



## COMPANY PROFILE

KORRES emerged in 1996 out of Athens' first ever homeopathic pharmacy where George, company's founder, used to work; its first KORRES product was an aromatic herbal syrup with honey and aniseed, a recipe inspired by "rakomelon", a warming spirit-with-honey concoction, which George's grandfather used to favour in his hometown on the island of Naxos. Korres' first global innovation and first ever skincare product was the Wild Rose 24-hour cream – still a best-seller all over the world

Today the KORRES portfolio includes over 400 natural and certified organic products, featuring a skin & hair care range, a make-up line as well as sun care products and herbal preparations

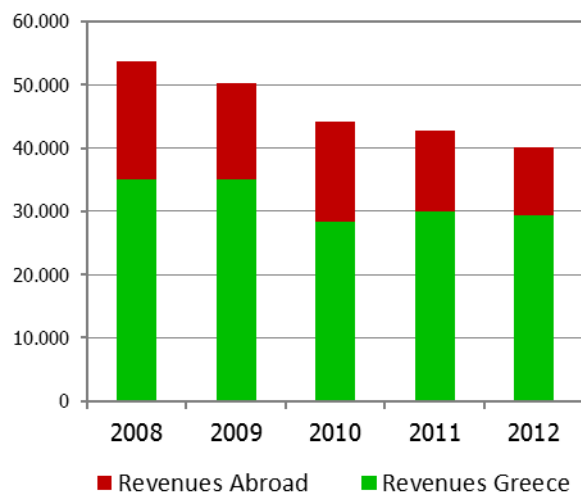
The company operates in the production, (either in-house or in third parties), distribution and trading of cosmetics, pharmaceutical and dietary products. The company's philosophy is to design products, avoiding the use of specific synthetic compounds, replacing them with equally effective, beneficial and skin-friendly natural ingredients.

It distributes its products through 6,500 pharmacies and 6 Korres stores in Greece. It is present in 30 countries and runs 17 Korres stores abroad in the cities of Paris, Madrid, Helsinki, Dubai, St.Petersburg, Prague, Barcelona and Singapore amongst others.

Korres trades its products also in the United States through the licence agreement that signed with Johnson&Johnson, to distribute the former its products in the particular geographical region and has significant presence in Sephora stores.

It has three subsidiaries wholly owned subsidiaries: Kings&Queens, Homeopathic Korres SA and Pharmacon North.

## REVENUES ANALYSIS (in € 000)



- ✓ 26.57% of Group's sales are realized abroad.
- ✓ Korres exports its products through distributors to 30 countries. Among these are US, Canada, Spain, Great Britain, Ireland, France, Germany, Sweden, Denmark, Norway, Italy, Czech Republic, Finland, Belgium, Luxemburg, Switzerland, Austria, Lithuania, Estonia, Latvia, Poland, Greece, Cyprus, Bulgaria, Russia, United Arab Emirates, Japan, Singapore, Malaysia, China, India, Australia, Korea, Caribbean Islands.
- ✓ Substantial further improvement in GPM% (+190bp) in 2012
- ✓ Significant Operational Expenses reduction (excluding restructuring cost OPEX reduction was -18.6%)
- ✓ Operational profitability improvement by 47.8% excluding the one off 2012 restructuring cost impact and the one off J&J Income effect in 2011.

- ✓ Further Market Share improvement in Greece
- ✓ Significant sales increase in UK, Russia, Scandinavia and France.
- ✓ Successful new product launches- face firming and anti-ageing collection "Black Pine

## KEY INVESTMENT HIGHLIGHTS

- ✓ Active in a growing segment of the cosmetic market\_Natural
- ✓ Long standing experience in Pharmacies, Herbs and Homeopathy
- ✓ Unique position in the market
- ✓ Successful, Innovative R&D team
- ✓ Strong portfolio of 400 innovative herbal products
- ✓ #2 in Pharmacy in Greece with an increasing market share

