

KORRES GROUP 9M 2011 FINANCIAL RESULTS

Conference Call



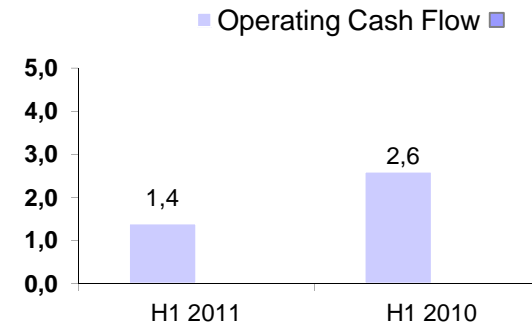
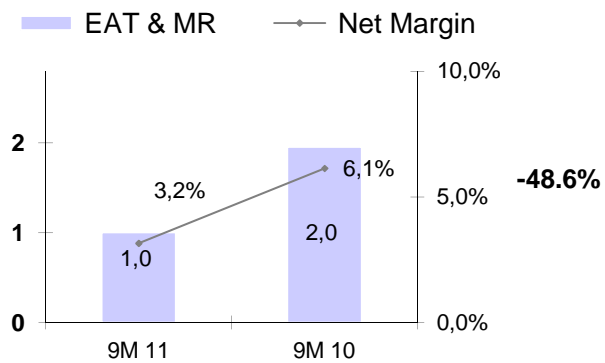
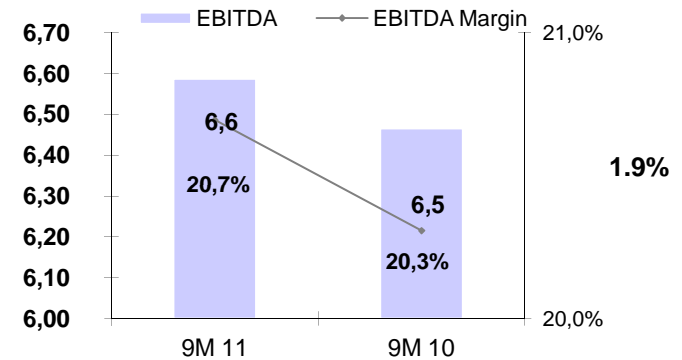
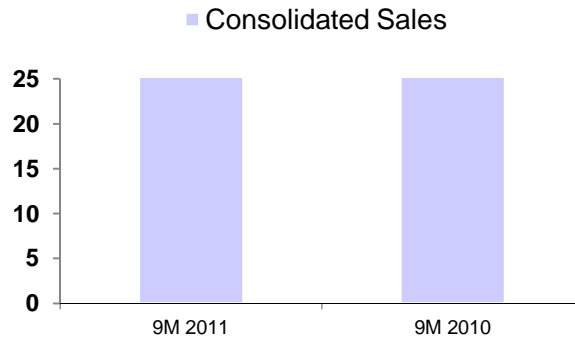
9M 2011 Major Highlights

- **Double digit growth (+10%) in Greece. The company is gaining market share, reaching 10% in the Pharmacy channel, in a recessive market.**
- **Excluding the US consolidation effect, Korres Int'l business is showing consistent growth as a result of its focused strategy on key markets i.e. North & South America, Germany, Spain and Russia.**
- **Operational Profitability (EBITDA) improvement**
- **Successful completion of the transition period with J&J. Since June 2011 J&J is distributing Korres products in North and South America**
- **Successful implementation of Share Capital increase with the participation of a strong private investor**



Group 9M 2011 Financial Results at a Glance

- Sales to €31.8m from €31.8m in 9M 2010.
- EBITDA: +1.9%, to €6.6m from €6.5m in 9M 2010.
- EAT & MR: -48.6%, to €1.0m from €1.9m in 9M 2010.
- Operating Cash Flow: to €1.4m from €2.6m in 9M 2010.

