

EST. KORRES 1996

# KORRES GROUP H1 2014 FINANCIAL RESULTS

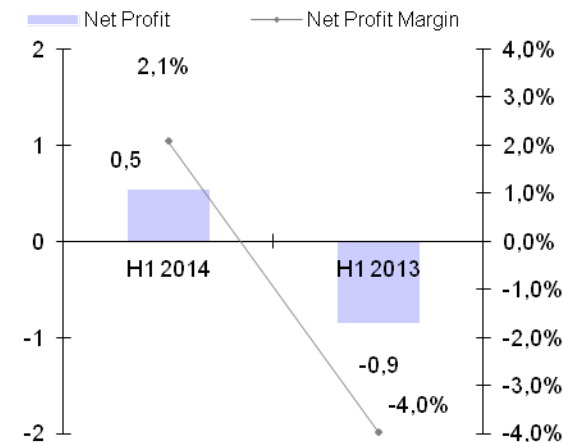
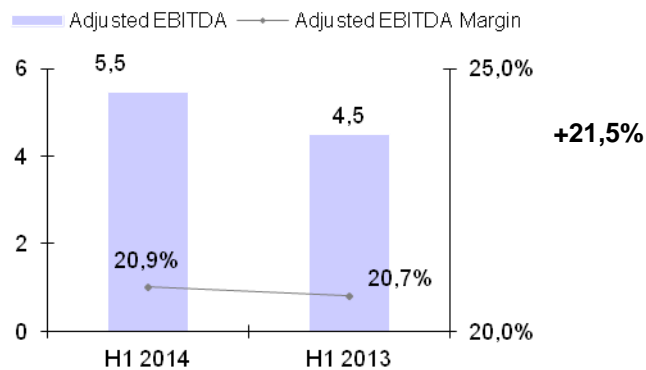
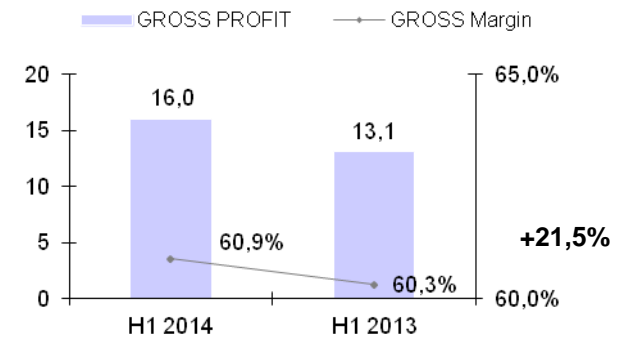
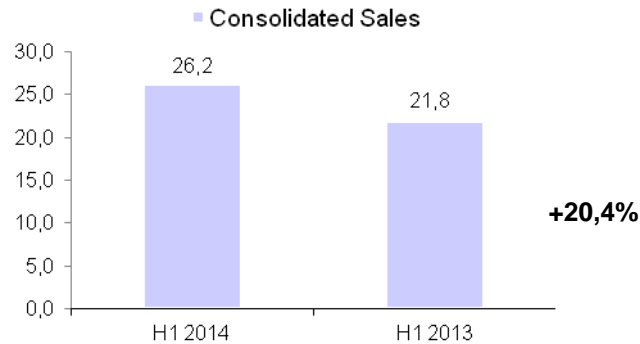


## H1 2014 Major Highlights

- **Substantial growth in Consolidated Sales: +20%.**
- **+21% growth in Operational profitability (Adjusted EBITDA)**
- **Strong Operational Cash flow at +3,6mln EUR.**
- **Growth in most key product categories such as Face, Hair, Body and Sun Care products**
- **Strong growth in the international markets: 71%.**
- **Successful new product launches in the 1<sup>st</sup> Half of 2014:**
  - **Face/WildRose** : a new face line with instant and long term results, based on Wild Rose.
  - **Sun care:** the new after sun product with real edible Greek Yogurt (Korres innovation).
  - **Body care:** the new Santorini Vine collection (shower gel & body lotion), a result of the co operation of Korres with the Association of Santorini Co operatives (SantoWines) .
  - **Hair category:** Korres launched **a new revolutionary range of hair colorants, Argan Oil Advanced Colorant** , the unique technology pigment-lock , locking the color in hair while moisturizing it in depth.