### OVERVIEW - TRADING DATA 1 Year (data of period 01/04/2012 - 28/03/2013)

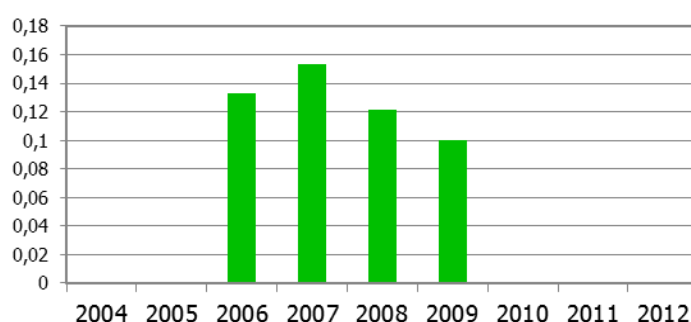
Symbol:	KORRES		
Athex Market:	MAIN MARKET		
Market Cap (Mil. €): (28 March 2013)	48,3		
Shares Outstanding (number): (28 March 2013)	13.450.000		
Average Spread (%):	4,81%		
Market Liquidity (%):	1,734%		
Average Trading volume (no of shares):	4.490		
Total Value of transactions (€):	4.222.364		
Days to trade (1% of outstanding amount):	29,0		
Free Float (28 March 2013):	36,92%		
Turnover Velocity (F.F. Weighted):	13,5%		
<b>Historic Volatility</b>	<b>30 days</b>	<b>60 days</b>	<b>90 days</b>
(annualised %)	43,67%	43,98%	41,92%

## GROUP STRUCTURE

### Korres S.A. - Parent

Kings & Queens Plc - Greece	100%
Homeopathic Korres S.A. - Greece	100%
Phyto 12 - Greece	24%
District Two GmbH - Germany	50%
Krokus Kozanis Products - Greece	45%
Pharmacon North Greece - Greece	100%
Milgauss Limited – Cyprus	16.7%
Korres North America Ltd – U.S.A.	16.7%
Korres Retail U.K. Ltd – England	50%
Alysos S.A. - Greece	35%

## DIVIDEND POLICY- DPS (in €)



## CURRENT PROJECTS

In 2012, KORRES continued supporting its main distribution network [the brand is stocked in over 6,500 pharmacies] through an integrated plan that included new product & category launches, print, digital and TV advertising, themed promotions and events, outside Greece, focus was placed on priority markets [US, Germany, Spain, Russia], aiming to expand its presence in pharmacies, exclusive retailers and semi selective points of sale.

### Major achievements during the fiscal year 2012

In 2012, despite the deep recession of the Greek economy, KORRES Group attained the following in financial terms:

- INCREASE IN GROSS PROFIT MARGIN [190 BASE POINTS]
- INCREASE IN ADJUSTED EBITDA
- INCREASE IN MARKET SHARE IN THE PHARMACY CHANNEL

The foregoing was boosted by the considerable decrease in operating cost and the strategic support to the brand on which the Group insisted throughout last year, focusing on a dynamic plan of promotional actions in Greece and other countries, and also on Research and Development involving significant categories in commercial terms.

### PROMOTIONAL ACTIVITIES

- Launching innovative series [anti-aging/ hair care / make-up]
- Advertising of strategic categories [TV / printed/ electronic]
- Investment in e-communication (website update/ e-shop creation)
- Support to the distribution channel [Pharmacy]

### RESEARCH & DEVELOPMENT

- special ingredients and new technologies for commercial categories [anti-aging/ sun protection]
- Scientific partnerships/ research programs [natural ingredients with UV-protection, anti-aging, anti-hyper-pigmentation properties]
- network of biological crops [contractual agriculture with Greek producers]

