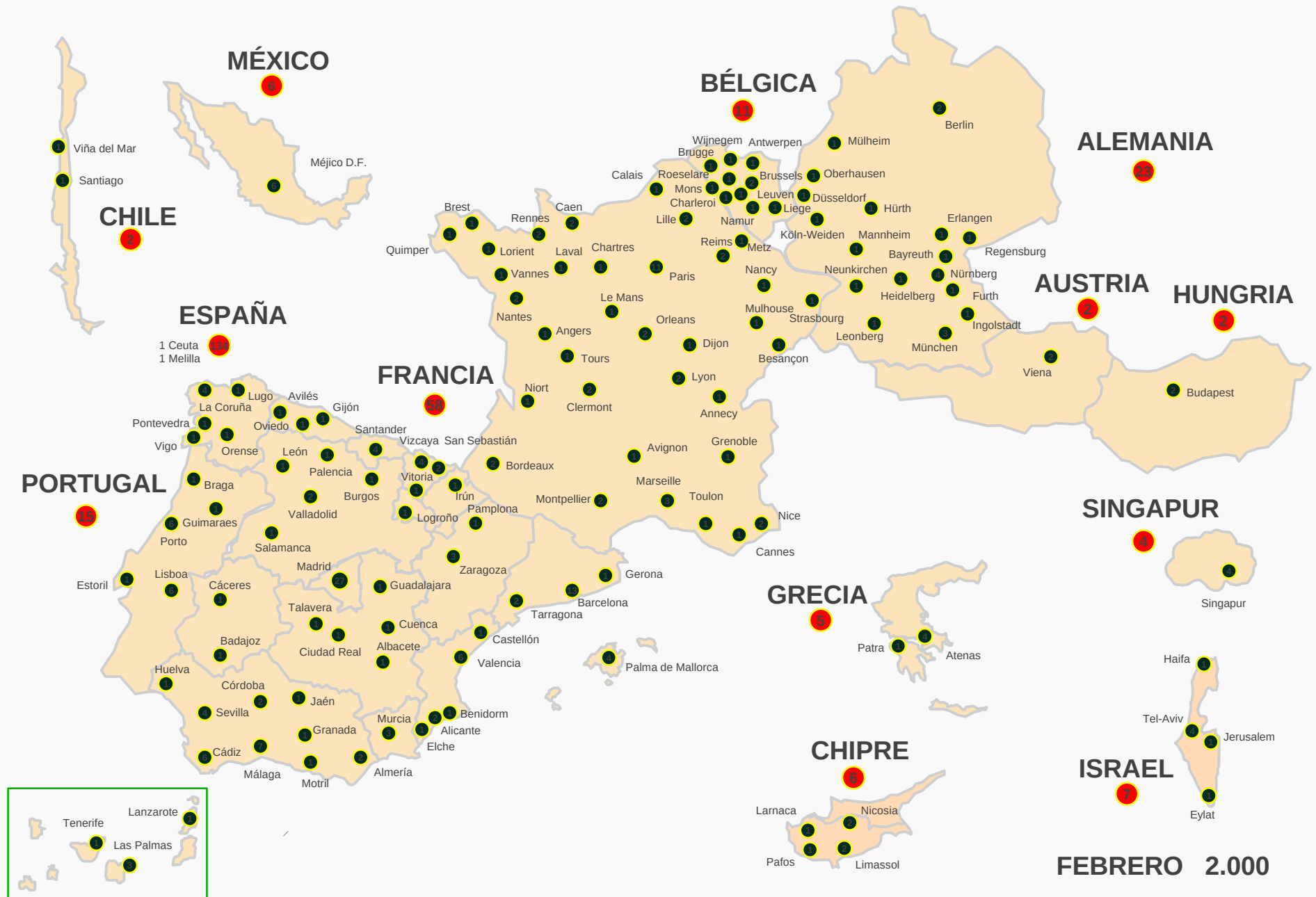
SPRINGFIELD

SPRINGFIELD



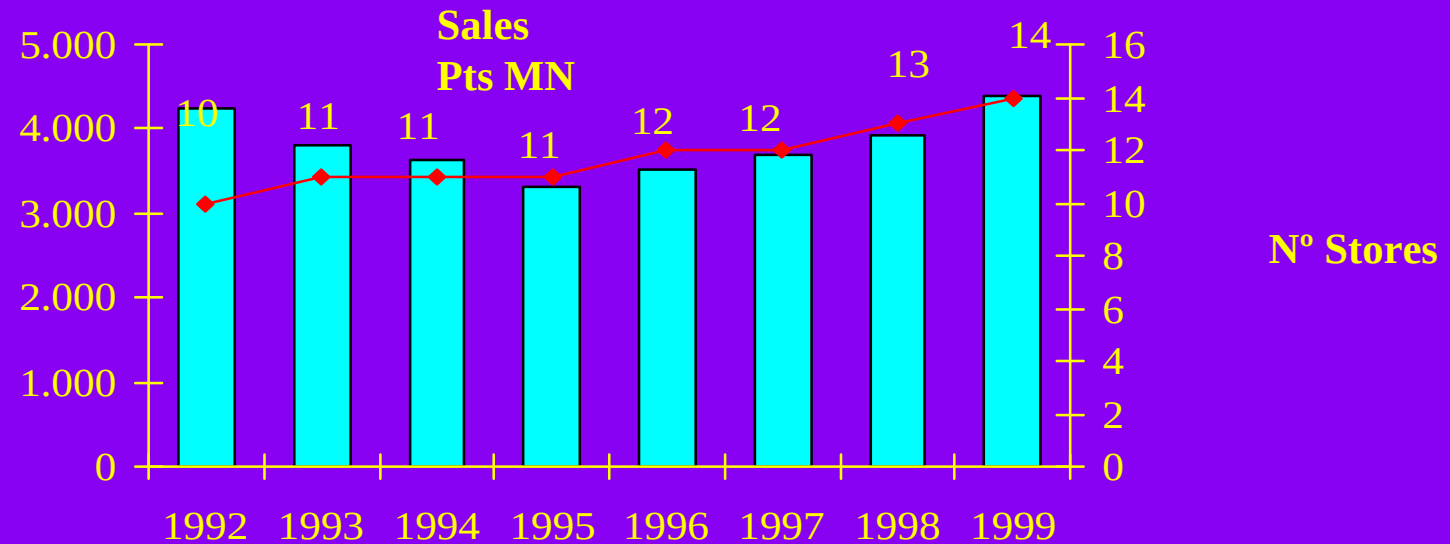
- ✓ **L-F-L SALES: 10.3%**
- ✓ **INCREASING AVERAGE SURFACE AREA**
- ✓ **EXPAND IN NEW EUROPEAN COUNTRIES**
- ✓ **IMPROVE OUR PERFORMANCE IN FRANCE AND GERMANY**
- ✓ **DEVELOP FRANCHISING WORLDWIDE**

ACTUAL SPRINGFIELD NETWORK (275 STORES)



