

QCM ISSUES A RESPONSE TO THE LATEST POINTS OF SALE (“POS”) LIST ISSUED BY FF:

THE LIST SUPPLIED BY FF IS IMPOSSIBLE TO VERIFY AND MAY CONTAIN POSSIBLE EVIDENCE OF MISLEADING INFORMATION

Tuesday, May 8, 2018

We have recently completed our preliminary review of the “list” of POS released yesterday by the management of the Folli Follie Group. While we expect to release new information as we go through the “list”, we would like to share what we discovered so far as we believe that the facts speak for themselves (read until the end the most interesting findings):

1. **Context:** this list was issued by FF to “refute” the QCM’s claim concerning the number of POS. We remind our readers, that the information released by QCM was based entirely on information downloaded from the FF’s store locator: this information can still be found on our website. It contains the name, address, phone number of each POS plus the comments added by QCM about the checks made on each individual store. FF still has not come up with an explanation as to why the information provided on its own store locator included at least one hundred of closed POS or more.
2. **Format:** despite having been issued in order to provide clarity to investors regarding the exact number of POS, the list appears formatted in a way which makes it extremely difficult to verify any significant information, specifically:
 - It is contained in a .pdf file and not in a spreadsheet.
 - The pdf file has been apparently tampered with in order to restrict the ability to copy/paste the information contained (and, in some cases) to print it.
 - The font is extremely small.
3. **Contents:** the list contains (at best) a list of addresses and lacks all the most basic information needed for a proper verification of FF claims. Specifically, the list lacks:
 - Name of the POS.
 - City.
 - Country.
 - Telephone Number.
 - Type of POS.
 - Size in m².
 - Sales volume.

Note that all that this information (except for items “f” and “g”) was readily available on the FF store locator until we published our report. Why is FF not sharing it now with the public?

4. Serious “inaccuracies”:

- *Duplicates*: some POS appear twice in the list (e.g. “20, Hermou & Alkeou Str. appears twice, once with and once without the postcode).
- *Vague, unidentifiable items*: some POS figure on the list only as “The Mall”, “Unit 13”, “Unit 4”, “Unit 41”, etc.
- *Country name only*: some “POS” feature only the name of the country with no other identifying information (e.g. “DUBAI”).
- *Clearly non-existent items*: one POS is listed as “(blank)”, another one as “online”, etc.

5. Suspected closed POS (again...): Shareprophets.com, a British investment website claims to have already discovered four suspected closed FF POS in the UK speaking to a local FF retailer:

“On 26 April FOUR concessions listed today by FF as being POS were ordered to stop selling FF stock and to ship their surplus inventory elsewhere. London Victoria stock went to the Metro centre, Belfast sent its FF stock to the mainland, High Wycombe to Bristol and Glasgow to Loch Lomond. So that is four FF claimed POS outlets that have not been POS outlets for 11 days”

You may read the entire story [here](#)¹ and here is a humorous (but informative) photograph taken yesterday from the retailer’s location:



6. Undetailed, large “chunks” of POS: you would expect that a company trying to defend itself from allegations of inflating its POS size would try to be as specific as possible in its disclosure, instead we find that in the following “categories”, FF has included a large number of POS without giving any clues as to their whereabouts (they are all at the bottom of the last page of the list):

- FF Greece: 3 POS (where??).
- Airlines: 21 POS (without specifying which ones).
- Duty Free: 63: (again without specifying which ones).

¹ <https://www.shareprophets.com/views/35889/photo-article-proof-that-greek-fraudsters-folli-follie-lied-to-the-athens-exchange-today>

We find the last category “Duty Free” particularly disturbing because in the rest of the list we managed to find at least 16 POS that appear to be duty free shops (since they feature “DUTY FREE”, “AIRPORT” or “TERMINAL” in their name) suggesting that **the 63 POS in the Duty Free category could well be the result of double-counting and, therefore probably do not exist.**

(blank)	1
QATAR	2
JOHANNESBURG	1
PRETORIA	1
CAPE TOWN	1
LEBANON	1
IRAN	1
SLOVAKIA	4
Duty Free	63
FF Greece	3
Airlines	21
Folli Follie Total	587

large numbers of POS are lumped into categories (e.g. “Duty Free”) and remain completely unsubstantiated.

one of the many “duty free” shops we found in the itemized list.

CALLE MONDOLIA Nº30
CAMINO DE LAS ERILLAS, S/N
Camp Hopson
CC PALM BEACH, LOCAL 30
CENTRAIR BUILDING #2 3F, 1-1 CENTRAIR, TOKONAME-SHI, AICHI
CENTRE COMMERCIAL INTERNATIONAL DE VAL D'EUROPE
CHOSUN HOTEL SHINSEGAE DUTY FREE SHOP,3F, #1411-1, JOONG-DONG
CITY DFS, 38, HANEUL-GIL
College Street
CRTA. ANDALUCIA, KM. 22.800
CRTA. STA MARIA TRANSIERRA C/V RONDA PONIENTE
CRTA. TOLEDO, KM.9 (C.C. PARQUE SUR)
CTRA. DE EXTREMADURA, KM 23.500
CTRA. DE LA VIRGEN, 20-22
CTRA. EXTREMADURA (N-V) KM, 12.500
CTRA.GRAL LA CUESTA-TACO Nº18 EDIF.ALBORADA
D226-3,2/F,No.1618,West Nanjing Rd.,Jing'an District,Shanghai
DAMABU EUKIYOKA TENJIN 1E 1 1 1 TENJIN CHUO-KU EUKIYOKA SHI EUKIYOKA

Clearly, FF has all the available information to allow an easy verification of its network (it was posting it on its website from where we downloaded it and shared it with you only a few days ago), but decided to release only this list, which is arguably completely useless to verify the authenticity of its network (large “chunks” of unidentified POS, absence of phone numbers, etc.).

Fortunately for you, however, **QCM has found enough discrepancies in this list to show every objective observer where the truth stands.** Despite FF apparently supplying its list in a nearly unworkable format, at QCM we have scanned the list with a special software and converted almost 80% of it in Excel.

Once again, we share the file with the public to allow independent corroboration of our findings. We have highlighted some of the problematic POS in yellow. We are confident there are many more. If you spot any in your area, please send us an email. We will update the list.