## FORTHCOMING PROJECTS/ INVESTMENTS – BUSINESS PLAN HIGHLIGHTS

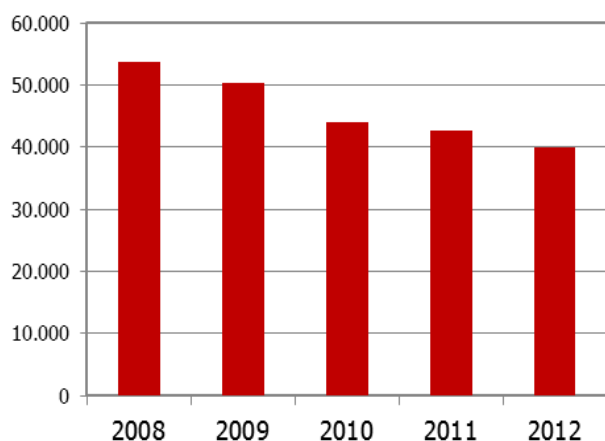
Korres Group's objective is to provide innovative and effective products based on natural active ingredients, promote research into natural ingredients combined with skin biochemistry and highlight the valuable Greek herbs through the co-operation with local farmers and the production of high biological value plant extracts. The Group will continue to support its brand in Greece while also expanding its growth efforts to other countries with high-value innovative products and dynamic promotional activities focused on its strategic categories. In Particular, in the Greek market, the Group's top priority is to support pharmacies as its main channel and will, thus, pursue the above the line communication by advertising (TV, printed and electronic means) products of its strategic categories such as the Black Pine face new series and the new sunscreens and will intensify its customer-oriented promotional activities. International growth strategy focuses mainly on the countries in which Korres products have already penetrated and the brand has prospects of development, and which embrace a philosophy oriented to the consumption of natural products. Such countries include Germany, Spain, Russia, England and America. Finally, the set "Herbs/ Co-operations/ Extractions/ Research" reflects the core of the company and will remain the fundamental philosophy of the Group's growth not only for 2013 but also for the years to come.

## COMPANY'S PERFORMANCE

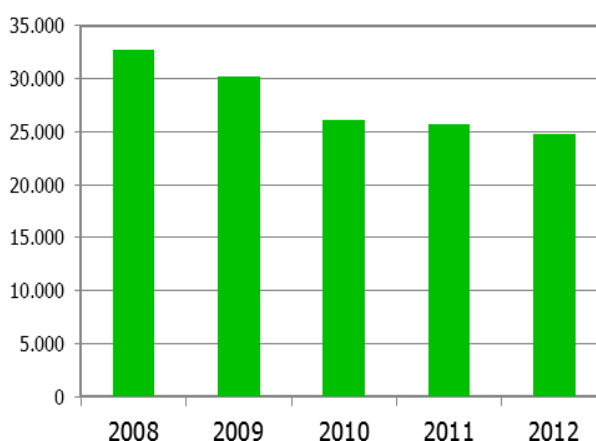
<b>FINANCIAL OVERVIEW (consolidated)</b>				
<b>(in € 000)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Sales	50.366	44.115	42.680	40.035
Gross profit	30.238	26.077	25.663	24.831
EBIT	7.405	5.274	1.511	-244
EBITDA*	9.804	8.347	7.623	4.004
Earnings before tax	5.031	2.695	-3.303	-3.836
Earnings after tax	3.396	1.568	-3.524	-4.538
E.P.S.	0,31	0,16	-0,25	-0,31
Total Equity	28.546	22.239	27.544	22.480
ROE	11,90%	7,05%	-12,79%	-20,19%

*\*if we exclude the extraordinary restructuring cost impact - including one off receivables rationalization effect materialized by the group given the foreseen adverse financial environment from 2012, EBITDA increased by 3,3% to 7,869 thous euro in 2012 from 7,623 thous euro in 2011.*