MILANO

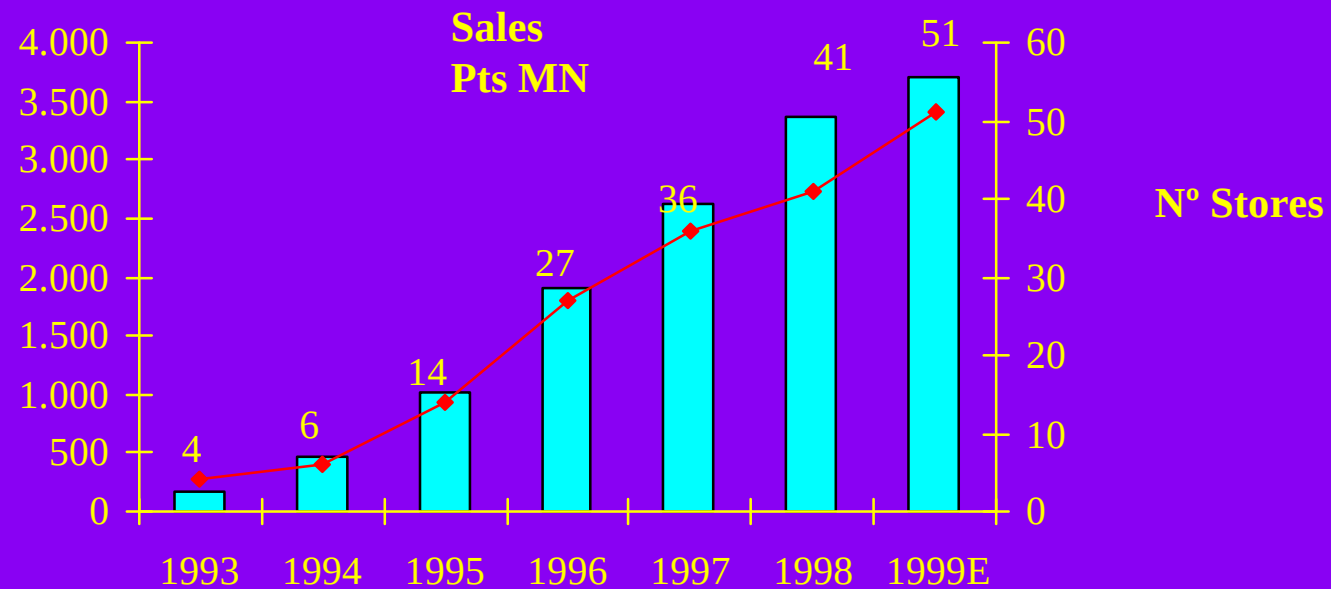
MILANO



- ✓ L-F-L SALES: 2.7%
- ✓ OPENING IN A NEW COUNTRY: BELGIUM
- ✓ A CONCEPT TO BE FURTHER DEVELOPED
- ✓ NEW TECHNOLOGY SUIT LINE

WOMEN'S SECRET

WOMEN'S SECRET



- ✓ L-F-L SALES: +23.9%
- ✓ STRONG PRODUCT DEVELOPMENT AND DESIGN
- ✓ BEGINING TO EXPAND IN EUROPE
- ✓ EXPANDING ACCESORIES LINE

DOUGLAS

DOUGLAS SPAIN AND PORTUGAL

- ✓ 50% JOINT-VENTURE WITH DOUGLAS
- ✓ L-F-L SALES: + 27.4%
- ✓ POTENCIAL GROWTH: 250 STORES
- ✓ 14 STORES IN SPAIN AND PORTUGAL
- ✓ POTENCIAL GROWTH THROUGH REGIONAL ACQUISITIONS