## Group H1 2014 Financial Results at a Glance

- **Sales: +20,4%**, €26,2m from €21,8m in H1 2013.
- **Adjusted EBITDA** (excluding the extraordinary restructuring cost impact): **+21,5%**, €5,5m from €4,5m in H1 2013.
- **Reported EBITDA: +32,5 %**, €3,9m from € 3,0m in H1 2013.
- **EAT & MR : €0,5m vs - € 0,9m** in H1 2013.

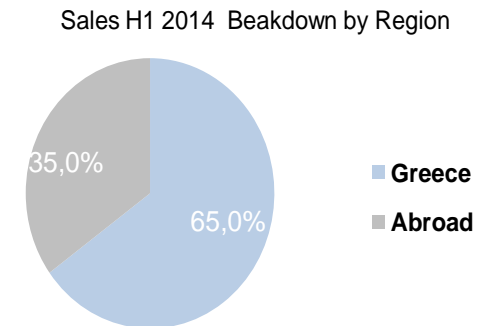
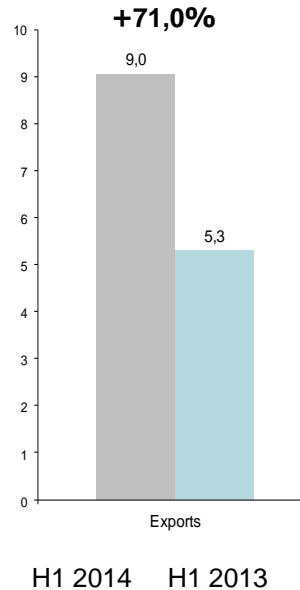
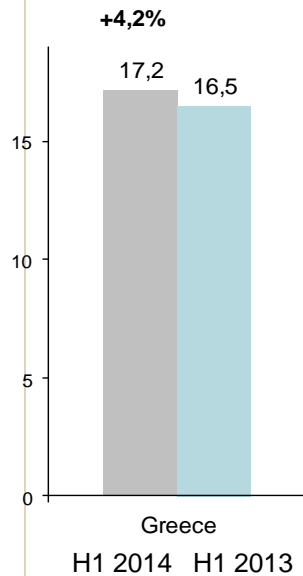


# H1 2014- Markets Development



## H1 2014 Regional Analysis

- Greek sales, despite the market difficulties in the pharmacy channel (strikes) increased by 4,2%, following the strong performance of its strategic categories and the enhanced promo actions.
- **+71% growth in the international markets**, mainly coming from the US market where the Group sells directly its products through its new subsidiary as well as the good performance of the key markets in Europe. In particular, Germany, UK, and France presented an average sales growth of 45% vs H1 2013.



