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KORRES / Q1 2015 FINANCIAL RESULTS

- +35% GROWTH IN CONSOLIDATED SALES
- +116% GROWTH IN EXPORTS SALES
- SUBSTANTIAL INCREASE IN OPERATING PROFITABILITY

Following the successful performance of 2014, Korres Group continues to grow in Q1 2015, with high double digit growth in sales -export sales playing a key role- and operating profitability as well as substantial increase in net profits.

Group's sales were growing by 35%, reaching 16,9m.euro from 12,5m.euro in the corresponding period of 2014, as a result of the positive trend both in Greece and all strategic markets abroad.

In Greece, within a difficult economic environment, sales recorded 8% growth incorporating the results of its consistent positioning of innovative natural products, as well as of its intensive brand communication and promotional plan in all strategic product categories.

In the international markets the Group more than doubled (+116%) its sales. This was the result of its successful performance in the US as well as the strong performance in key markets in Europe. In key markets in Europe such as Germany, UK, Spain, France and Scandinavia average sales growth was 102%.

Adjusted earnings before interest, tax, depreciation and amortization (EBITDA), excluding the extraordinary restructuring cost impact from Q1 2014, increased by 45% at 4,4m euro in Q1 2015 from 3,1m euro in Q1 2014.

Reported earnings before interest, tax, depreciation and amortization (EBITDA), rose by 92% at 4,4m euro from 2,3m euro in Q1 2014, due to the high growth of all markets.

Net earnings after tax and minority results increased four times (+400%) vs. Q1 2014, reaching 1,5m.euro from 0,3m.euro, as a result of sales growth and the positive trend of the total Group's operations.

This excellent performance in Q1 2015 was also supported by the enrichment of the strategic product categories and the consistent communication plan of the brand. Specifically in the Greek market:

- The successful re-launch of *Black Pine*, the presentation of the new moisturizing line *Almond Blossom* based on the beneficial properties of Almond extracts coming from Ellassona, as well as the new scrubs and masks, *Beauty Shots*, reinforced the face category in Q1 2015.
- In the sun care category, the new company's proposal focused in the tinted version of the multi action sun care red grape and the sun care face line with the Greek edible yogurt, a global innovation, offering IR protection
- The new Eau de Cologne range, based on the aromatherapy principles, completed the KORRES fragrances line
- The Group's comprehensive communication plan focused in the launches above as well as in the hair colorants product: *Argan Oil Advanced Colorant*, a very effective and successful product,



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combining traditional and new media (tv, printed, digital), as well as promo actions and the creative presence in the point of sales.

In the international markets, the Group continues in 2015 its outstanding growth path. In the priority markets in Europe by focusing in the presentation of innovative products, the organic growth of the existing points of sales and the opening of new. In North America, the successful development of the brand continues with very encouraging rates, while in Latin America, within the framework of the strategic agreement with AVON, KORRES products will be launched in Brazil within the second quarter of 2015.

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