

EST. KORRES 1996

KORRES GROUP Q1 2014 FINANCIAL RESULTS

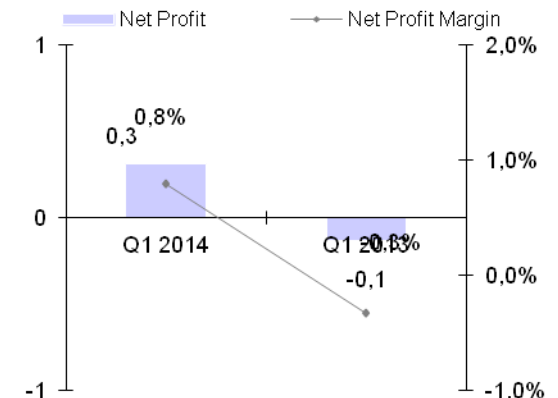
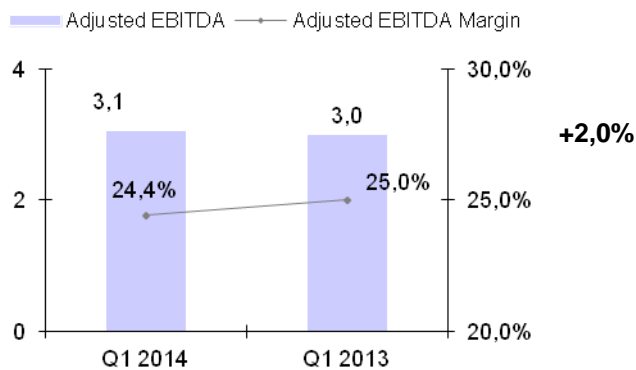
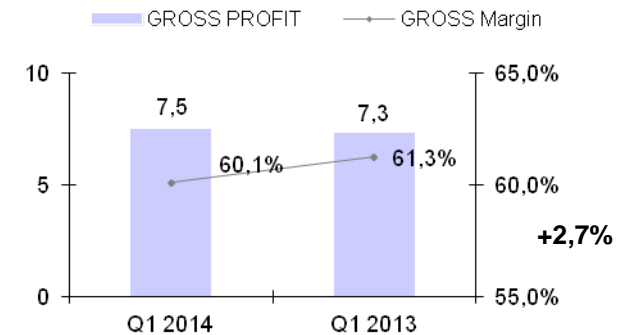
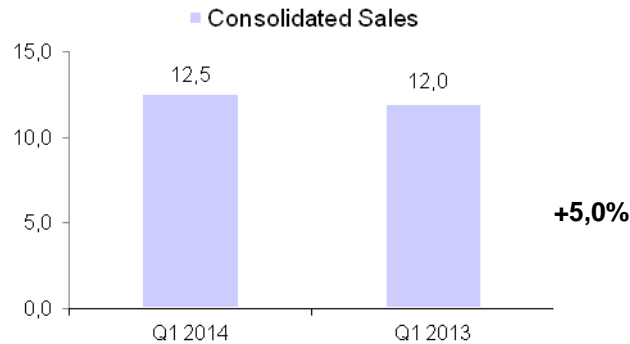


Q1 2014 Major Highlights

- **Consolidated Sales Increase.**
- **Operational profitability enhancement and Positive Net Results.**
- **Strong Operational Cash flow at +3,3mln EUR.**
- **Development in all key product categories such as Face, Body and Sun Care products**
- **Further Growth in the major export European markets – UK, France, Germany, Russia, and Scandinavia.**
- **Successful new product launches in the strategic product categories**
 - 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 Union of Santorini Co operatives (SantoWines) .

Group Q1 2014 Financial Results at a Glance

- **Sales: +5,0%**, €12,5m from €11,9m in Q1 2013.
- **Adjusted EBITDA** (excluding the extraordinary restructuring cost impact): **+2%**, €3,1m from €3,0m in Q1 2013.
- **Reported EBITDA: +4%**, €2,3m from €2,2m in Q1 2013.
- **EAT & MR : €0,3m vs. - € 0,1m** in Q1 2013.

