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Investors should also look at the listed company's financial statements, annual report and other similar information, as well as risks related to its business and operations, in order to form a more analytical view about the company's fundamentals and prospects.

The following report is based on the publicly traded company's official financial statements, annual report, and presentation compiled in order to inform the communities of institutional investors and equity analysts. Valuation & Research Specialists (VRS) do not intend to express any views or judgments about the listed company / stock via this report.

PLAISIO COMPUTERS S.A.

Listing Year: 1999

Category: Large Capitalization

Activity Sector: Retailer

Foundation Year: 1969

Share Price:

€4.39 (15 December 2010)

Outstanding No of Shares:

22.08 million

Market Cap: € 96.93 million

Athens Stock Exchange

Reuters / Bloomberg:

PLA:AT / PLAIS GA

Web-site: www.plaisio.gr

Share Price Graph (January–December 2010) (Common Stock, Price in euro)



Company Profile – Sector

Plaisio Computers S.A. is a Greece-based company active in the information technology (IT) and telecommunications sectors. The company was founded in 1969 and is listed in the Athens Stock Exchange since 1999. Its main operations include the assembly, retail trade of IT products, office supplies and telecommunications equipment. The range of IT products includes ready and build-to-order computers, notebooks, hardware equipment, servers, memory cards and peripherals, as well as software products. The company cooperates with telecommunication providers, Vodafone and Cosmote, and offers fixed-line, wireless and Internet connection services and equipment. It also offers a range of office supplies and equipment. Its products are distributed through a network of 23 stores in Greece, one store in Bulgaria and through the distribution of catalogues, as well as e-store. The Company has one wholly owned subsidiary, Plaisio Computers JSC, in Bulgaria, and three affiliates. The Group's and the Company's employed personnel on September 30th 2010 were 1,237 and 1,182 employees respectively.

The company's strategy involves continuous strive for reduction in the price of high quality products combined with emphasis on customer (top quality pre and after sales services and support) which may justify a small price premium. Plaisio Computers S.A. follows a multi-product, multi-channel and multi-customer business model. Firstly, as far as its multi-product dimension is concerned, it offers an extended product range on IT & Stationery with high quality services (PC upgrade, BTO, 4h service, telephone support) and it also has private label products (Turbo-X, Q-Connect, Sentio, @work). Secondly, it is a multi-channel company, meaning that it has 4 different channels: 1) 23 high quality retail stores (existing and expanding), 2) 3 specialized monthly catalogues (more than 5,600,000 copies per year), 3) a call center-B2B (160,000 business customers) and 4) the most visited and user friendly e-store (5 web-sites). Thirdly, the company offers its services into 3 types of customers - B2C (110,000 contacts per day), B2B (160,000 business customers) and the Public.

Plaisio's main objectives are the continuous growth and recognition, in Greek and Bulgarian market and further expansion in other international markets along with the preservation of a satisfied, loyal, well trained and motivated personnel. Moreover, the company aims at creating long-term value for its employees and the community it operates in, as well as for its shareholders. The core values of the company are the respect for the customers and the social/environmental responsibility, whereas its vision is to become the leader in the industry and a major player in each of the market segments. The mission of the company is described as follows:

- Make sure that customers always receive products and services in the best available quality and price.
- Use technology effectively in all stages of the value chain.
- Broaden the consumer awareness regarding technology.
- Interpret and adjust to emerging consumer needs and product trends (continuous market change).
- Show respect to the environment.
- Ensure personnel satisfaction and reward.
- Expand internationally.

As far as the external environment is concerned there is intense competition among rivals, mainly price based. A viable solution for increasing revenues and getting additional market share is the expansion in B2B. The global financial crisis has affected the revenues of all competitors and as a consequence many small businesses are squeezed out of the market. Furthermore, most competitors have opened online versions of their shops trying to leverage their existing brand name. Recently, the president of the company presented the 9-month period results of the fiscal year 2010 in the Association of Greek Institutional Investors. He supported that Plaisio Computers S.A. continues its developing route even during this difficult period. He also highlighted the success of the private label Turbo-X products which are continuously strengthening their presence in the Greek market, pointing out that "The Turbo-X products distinguish from the competition, thanks to the unique services that ensures their purchase. These services include custom-made based on the needs of the customers, four-hour technical support, continuous upgrade, as well as free telephone support. The same impressive logic follows also the private labels Q connect, @work and Sentio."

Sources: Company 9-month 2010 Financial Report, Press Releases, Presentation at the Association of Greek Institutional Investors (November 2010).

Review of 9M 2010 Results

Turnover of 260 million € was achieved by the Group, continuing its course, despite the adverse economic environment. The slight decrease in turnover, by 2.3% y-o-y depicts the improvement of market shares as well as the increasing trust in Plaisio.