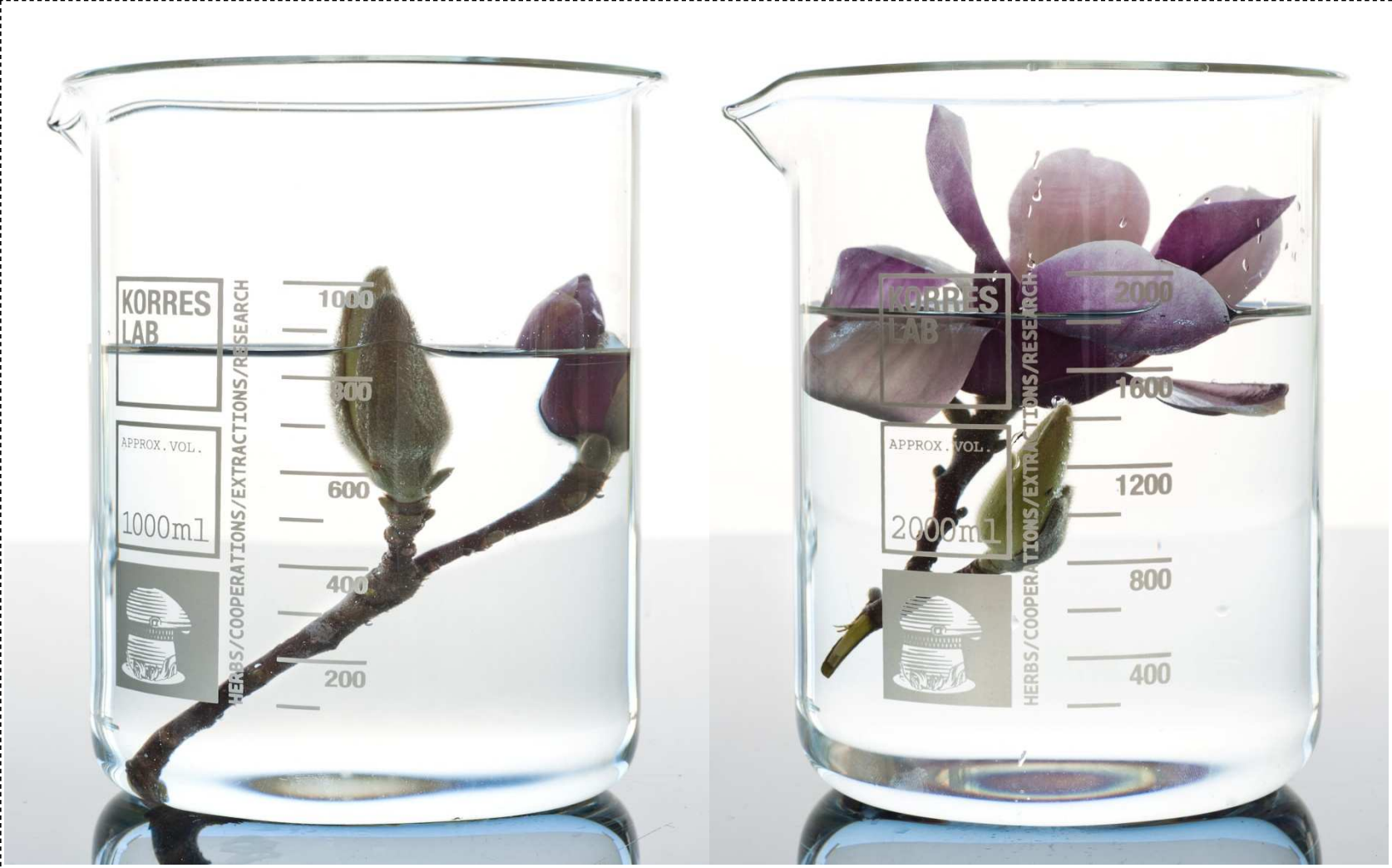


Group 9M 2011 P&L Highlights

- **Same level in total revenues but 8% growth in Normalised Sales.** Excluding the transition period consolidation effect concerning the US market and J&J from the turnover of 9m 2010 then the 9m 2011 consolidated sales would present an 8% increase.
- **1.9% increase in EBITDA. EBITDA improvement would correspond to 20% excluding J&J revenue phasing in 2011 vs 2010.** In 2011 transfer of know-how and royalties proceeds from Johnson & Johnson until September 2011 were 2.3m Euro versus 3.3m Euro the corresponding period of 2010 (contract phasing).
- **The EBITDA margin increased by 39bps to 20.69%** from 20.31% in 9M 2010, reflecting the management's efforts to reduce operational expenses .
- **Reduction in EAT& MR by 1m**, mainly due to the above mentioned difference in J&J revenue phasing and the funding cost increase following the Euribor increase in 2011 versus 2010 and the climb of spreads as a result of the recession and the credit crisis in Greece.
- **-1.2m decrease in Operating cash flows**, mainly due to the Group preparation for the plan of the first half of 2012.