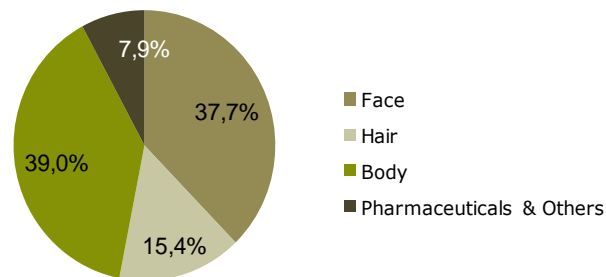
# H1 2014- BU Development



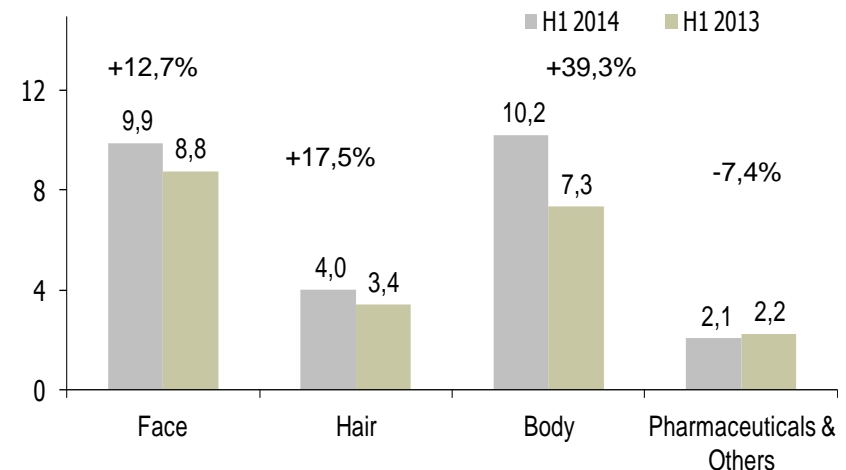
## H1 2014 Sales Growth by BU

- **Face & Color products. +12,7% increase**, mainly coming from the US market and key European markets such as UK and France.
- **Body products : strong +39,3% growth** coming from the strong performance of the category both in Greece and abroad. Particularly, in Greece, core body products presented significant growth >40% due to the successful promo actions and the launch of the new Santorini Vine collection. Apart from the good performance of the core category, sun care products contributed significantly to the growth with the launch of the after sun yogurt based product. Abroad US, UK and Germany were the major contributors of the international growth.
- **Hair products: +17,5% increase**, coming mainly from Greek market and based on the positive trend both of traditional hair products and colorants. Especially in colorants, we had the launch of the new revolutionary Argan oil advanced colorant.
- **Pharmaceutical & others: -7,4% lower** due to SKU rationalization initiatives.

H1 2014 SBU Turnover Breakdown



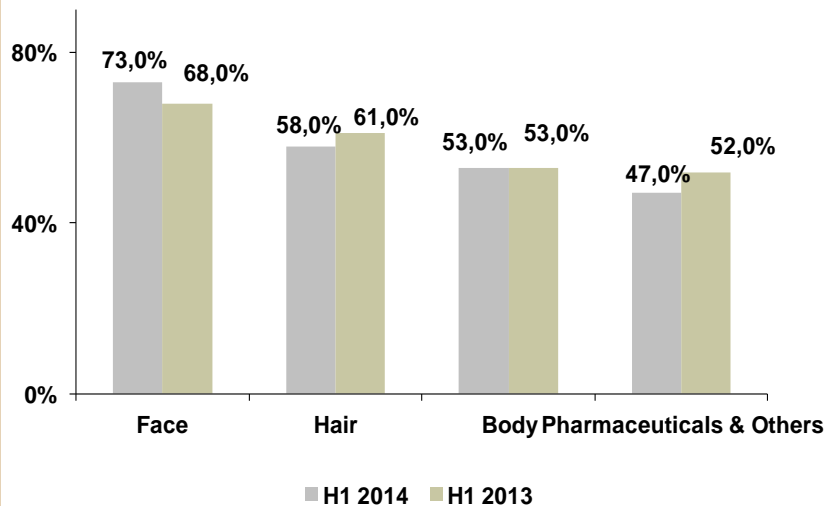
Consolidated SBU Turnover Analysis (€ mil.)



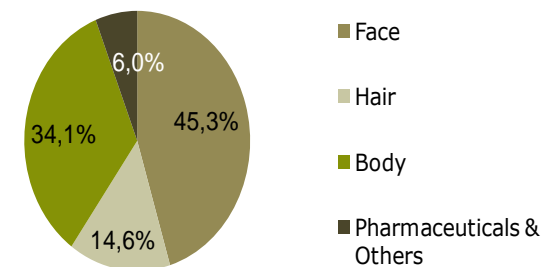
## H1 2014 Gross Profit Analysis

- Group's GM% was 60,9% in H1 2014 from 60,3% in H1 2013, coming from the different sales breakdown and product mix.
- GM% in Face & color category increased to 73,0% from 68,0% in H1 2013 due to the significant increase of GM abroad, especially in US.
- Hair GM% reached 58,0% from 61,0%, coming from the increased promo actions .
- Body GM% remained at the same level of 53,0%.
- Pharmaceuticals & Others GM% reduction coming from the enhanced promo actions.