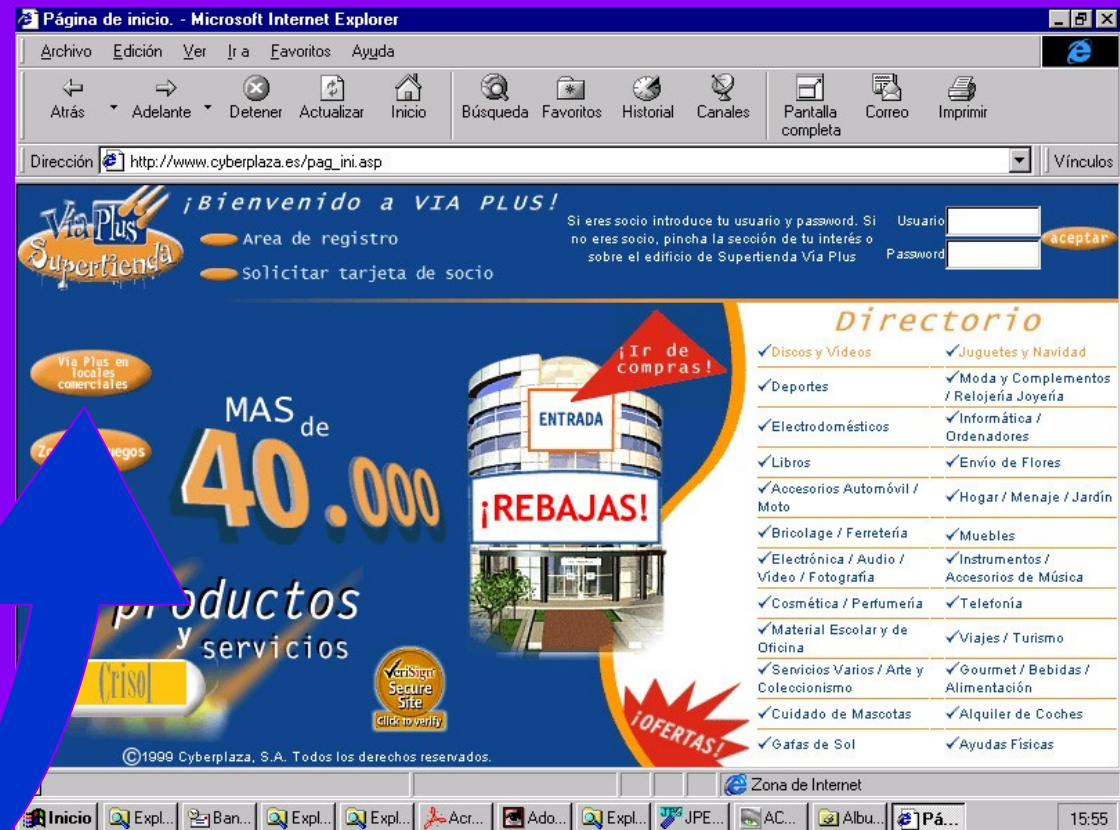
**INTERNET
COMPANY**

VIAPLUS



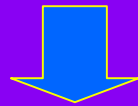
The biggest spanish internet shop
<http://www.viaplus.com>)

Home page



VIAPLUS

LAUNCHING A INTERNET COMPANY



CORTEFIEL:25%



TABACALERA:75%

TOTAL INVESTMENT: 4,700 MILLION PESETAS

VIAPLUS

MAIN FIGURES :