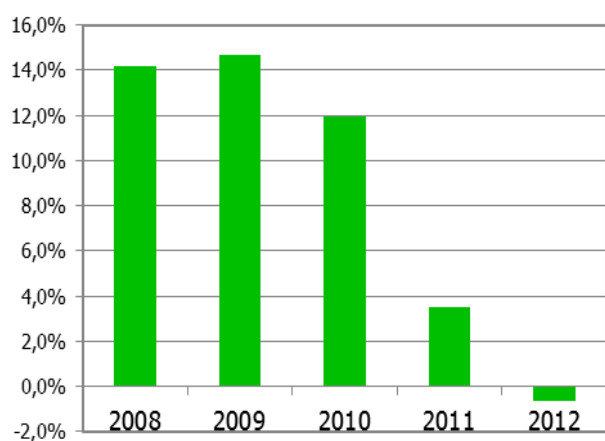
**Revenues (in € 000)**



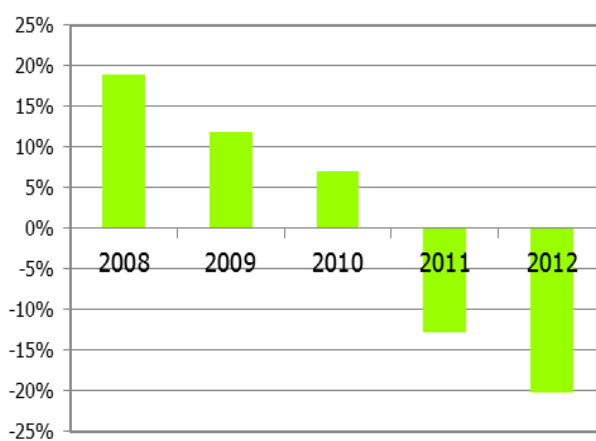
**Gross profit (in € 000)**



**Operating Margin**



**ROE**



**MAJOR SHAREHOLDERS (>5%)**

<b>Name</b>	<b>%</b>
George Korres	43,95%
Arnetia Ltd.	14,12%
Damma Holdings	5,01%
<b>Total</b>	<b>63,08%</b>

**BOARD OF DIRECTORS**

<b>Name</b>	<b>Qualification</b>
GEORGE KORRES	PRESIDENT OF BOD/ EXECUTIVE MEMBER
DIMITRIOS VIDAKIS	CEO/ EXECUTIVE MEMBER
HARIS STAVRINOUDAKIS	CFO/ EXECUTIVE MEMBER
TENEDIOTIS GEORGE	EXECUTIVE MEMBER
KATSOULAS PETROS	NON-EXECUTIVE MEMBER
GKLAVANIS CHRISTOS	NON-EXECUTIVE MEMBER
SOFOKLEOUS NIKOLAOS	INDEPENDENT NON-EXECUTIVE MEMBER
MAZARAKIS PERIKLIS	INDEPENDENT NON-EXECUTIVE MEMBER

**MANAGEMENT TEAM PROFILE**

**George Korres:** Studied Pharmacy at Athens University. In 1989 he started working at the first homeopathic pharmacy in Greece (Tzivanidis Pharmacy), which he took it over completely in 1992. Four years later he founded Korres Natural Products. George Korres has served as secretary of the Greek Society of Homeopathic Pharmacists, is a founding member of the Hellenic Ethnopharmacology Society and an active member of the Hellenic Aromatherapy – Organic Therapy Society.

**Mr. Charalampos Alexandros Stavrinouidakis** is Chief Financial Officer and Executive Member of the Board at Korres SA Natural Products since October 19, 2011. He previously was appointed Chief Financial Officer of the Company on September 12, 2011. He has over 17 years of experience in managerial positions in various Greek and multinational companies. He started his career at Shell Hellas where he was appointed as Planning and MIS Manager. He continued in Shell International in London at the European Mergers and then at the Global Shell Treasury Center. After his return to Greece he assumed the position of Chief Financial Officer of Maillie Group and then the position of General Manager of the Group's Finance and Support Services. He subsequently served as CFO of Singular Logic, Neochimiki and Youtravel.com Group. Mr. Stavrinouidakis is a graduate of the Athens University of Economics and Business and he holds an MBA from Athens University of Economics and Business in cooperation with the Erasmus University of Rotterdam.