At the same time, the Group achieved to decrease its expenses by 5.6%, continuing its constant policy in saving expenses. As a result, the Group remained in profitability.

Earnings before interest, tax, investment results and depreciation (EBITDA) of the Group decreased by 19.6% and reached € 5.959 m in comparison to € 7.411 m in the previous year and the EBT presented a decrease of 33% in comparison with the previous 9M period results. Furthermore, the significant decline of 95% of the company's profits after taxes and extraordinary tax contribution is attributed to the fact that the results of current 9M results were burdened with extraordinary tax contributions.

The notable decrease in inventory (by 29.0 m €), the constant decrease in receivables (by 8.1 m €), the decrease of liabilities to vendors (by 33.3 m €), as well as the low debt of the Group assure the necessary flexibility in liquidity.

Regarding the dividend policy, the Board of Directors of Plaisio Computers S.A. proposed the distribution of dividend of total value € 2.650 m (0.12 € per share) from the profits of the fiscal year 2009, which was approved by the General Shareholders Meeting and was paid in June 2010. On September 30th 2010 the company's share capital consists of twenty-two million eighty thousand ordinary shares with a par value of thirty-two cents (0.32 €) each.

S.W.O.T. Analysis

Strengths

Strong, highly-trusted brand: 35% top-of-mind awareness, 96% total awareness, 40 years of operations

Market leadership in technology products and office products: highest sales volume in Greece, big gap with second competitor

Buying leadership:

- due to reduction of supply chain: purchasing directly from manufacturer and selling to final consumer
- due to the negotiating power deriving from leading market volume

Leading PC technical support infrastructure: 21 technical support centers, 150 technicians, in-store, on-call, online, and on-site service. Strong barrier to entry for competitors

DNA of premium customer-service: customer service is company's USP since the beginning. It is reinforced with thousand of training hours annually

Multi-channel business model since 1999

Solid business infrastructure:

- Company's ERP is based on SAP platform since 1999, and includes sophisticated modules like CRM, CTI, BW & WMS
- Company's 22,500 sm semi-automated warehouse in Magoula, that stocks 50,000 items, and ships 15,000 cartons a day

B2B expertise: 7 years of statistical data, 160 K business customers active annually

Weaknesses

Complex business model with multi channel, multi product, multi customer business model though well supported in SAP, controlling and BW

Opportunities

International competition already deflated in Greek market. It begun expanding in Greece from the end of 2005 and now is in red figures. Fnac and Aldi are already out of the Greek market.

Higher Internet penetration and growth of e-sales

Domestic expansion / Greater international expansion

Global economic crisis has already seriously affected competitors

Emerging market segments (socio-cultural/age groups – children computer literacy/ Immigrants etc)

Risks – Threats

Pricing pressures from competitors

Rapid sales reduction due to economic crisis

Customer credit risk - inventory risk even though they are well structured

Specific Parameters

IMPORTANT DATES

- **1986:** Plaisio assembles the first computer in the Greek market that is custom made, based on the needs of the customer with the guaranteed brand name Turbo-X. Today Turbo-X holds the first place in the preferences of Plaisio's customers. For 5 continuous years it was voted by the consumers as the best Greek PC and has gained 5 rewards for sales support services.
- **1995:** Plaisio introduces a new commercial channel of presenting its products via catalogs. Today Plaisio circulates 6 different catalogs to advertise its products.
- **1996:** The company forms a department of direct sales via telephone and fax. Today this department serves 12.000 calls the day!
- **1999:** Plaisio enters in the Athens stock exchange. In the same year the first e-shop in Greece is launched (www.plaisio.gr)
- **2003:** Plaisio assembles the first Built To Order Turbo-X laptop.
- **2005:** Plaisio opens its first store in Bulgaria signaling a new era of international business for the company. Plaisio's model goes international.
- **2009:** Plaisio builds the largest logistics center of technology products in Greece

PLAISIO IN NUMBERS - FINANCIAL HIGHLIGHTS

- Plaisio Computers is the No 1 Retailer / Wholesaler on Stationery & IT products in Greek market
- 8 consecutive years in the 500 fastest growing Companies of Europe
- The sales in retail stores presented a decrease of 4.6% whereas the direct sales presented an increase of 2.8%.
- As far as the Group's turnover is concerned, it reached € 260,007 thous. presenting a small decrease of 2.3% in the 9-month period 2010 as compared to the previous 9-month period 2009 with a turnover of €266.174 thous.
- The expenses for the 9-month period 2010 settled at € 43,941 thous. lowered by 5.6% compared to the 9-month period 2009.
- EBITDA concerning the 9-month period declined by 19.6%, reaching € 5,959 thous. and EBT presented a decrease of 33.0%.
- EAT concerning the 9-month period declined by 95%, reaching € 62 thous. whereas the EAT without considering the extraordinary tax presented a decrease of 36%.

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