- Launched internet in november
- Daily average of request: 90,000 pages
- Number of references: 45,000
- Average discount versus market prices: 15%-20%
- Estimated income during year 2.000: 1.900 millions ptas
- Purchase average per client: 18.635 ptas
- Brands: 150 (top line)

VIAPLUS

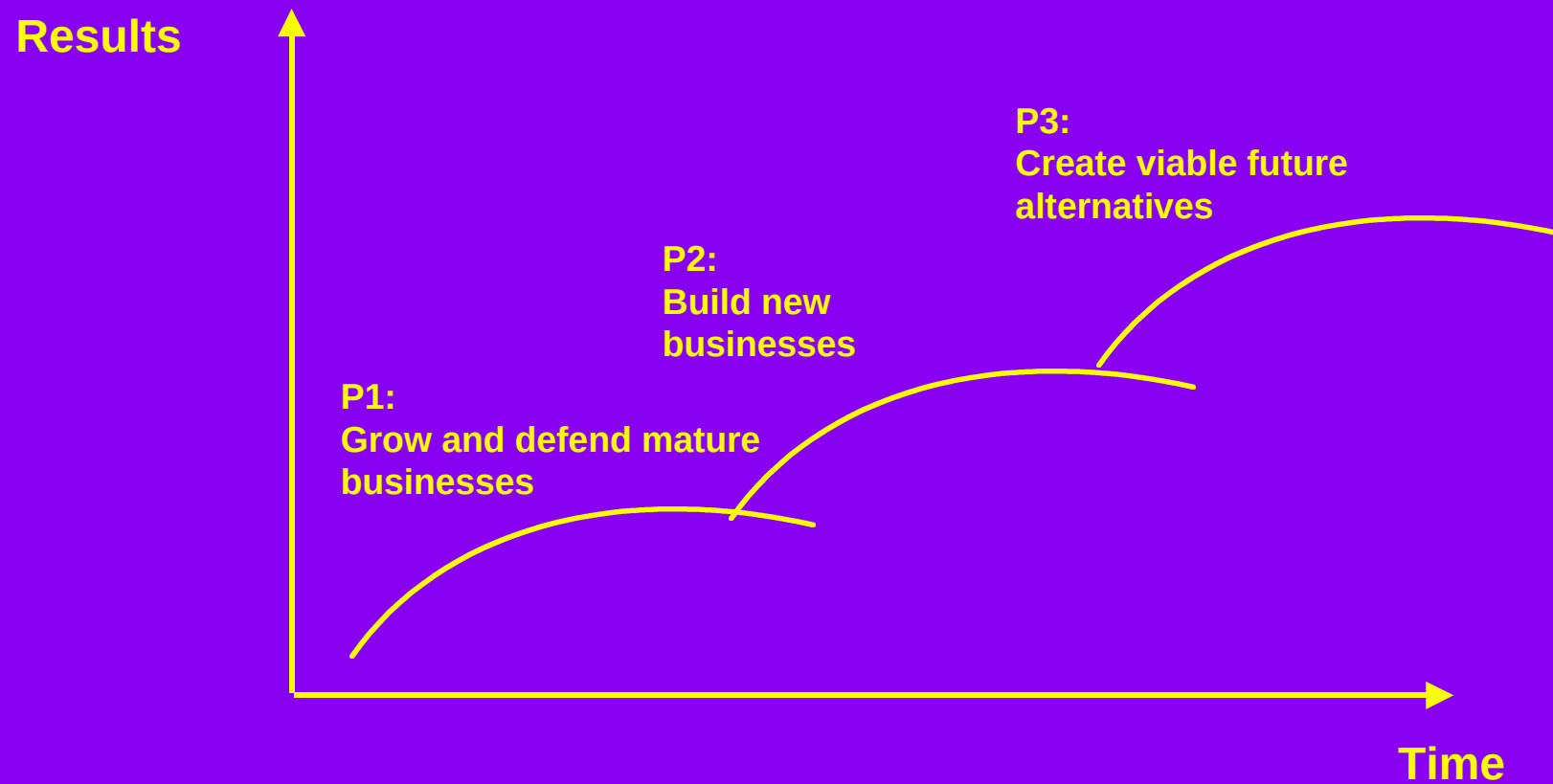
IMPROVEMENTS :

