

Essanelle Hair Group presents Annual Report 2009

- **Sales revenue at EUR 128.0 million after EUR 129.2 million**
- **Pre-tax earnings within forecast range at EUR 5.5 million**
- **Recommended dividend at last year's level**

Düsseldorf, 31 March 2010 – Essanelle Hair Group AG has reported a decline in sales revenue and earnings in the completion of the financial year 2009. After a Christmas trade below last year's results and because of the closure of 50 salons, mostly as a result of the Hertie insolvency, sales revenues were at EUR 128.0 million after EUR 129.2 million in the previous year (-0.9%). With a total of 51 new openings, the salon portfolio of Essanelle Hair Group AG remained close to last year's levels.

Achim Mansen, Chief Executive Officer (CEO): "Given the weak economic environment, the downward trend of retail sales and especially the negative one-time factors regarding department stores, we have to be satisfied with being above the value of 2007 regarding sales revenue as well as pre-tax earnings – which at the time was a record year for our company."

The salon concept HairExpress that targets price-sensitive customers generated sales revenues of EUR 32.1 million in the financial year 2009, implying a growth rate of 16.1%. The trendy concept Super Cut reported a sales revenue of EUR 20.5 million on par with last year's level (EUR 20.6 million). The fresh concept TOP TEN generated declining sales revenues of EUR 5.4 million after EUR 5.9 million, just as the concept "essanelle Ihr Friseur" did with EUR 63.3 million after EUR 69.0 million. Especially the latter concept was affected severely by the closure of Hertie department stores. The Beauty Hair Shops, which specialise in the sales of exclusive hair salon products, were able to increase their sales revenues from EUR 6.0 million to EUR 6.7 million in the completion of the financial year 2009.

essanelle
Ihr Friseur

SUPER
CUT

HAIR EXPRESS

tröndle

10
TOP
TEN
Das ist unser Ziel für 2010

beautyhairshop
The Hair Salon

Essanelle Hair Group AG

Vorsitzender des Aufsichtsrats:

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Vorstand:

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Earnings performance within range, dividends of EUR 0.50

The company's sales trend is also reflected in the earnings performance indicators. The EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) declined by 6.9% from EUR 12.1 million to EUR 11.3 million. Earnings Before Tax (EBT) decreased from EUR 6.4 million to EUR 5.5 million and for this reason it lies within the expected range of EUR 5.5 million to EUR 6.0 million. Consolidated net income also decreased accordingly from EUR 3.6 million to EUR 3.3 million in the 2009 financial year. The result per share amounted to EUR 0.71 in 2009 after EUR 0.80 in the previous year. Management and Supervisory Board will suggest a dividend of EUR 0.50 on last year's level during the Annual General Meeting.

Achim Mansen: "Absent sales, drastic tariff increases and thus a rising rate of staff costs have led to those earnings figures. Overall, we were able to take countermeasures with savings in material cost and marketing. Based on this, we are able to carry forward the announced dividend continuity and at the same time continue to invest with sound judgement. Should the general conditions slightly recover as expected and the department store environment remain stable, we expect a growth potential regarding sales revenues and earnings again."

Further details regarding the 2009 financial year can be extracted from the Annual Report on the company's Homepage in April www.essanelle-hair-group.com.
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Ihr Friseur

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10
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Hair Fashion Future

Essanelle Hair Group AG

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