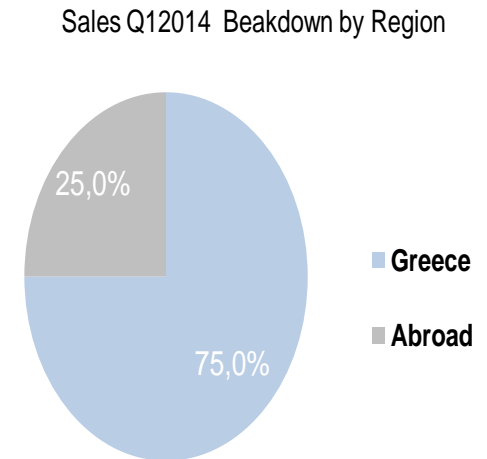
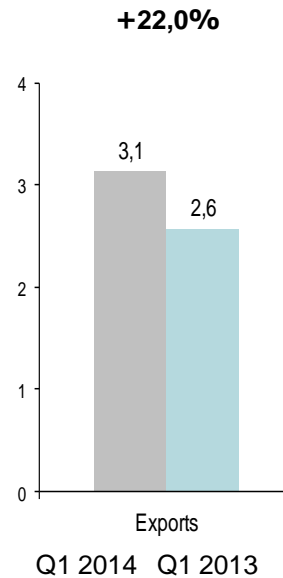
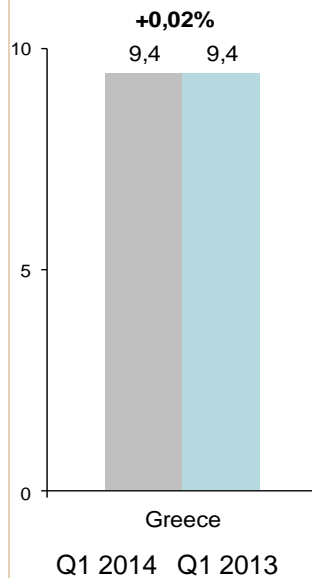


Q1 2014- Markets Development



Q1 2014 Regional Analysis

- Greek sales, despite the market difficulties in the pharmacy channel (strikes) succeeded to maintain Q1 2013 levels, following the strong performance of its strategic categories and the enhanced promo actions.
- **+22% growth in the international markets**, coming from the US market that 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, Russia, France, Spain and Scandinavia presented an average sales growth of 12,0% vs Q1 2013.



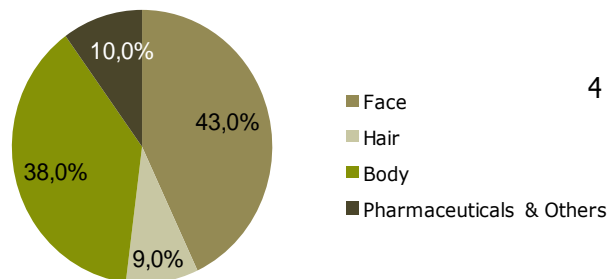
Q1 2014- BU Development



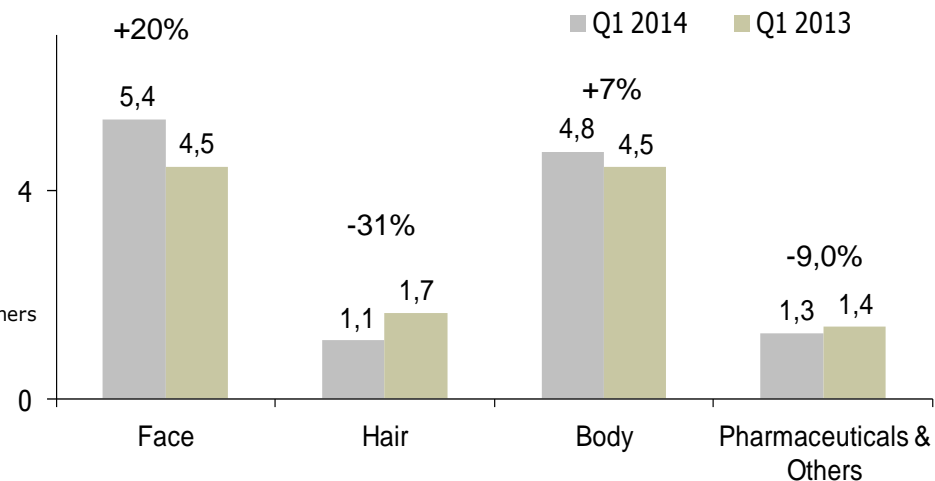
Q1 2014 Sales Growth by BU

- **Face & Color products. +20% increase**, based on the strong performance of the category both in Greece and international markets. Major growth drivers both in Greece and abroad, were the strategic families of Black Pine (BP), Wild Rose (WR) and Magnolia. In Greece, BP and WR, being supported by TV communication, while in the wild rose category, we had the successful launch of a new skincare category featuring three [3] Corrective Treatment products with instant and long term results.
- **Body products** :. +7% growth coming from the double digit growth of the category in Greece, as a result of the strong performance of sun care products (apart from the good performance in general we had the launch of the after sun yogurt based product and the new Santorini Vine collection) as well the whole category .
- **Hair products:** - 31% decrease, mainly due to market developments in colorants.
- **Pharmaceutical & others:** -9,0% lower due to SKU rationalization initiatives.