- Number of references: increase to 500,000 in 5 years
- Negotiating agreements whit portals
- Making agreements with banks in order to create independent shops
- Extend offer to specialty niches stores
- Agreement with FORTUNA.COM
- Other sales media: TV Web, WAB
- Offered discount: Increase to 25-40%

IN CONTINUOUS GROWING

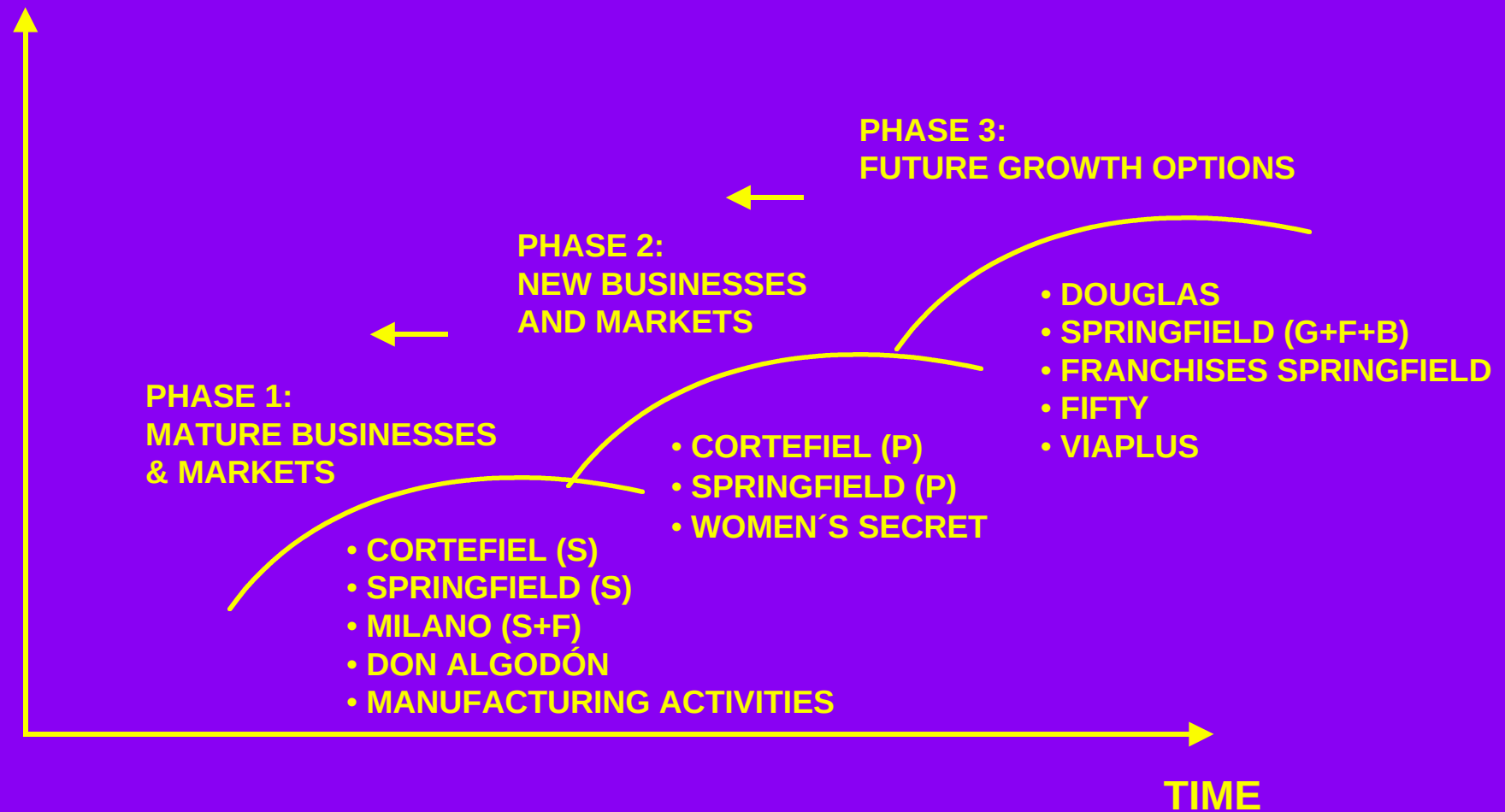
GROWTH BASED ON A BALANCED PORTFOLIO

In development phases



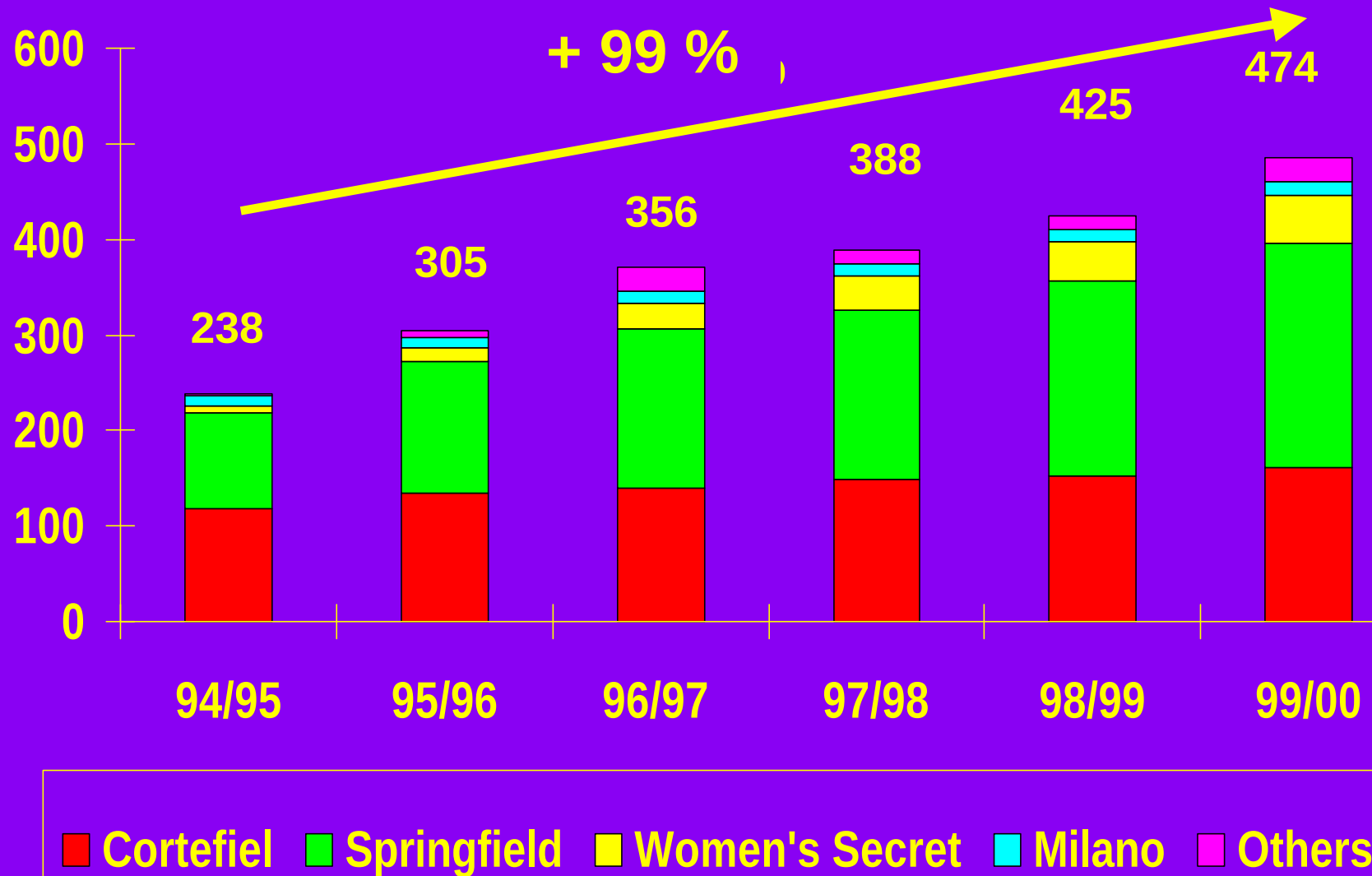
GROWTH BASED ON A BALANCED PORTFOLIO

RESULTS

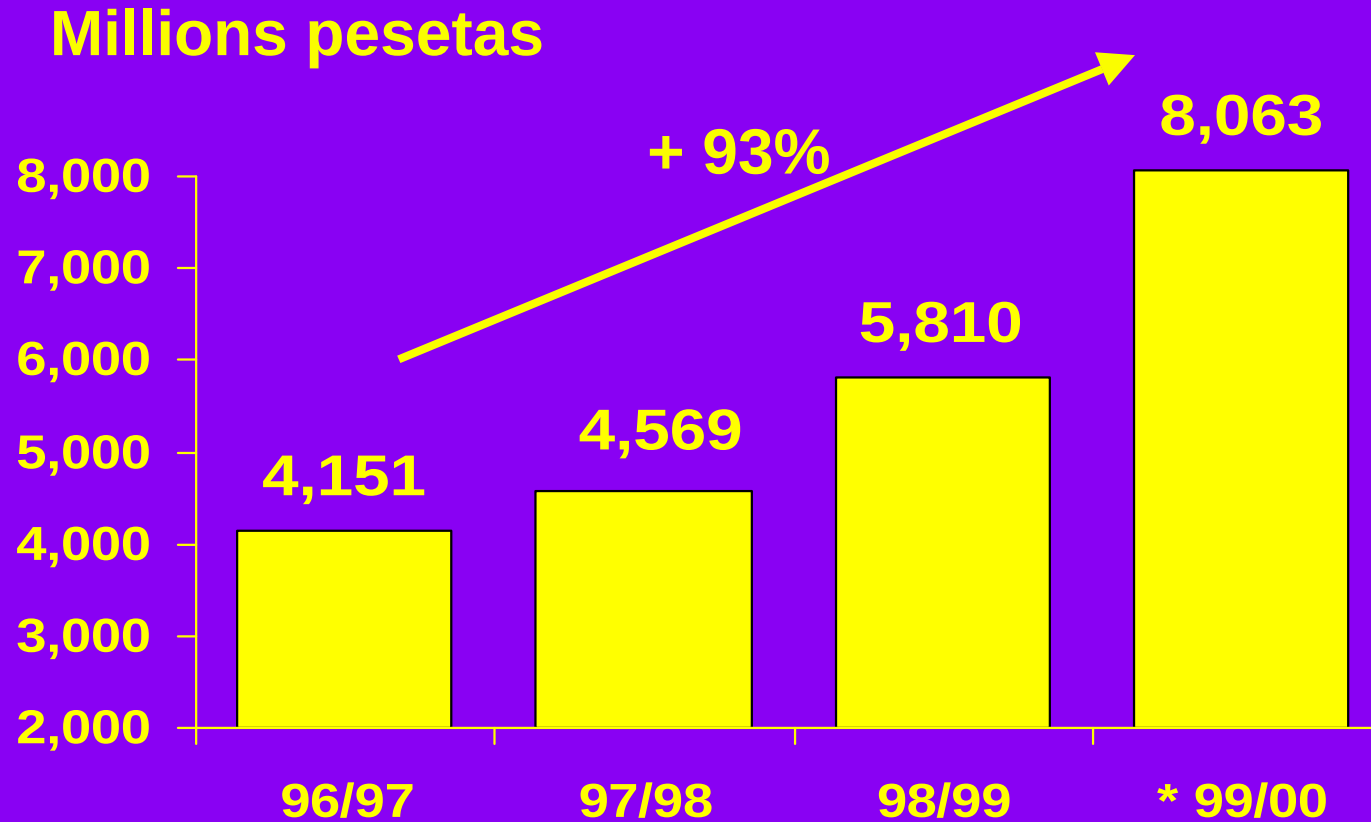


KEY CORTEFIEL GROUP FIGURES

NUMBER OF STORES



NET PROFIT'S EVOLUTION



* Company estimation: +38,8 %