**Mr. Dimitrios Iosif Vidakis is Managing Director**, Executive Director of Korres SA Natural Products since June 30, 2011. He holds a degree in Mathematics from the University of Athens, a Master of Science and an MBA from Imperial College of Science, Technology and Medicine. He started his career in 1989 and served as General Manager of Coca-Cola Hellenic Bottling Company in Poland and since 2006 he has been serving as General Manager of Coca-Cola HBC in Greece and as Chairman of the board of Tsakiris and Elchym. Before Coca-Cola HBC he served as a Manager at Unilever for 15 years. In 2009 he received the Manager of the Year Award from the Hellenic Society of Business Administration.

**Mr. Georgios Vasileios Tenediotis** is the Executive Director, Secretary of the Board of Directors of Korres Natural Products SA and the Legal Advisor of the Company since May 6, 2010. He has been working as a Legal Advisor to the Company since 1996. He was appointed Legal Services Director, Director on May 3, 2010. Mr. Tenediotis is a graduate of the University of Athens Law School and he holds an LL.M in International European and Commercial Law from the University of Kent at Canterbury, United Kingdom as well as a MSc in Business for Lawyers from Athens Laboratory of Business Administration (ALBA).

**Mr. Periklis Michail-Georgios Mazarakis** is Non-Executive Independent Director of Korres SA Natural Products since September 11, 2009. He has also been Member of the Audit Committee of the Company since February 11, 2010. Since 2007, he works for Cerberus Capital, a Private Equity company in New York. Previously he served as Director of Marketing of Yum brands internationally (Pizza Hut, KFC, Taco Bell) and as Director of Functioning of 1,100 stores in Latin America and the Caribbean. In addition he worked as Director of Marketing and Business Development in the pharmaceutical sector of Bristol Myers and as Management consultant of McKinsey & Company. He holds a degree from the University of Pennsylvania (Wharton School) as well as an MBA degree from Stanford University.

**Mr. Nikolaos Sofoklis Sofokleous** is Non-Executive Independent Director of Korres SA Natural Products since January 25, 2008. He has also been Member of the Audit Committee of the Company Since February 11, 2010. He holds a BBA and MBA from the A&M University of Texas. He had a 15-year collaboration with Procter & Gamble, where he served as Associate Marketing Director in the markets of the Arabian Peninsula and Great Britain followed by Marketing Director for Greece. From 1996 and for 10 years he worked at Barilla. He assumed the responsibilities of Chief Executive Officer (CEO) for Misko in Greece, Barilla in North America and Kamps in Germany. Since January 3, 2008, he has assumed the duties of President and Managing Director of Vodafone Greece.

**Mr. Petros Spyridon Katsoulas** is Non-Executive Director of Korres SA Natural Products. He has also been Member of the Audit Committee of the Company since February 11, 2010. He is a graduate of the Computer Sciences department of the University of Crete (1988). He also holds an MSc in Software Engineering and MBA from Aston University, Birmingham, UK (1990 and 1993 respectively). From July 1993 to October 1996, he worked in the investment banking sector of Barclays Bank (BZW) in Athens. From October 1996 to December 1997, he worked in the stocks/ shares department of BZW in London. From 1998, he worked in the shareholders department of the investment banking sector of Credit Suisse in London, where since 2001 he is Research Director of Greek Equities.

**Mr. Christos Michail Gklavanis** was appointed Non-Executive Director of Korres SA Natural Products on June 30, 2011. He holds a degree in Economics from the University of Hull, United Kingdom. From 1974 until 1982 he worked at Coopers and Lybrand and from 1981 until 1987 at Ernst and Whinney as a partner. From 1987 until 2008 he served as Managing Director of Ernst and Young, Southeast Europe and from 2008 until 2011 he served as Chairman and Managing Director at Ernst and Young, Southeast Europe.

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