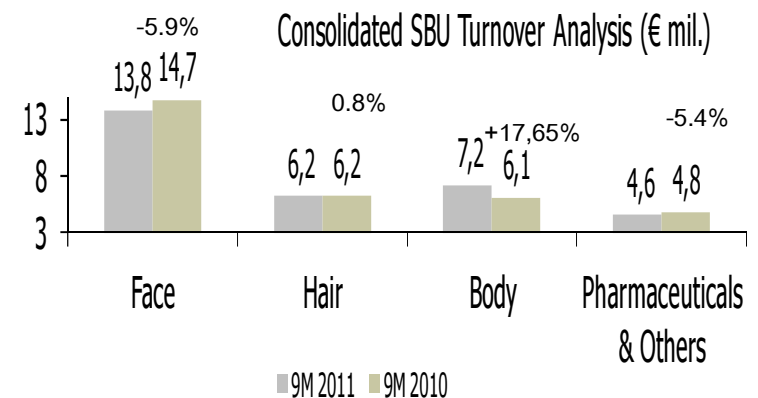
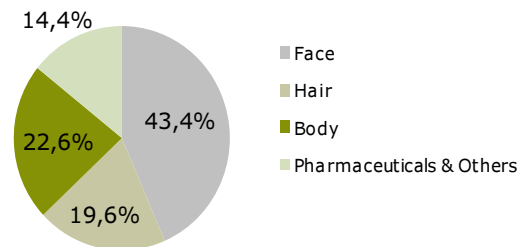
9M 2011 - BU Development



9M 2011 Sales Growth by BU

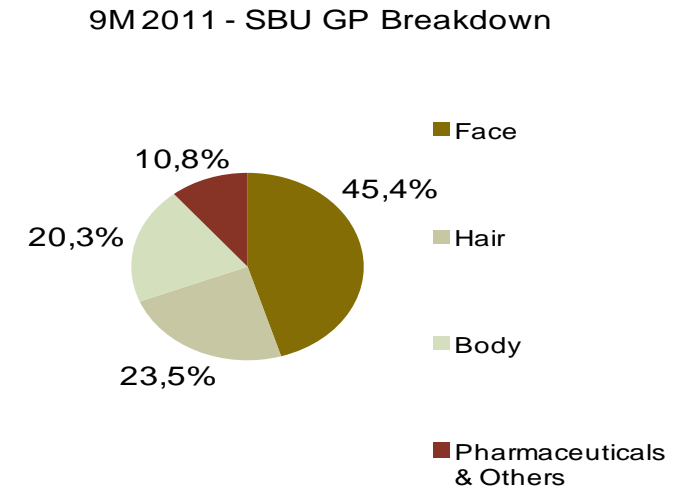
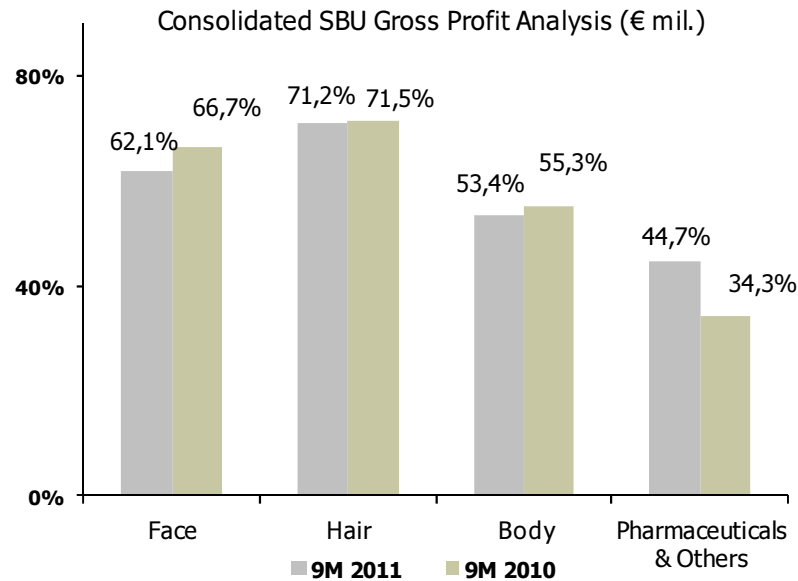
- **Face products** : -5,9% decrease, mainly due to the transition period consolidation effect concerning the US market and J&J. In Greece, the category presented significant increase of 14,3%, reflecting all the positive effect of all the promotion actions and TV advertising.
- **Body products** : +17,6% increase, incorporating the positive effect of promo actions & successful re-launches (i.e. sun care products).
- **Hair products**: +0.8% maintaining sales in Greece combined with a positive trend in exports.
- **Pharmaceutical & others**: -5,4% decline, driven mainly by US and J&J consolidation effect