Q1 2014 SBU Turnover Breakdown



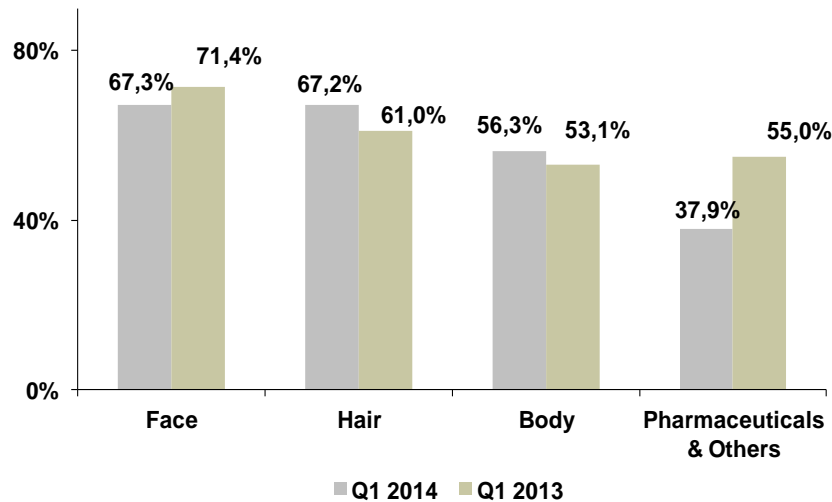
Consolidated SBU Turnover Analysis (€ mil.)



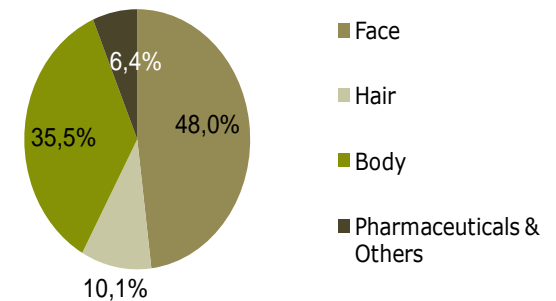
Q1 2014 Gross Profit Analysis

- Group's GM% was 60,1% in Q1 2014 from 61,0% in FY 2012, coming from the different sales breakdown and product mix
- GM% in Face & color category reduced to 67,3% from 71,4% in Q1 2013 due enhanced promo actions .
- Hair GM% reached 67,2% from 61,0%, coming from promo actions slow down.
- Body GM% increased to 56,3% from 53,1% due to higher sales in Greece (country mix).
- Pharmaceuticals & Others GM% reduction coming from the enhanced promo actions.

Consolidated SBU Gross Profit Analysis (€ mil.)



Q1 2014 SBU GP Breakdown



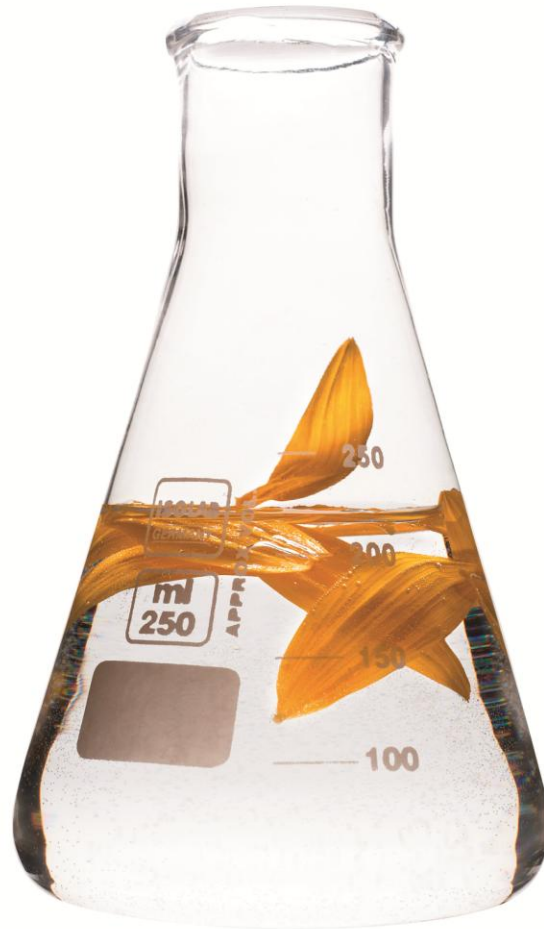
Group Q1 2014 Financial Position Highlights