Consolidated SBU Gross Profit Analysis (€ mil.)



H1 2014 SBU GP Breakdown



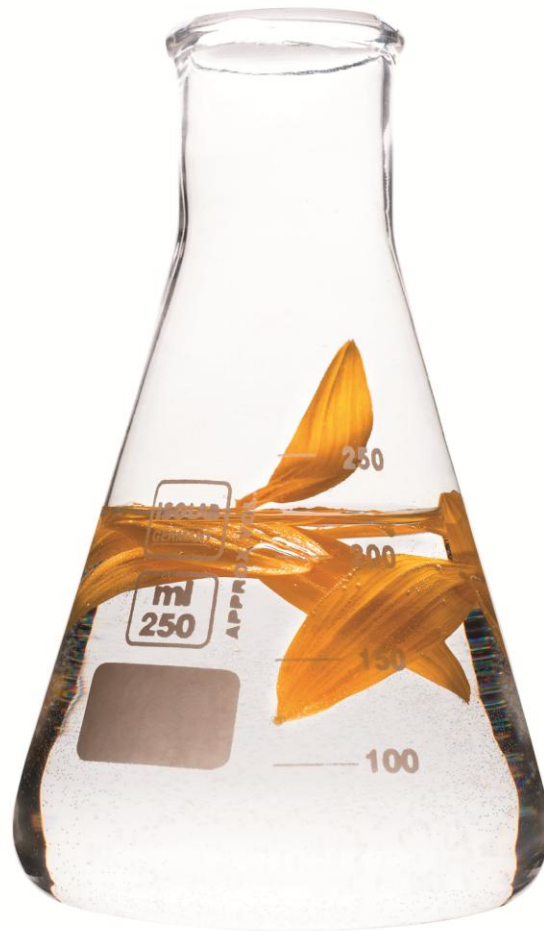
## Group H1 2014 Financial Position Highlights

<i>In m €</i>	H1 2014	FY 2013
<b>ST Debt</b>	12,5	12,6
<b>LT Debt</b>	20,9	22,0
<b>TOTAL Debt</b>	33,4	34,6
<b>Net Debt</b>	25,2	27,6

## Group H1 2014 Cash Flow Highlights

Cash Flow (€ m)	H1 2014	H1 2013	Change (%)
<b>Operating Cash Flow</b>	3,6	1,9	89%
<b>Investment Cash Flow</b>	-1,1	-1,5	-23%
<b>Financing Cash Flow</b>	-1,2	-0,6	108%
<b>Net Change in Cash</b>	1,2	-0,2	-764%
<b>Cash and Cash Equivalents, Beginning of the Period</b>	6,9	5,3	31%
<b>Cash and Cash Equivalents, End of the Period</b>	8,2	5,1	59%