9M 2011 - SBU Turnover Breakdown

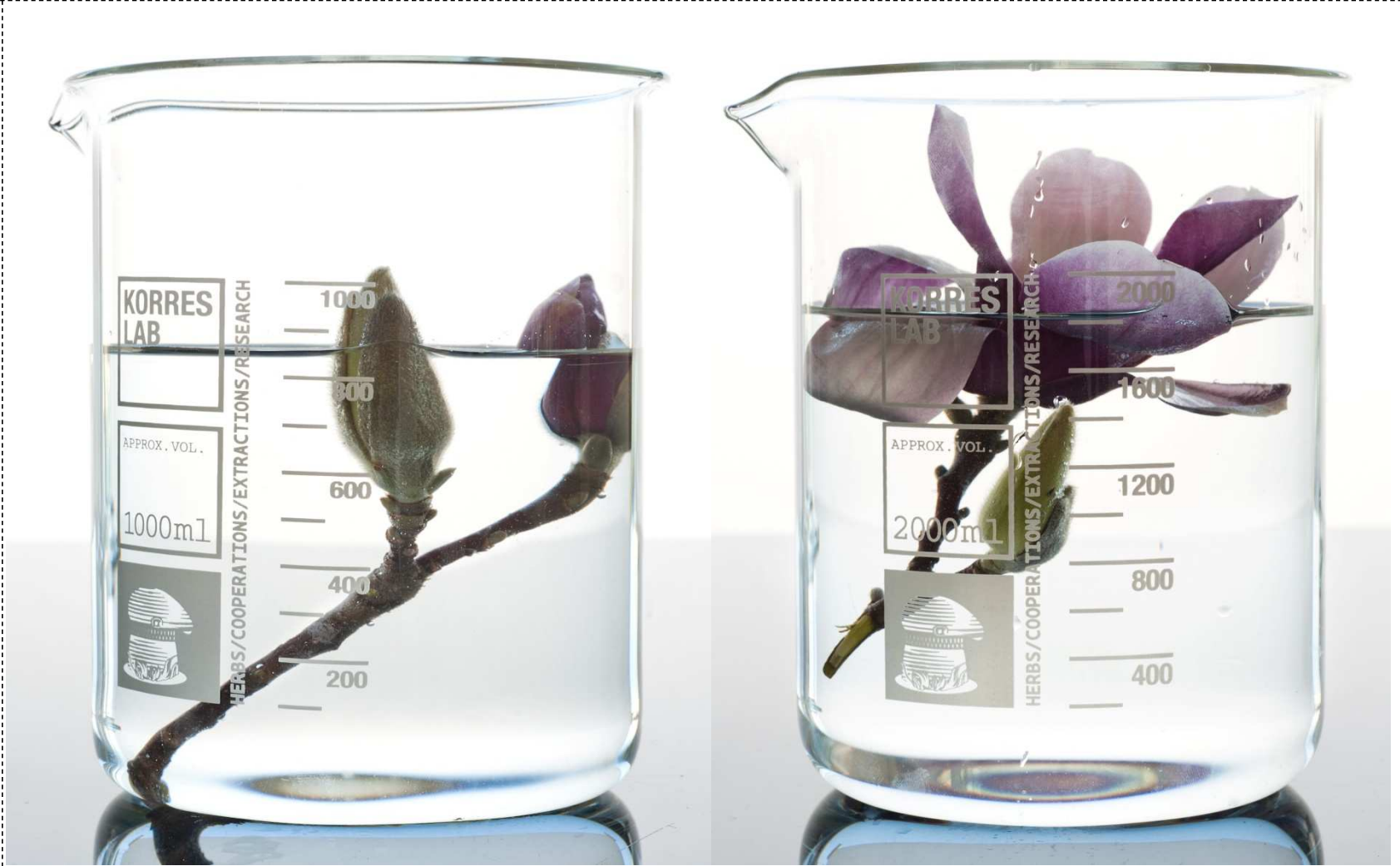


9M 2011 Gross Profit Analysis

- Group's GM% decreased by 1.1pp, reaching 59.4% in 9M 2011 from 60.5% in 9M 2010 mainly due to the US and J&J consolidation effect (non consolidation of the distribution margin of KNA in 2011).
- The decline in Face GM% is driven mainly by the consolidation effect (described above)
- Body care decrease in GM% came from the promo actions realized in the sun care range to support the re-launch of the category
- Hair GM% was fairly stable while Pharmaceuticals & others was higher due to the favorable product and country mix.

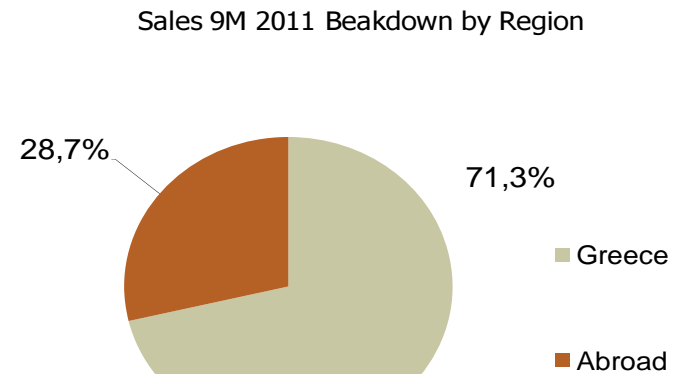
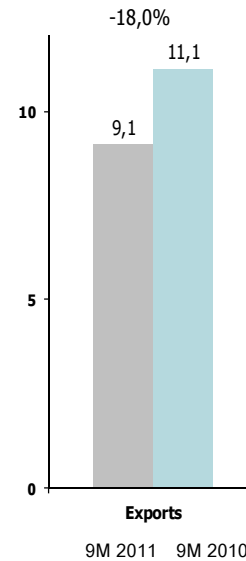
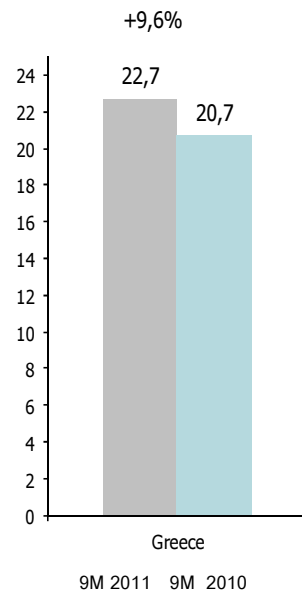


9M 2011 - International Sales Development



9M 2011 Regional Analysis

- Greece Sales despite the aggravating circumstances of the pharmacy channel (i.e. strikes) increased by 10% in the 9M 2011, capitalising on the positive effect of Korres re-positioning, improved product offering and the focused advertising initiatives for our strategic categories.
- Total Exports seem lower by 18% but this is due to the US/J&J consolidation effect. Excluding the US/J&J consolidation effect Korres export business continue to Grow by 5%



Group 9M 2011 Financial Position Highlights

<i>In m €</i>	9M 2011	FY 2010
ST Debt	14,8	11,3
LT Debt	29,3	32,0
TOTAL Debt	44.1	43,3
Net Debt	31.4	38,7



Group 9M 2011 Cash Flow Highlights

<i>In m €</i>	9M 2011	9M 2010
Operating CF	1,4	2.6
Investment CF	-3,2	-5,1
Financing CF	9.9	2,5
Net Change in Cash	8.1	0,0
Cash and Cash Equivalents beginning of period	4,6	3,4
Cash and Cash Equivalents end of period	12,7	3.4