<i>In m €</i>	Q1 2014	FY 2013
ST Debt	12,2	12,6
LT Debt	21,9	21,9
TOTAL Debt	34,1	34,5
Net Debt	24,8	27,6

Group Q1 2014 Cash Flow Highlights

Cash Flow (€ m)	Q1 2014	Q1 2013	Change (%)
Operating Cash Flow	3,3	1,6	101%
Investment Cash Flow	-0,5	-0,7	-24%
Financing Cash Flow	-0,4	-0,2	62%
Net Change in Cash	2,4	0,7	241%
Cash and Cash Equivalents, Beginning of the Period	6,9	5,3	31%
Cash and Cash Equivalents, End of the Period	9,3	6,0	55%

APPENDIX



P&L STATEMENT (Q12014 VS Q12013)

P&L	Q1 2014	Q1 2013	Change (%)
Revenues	12,5	12,0	4,7%
Cost of goods sold	-5,0	-4,6	7,7%
Gross Profit	7,5	7,3	2,7%
Gross Margin (%)	60,1%	61,2%	-1,8%
Operating Expenses	-6,5	-6,4	2,9%
Adjusted EBITDA (before restructuring cost impact)	3,1	3,0	2,0%
Adjusted EBITDA Margin (%)	24%	25%	-2,5%
Reported EBITDA	2,3	2,2	4,2%
EBITDA Margin (%)	18,4%	18,5%	-0,5%
Depreciation and Amortization	1,3	1,2	6,1%
EBIT	1,0	1,0	1,8%
Operating Margin (%)	8,0%	8,2%	-2,8%
Net Interest Income/Expenses	-0,6	-0,5	6,5%
Investment Results	0,0	0,0	-123,9%
Earnings Before Tax (EBT)	0,4	0,4	3,1%
EBT Margin (%)	3,6%	3,6%	-1,5%
Tax	-0,2	-0,6	-62,4%
Earnings After Taxes (EAT)	0,2	-0,2	-230,4%
Minority rights	-0,1	0,0	147,0%
Reported Earnings after Taxes and Minorities (EATAM)	0,3	-0,1	-331,6%
Reported EATAM Margin (%)	2,5%	-1,1%	-321,3%

BALANCE SHEET (Q12014 VS 2013)

Balance Sheet (€ m)	Q1 2014	FY 2013	Change (%)
Assets			
Property, Plant and Equipment	17,3	17,6	-1,9%
Intangible Assets	7,3	7,7	-5,4%
Investments in Subsidiary & Associated Companies	0,4	0,4	1,4%
Financial Assets for Sale	0,3	0,3	-9,1%
Goodwill	8,1	8,1	0,0%
Deferred Taxation	1,1	0,4	219,5%
Other Long-Term Receivables	0,1	0,1	-10,6%
Total Non-Current Assets	34,7	34,7	0,0%
Inventories	16,5	16,7	-1,4%
Customers and Other Receivables	12,6	11,0	14,8%
Cash and Cash Equivalent	9,3	5,3	74,9%
Total Current Assets	38,4	34,7	10,8%
Total Assets	73,1	69,4	5,4%
Shareholder's Equity and Liabilities			
Share Capital	5,3	5,3	0,0%
Paid up Capital	16,7	16,7	0,0%
Reserves	0,7	0,7	-3,1%
Retained Earnings	-3,5	-3,8	-8,2%
Shareholders' Equity to the Shareholders of the Company	19,3	19,0	1,5%
Minority Interest	-0,72	-0,63	13,9%
Total Shareholders Equity	18,5	18,3	1,1%
Long-term Loans	21,9	22,0	-0,2%
Deferred Tax Liabilities	0,0	1,1	-97,7%
Retirement Benefit Obligations	0,6	0,6	4,6%
Total Long-Term Liabilities	22,6	23,6	-4,4%
Suppliers and Other Liabilities	16,6	13,7	21,3%
Short-Term Loans	12,2	12,6	-2,7%
Current Tax Liabilities	3,2	1,1	180,1%
Total Current Liabilities	32,0	27,4	16,8%
Total Liabilities	54,6	51,0	7,0%
Total Shareholder's Equity and Liabilities	73,1	69,4	5,4%

THANK U

