

Sales and earnings growth at Essanelle Hair Group continues in 2008

- Sales up 4.9% to EUR 129.2 million
- Earnings before taxes rise 18.2% to EUR 6.4 million
- Growth strategy to be continued in 2009
- Dividend of EUR 0.50 proposed

Düsseldorf, 31 March 2009 – As in the previous years, Essanelle Hair Group AG achieved strong sales and earnings growth in 2008, thus improving on the record results of the prior year. Group sales revenues increased by 4.9% from EUR 123.1 million to EUR 129.2 million. The positive performance was primarily driven by the HairExpress and TOP TEN salon concepts.

“We were able to improve on the excellent results of the previous year in 2008. While we did not fully meet our sales growth target of 5% due to the fact that the Christmas business was ‘only’ on a par with the previous year, we are quite satisfied against the background of the moderate private consumption,” said CEO Achim Mansen.

The HairExpress concept, which is targeted at price-sensitive consumers, generated revenues of EUR 27.7 million in 2008, which represented an increase of 24.4%. The young TOP TEN concept boosted its sales revenues by 42.2% to EUR 5.9 million, while the trendy Super Cut concept achieved 4.8% growth to EUR 20.6 million. The Beauty Hair Shops, which specialise in the sale of salon products, increased their sales revenues by 20.0% to EUR 6.0 million. The company’s largest concept, essanelle Ihr Friseur, generated EUR 64.8 million in sales revenues, down 4.1% on the previous year.

Revitalisation of essanelle Ihr Friseur

One of the main strategic tasks in the past fiscal year was the revitalisation of the essanelle Ihr Friseur brand, in which the company invested roughly EUR 1.5 million in 2008. “This concept contributes about 50% to our total sales revenues and makes

essanelle
Ihr Friseur

HAIR EXPRESS

10
TOP
TEN
Der 10. unter den Friseurbetrieben

essanelle

SUPER
CUT

Beauty HairShop

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excellent profit contributions. Our aim therefore is to put this brand back on the growth track in the next two to four years. In the past year, we therefore sharpened the profile of the brand, gave it a more exclusive touch and adapted it to current market requirements. The quality of our services should be the main decision-making criterion for customers that choose this concept," said Achim Mansen.

Sharp rise in earnings figures; tax ratio back to normal

The earnings position of Essanelle Hair Group AG improved disproportionately in 2008. EBITDA (earnings before interest, taxes, depreciation and amortisation) rose by 10.2% from EUR 11.0 million to EUR 12.1 million. Earnings before taxes (EBT) increased by an impressive 18.2% from EUR 5.4 million to EUR 6.4 million. Consolidated net profit for the year declined by 20.1% from EUR 4.6 million to EUR 3.6 million. This is attributable to the fact that the tax ratio returned to a normal level of 43.0%. In the previous year, the tax ratio stood at only approx. 15.0% due to amendments to the corporate income tax law and the utilisation of tax loss carryforwards. Earnings per share amounted to EUR 0.80 in 2008, compared to EUR 1.01 in the previous year.

"Although we invested heavily in 2008, our earnings clearly exceed our projections and expectations. Thanks to our excellent operating performance in the past fiscal year, we have laid a very good foundation for the coming years. On this basis, we will be able to continue the consistent dividend policy with a dividend of EUR 0.50, while at the same time making cautious investments," Achim Mansen concluded.

Outlook on 2009

Against the background of the current macroeconomic situation, projections for the current fiscal year are subject to great uncertainty. The Essanelle Hair Group aims to increase its sales revenues by 3% to 7% and generate earnings that are at least on a par with the excellent results of the year 2008.

Further figures and details will be published in the Annual Report on April 9, 2009 on the company's website at www.essanelle-hair-group.com.

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essanelle
Ihr Friseur

HAIR EXPRESS

10 TOP TEN
Über 100 Jahre am Friseurhandwerk

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SUPER CUT

Beauty HairShop

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