

# KORRES PRESS RELEASE



## KORRES/ FY FINANCIAL RESULTS 2013

- OPERATING CASH FLOW SUBSTANTIAL INCREASE
- SIGNIFICANT REDUCTION OF NET DEBT
- FURTHER MARKET SHARE INCREASE

Further market share increase, operating cash flow substantial increase and enhancement of its presence in the international markets were the highlights of 2013 for Korres Group.

In Greece, the Group in the pharmacy channel achieved higher growth than the total market on an annual basis, with further market increase by 40 basis points, reaching 10,5% in 2013. This growth came from the positive trend in all product categories, with major players being face, sun care and body care.

Outside Greece, in the priority markets such as Germany, UK, Russia and Scandinavia, the Group enhanced its position increasing sales.

Group consolidated sales in 2013, reached 39,2m euro from 40,0m euro in 2012 due to lower sales to Johnson & Johnson following the relevant agreement termination for North America in view of the direct Group presence in this Market in 2014 through the establishment of the new subsidiary KORRES US Ltd.

Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) excluding the extraordinary restructuring cost impact, reached 7,0m euro in 2013 from 7,9m euro in the corresponding period of 2012, due to increased promo actions, the lower sales to Johnson & Johnson in consideration of the completion of the co operation and the transition to direct presence in North America in 2014 as well as the project costs towards international strategic co operations such as AVON which was completed in Feb 2014. Earnings before interest, taxes, depreciation and amortization (EBITDA) after deducting restructuring costs reached 4,0m euro in 2013

The Group positive cash flow amounted to 7,7m euro from 1,7m euro in 2012, as a result of the management efforts towards rationalization of working capital.

Net after tax and minority results reached -4,5m euro in 2013 από -4,2m euro in the corresponding period of 2012.

The Group, targeting to the production of innovative and efficient products, based on natural actives, will support its brand in Greece with new dynamic launches, enhanced promo and communication actions at the strategic categories as well as the continuous renew of the brand profile in the pharmacy channel..

Outside Greece, the Group will continue to focus its interest in key European markets such as, Germany, France, UK, Scandinavia and Russia. In the US the recent establishment of its subsidiary in North America, is providing direct access in this market though, targeting stronger presence and exploiting future untapped growth potential. Furthermore the latest strategic alliance with AVON, for the production and distribution of Korres products in Latin America, on top of the first financial benefits for the Group offers the unique opportunity to Korres to approach an extensive consumer basis that incorporate our values and philosophy, in an exceptional, dynamic and large size market.

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