MAIN FIGURES

	<u>1999/00</u>	<u>1998/99</u>	<u>%</u>
SALES	98,531	84,870	16.1 %
EBITDA	15,664	12,602	24.3%
PRETAX PROFIT	10,628	7,706	37.9 %
NET PROFIT	8,063	5,810	38.8 %
TAX RATE	24.1	24.6	
INVESTMENT	10.493	5,072	

LIKE-FOR-LIKE SALES GROWTH

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
CORTEFIEL	4.4	5.2	2.8	5.1	4.9
SPRINGFIELD	14.2	12.6	9.7	7.8	10.3
MILANO	-1.3	1.2	1.1	5.9	2.7
WOMEN'S SECRET	19.2	26.9	29	17.3	23.9
DOUGLAS SPAIN	8.0	30.9	25.9	30.8	27.4
TOTAL GROUP 1999/00	7.7	8.9	6.1	6.8	7.6
TOTAL GROUP 1998/99	-1,0	9,7	7,7	4.6	5.2

SALES BREAKDOWN

	<u>29/02/00</u>	<u>28/02/99</u>	<u>%</u>
TOTAL CORTEFIEL	49,549	45,518	8.9
TOTAL SPRINGFIELD	31,146	24,683	26.2
TOTAL MILANO	4,440	3,928	13.0
TOTAL WOMEN'S SECRET	4,872	3,365	44.8
TOTAL DOUGLAS	892	373	239.1
OTHER FORMATS	1,290	737	175.0
TOTAL STORE SALES	92,191	78,604	17.3
SALES TO THIRD PARTIES	6,340	6,266	1.2
TOTAL SALES	98,531	84,870	16.1

Figures in MP

OPENING PLAN YEAR 2000/01

Nº STORES

CORTEFIEL	19
SPRINGFIELD	40
MILANO	2
WOMEN'S SECRET	18
DOUGLAS SPAIN	20
OTHERS	2
TOTAL GROUP	101

SUMMARY

- ✓ EXCELENT MANAGEMENT TEAM
- ✓ VARIOUS STRONG WELL RECOGNICED BRANDS
- ✓ STRONG BALANCE SHEET
- ✓ A DEFINED AND CLEAR STRATEGY
- ✓ TEAM FOCUS AND HIGHLY MOTIVATED
- ✓ PRESENT INTERNATIONAL STORE AND STRUCTURE
BASE CAN BE LEVERED FOR CORTEFIEL CONCEPTS

CORTEFIEL GROUP