# APPENDIX



## P&L STATEMENT (H1 2014 VS H1 2013)

P&L	H1 2014	H1 2013	Change (%)
<b>Revenues</b>	<b>26,2</b>	<b>21,8</b>	<b>20,4%</b>
Cost of goods sold	-10,2	-8,6	<b>18,6%</b>
<b>Gross Profit</b>	<b>16,0</b>	<b>13,1</b>	<b>21,5%</b>
Gross Margin (%)	60,9%	60,3%	<b>0,9%</b>
Operating Expenses	<b>-14,5</b>	<b>-12,8</b>	<b>13,0%</b>
<b>Adjusted EBITDA (before restructuring cost impact)</b>	<b>5,5</b>	<b>4,5</b>	<b>21,5%</b>
Adjusted EBITDA Margin (%)	21%	21%	<b>0,9%</b>
<b>Reported EBITDA</b>	<b>3,9</b>	<b>3,0</b>	<b>32,5%</b>
EBITDA Margin (%)	15,1%	13,7%	<b>10,0%</b>
Depreciation and Amortization	2,5	2,7	<b>-6,8%</b>
<b>EBIT</b>	<b>1,4</b>	<b>0,3</b>	<b>405,0%</b>
Operating Margin (%)	5,5%	1,3%	<b>319,6%</b>
Net Interest Income/Expenses	-1,2	-1,1	<b>3,8%</b>
Investment Results	0,0	0,0	<b>-49,1%</b>
<b>Earnings Before Tax (EBT)</b>	<b>0,3</b>	<b>-0,9</b>	<b>-129,9%</b>
EBT Margin (%)	1,0%	-4,0%	<b>-124,8%</b>
Tax	0,0	-0,1	<b>-120,7%</b>
<b>Earnings After Taxes (EAT)</b>	<b>0,3</b>	<b>-1,0</b>	<b>-128,6%</b>
Minority rights	-0,3	-0,1	<b>81,9%</b>
<b>Reported Earnings after Taxes and Minorities (EATAM)</b>	<b>0,5</b>	<b>-0,9</b>	<b>-163,3%</b>
<b>Reported EATAM Margin (%)</b>	<b>2,1%</b>	<b>-4,0%</b>	<b>-152,6%</b>

## BALANCE SHEET ( H12014 VS 2013)

Balance Sheet (€ m)	H1 2014	FY 2013	Change (%)
<b>Assets</b>			
Property, Plant and Equipment	16,9	17,6	-3,7%
Intangible Assets	7,1	7,7	-8,6%
Investments in Subsidiary & Associated Companies	0,4	0,4	-4,8%
Financial Assets for Sale	0,3	0,3	-2,7%
Goodwill	8,1	8,1	0,0%
Deferred Taxation	0,9	0,4	142,8%
Other Long-Term Receivables	0,1	0,1	-9,1%
<b>Total Non-Current Assets</b>	<b>33,8</b>	<b>34,7</b>	<b>-2,4%</b>
Inventories	16,5	16,7	-1,6%
Customers and Other Receivables	13,8	11,0	26,0%
Cash and Cash Equivalent	8,2	5,3	53,3%
<b>Total Current Assets</b>	<b>38,5</b>	<b>34,7</b>	<b>11,0%</b>
<b>Total Assets</b>	<b>72,3</b>	<b>69,4</b>	<b>4,3%</b>
<b>Shareholder's Equity and Liabilities</b>			
Share Capital	5,3	5,3	0,0%
Paid up Capital	16,7	16,7	0,0%
Reserves	0,7	0,7	-0,9%
Retained Earnings	-3,2	-3,8	-14,6%
<b>Shareholders' Equity to the Shareholders of the Company</b>	<b>19,5</b>	<b>19,0</b>	<b>2,9%</b>
Minority Interest	-0,89	-0,63	40,8%
<b>Total Shareholders Equity</b>	<b>18,6</b>	<b>18,3</b>	<b>1,6%</b>
Long-term Loans	20,9	22,0	-5,0%
Deferred Tax Liabilities	0,0	1,1	-95,9%
Retirement Benefit Obligations	0,6	0,6	9,4%
<b>Total Long-Term Liabilities</b>	<b>21,6</b>	<b>23,6</b>	<b>-8,7%</b>
Suppliers and Other Liabilities	17,3	13,7	26,5%
Short-Term Loans	12,5	12,6	-0,8%
Current Tax Liabilities	2,3	1,1	107,1%
<b>Total Current Liabilities</b>	<b>32,1</b>	<b>27,4</b>	<b>17,3%</b>
<b>Total Liabilities</b>	<b>53,7</b>	<b>51,0</b>	<b>5,2%</b>
<b>Total Shareholder's Equity and Liabilities</b>	<b>72,3</b>	<b>69,4</b>	<b>4,3%</b>

THANK U

