



KEY FIGURES

for the three-month periods ended 31 March 2011/2010 (IFRS)

million €	2011	2010	Change*
Consolidated sales	30.9	30.7	+0.5%
essanelle Ihr Friseur	13.8	14.6	-5.1%
Super Cut	5.2	5.1	+2.3%
HairExpress	9.1	8.2	+10.4%
TOP TEN	1.2	1.3	-4.4%
Beauty Hair Shop	1.6	1.6	+0.2%
EBITDA	1.9	1.7	+9.8%
EBIT	0.6	0.4	+54.5%
EBT	0.6	0.3	+69.1%
Annual net income	0.3	0.3	+24.7%
EPS	0.07 €	0.06 €	

*including rounding effects

Financial calendar

Annual General Meeting	17 June 2011
Half Year Report	19 August 2011
Nine Months Interim Report	21 November 2011
Analysts conference	21–23 November 2011 (equity capital forum)

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ECONOMIC DEVELOPMENT

The German retail sector altogether developed positively in the first quarter of the current year. According to the Federal Statistical Office, the German retail sector grossed in the first two months of 2011 nominal 3.2% and real 2.8% more than in the comparable period in the previous year. The sales of Essanelle Hair Group also increased in the first quarter of 2011, growing about 0.5%, from EUR 30.7 million to EUR 30.9 million. Compared to previous year's quarter, the number of salons increased from 691 to 705. As of 31 December 2010, 702 salons were owned by Essanelle. Seven new openings were countered by four closings in the first quarter. The earnings situation of Essanelle Hair Group showed an even greater upward trend in the first three months, with an increase of the EBT from EUR 0.3 million in previous year's quarter to EUR 0.6 million today. The company's target figures for 2011 include the opening of about 30 new salons, a sales increase of 2-3% and a disproportional improvement of the earning performance indicators.

Regarding the individual salon concepts, the upward trend of the HairExpress concept continued decisively, and generated a revenue increase of 10.4% from EUR 8.2 million to EUR 9.1 million. The Super Cut brand obtained a growth of 2.3%, from EUR 5.1 million to EUR 5.2 million. essanelle Ihr Friseur, the concept providing a broad service offering for all customer bases, generated sales of EUR 13.8 million in the first three months compared to EUR 14.6 million in the previous year's quarter (-5.1%). TOP TEN sales decreased by 4.4% and amounted to EUR 1.2 million, compared to EUR 1.3 million in previous year's quarter. The Beauty Hair Shop concept, which specialises in the sale of exclusive hair care products, achieved previous year's level with sales of EUR 1.6 million. The professional advice offered in the Beauty Hair Shops is a significant element contributing to the success of this concept.

A division in service and sales revenue paints the following picture: The revenue portion of services increased slightly in the first quarter and reached EUR 26.3 million, which corresponds to a portion of the total revenue of about 85.2% (previous year: 85.1%). The sale of exclusive hair care products in the salons and Beauty Hair Shops contributed a revenue of EUR 4.6 million, similar to previous year's quarter; a portion of the total revenue of 14.8% (previous year: 14.9%).

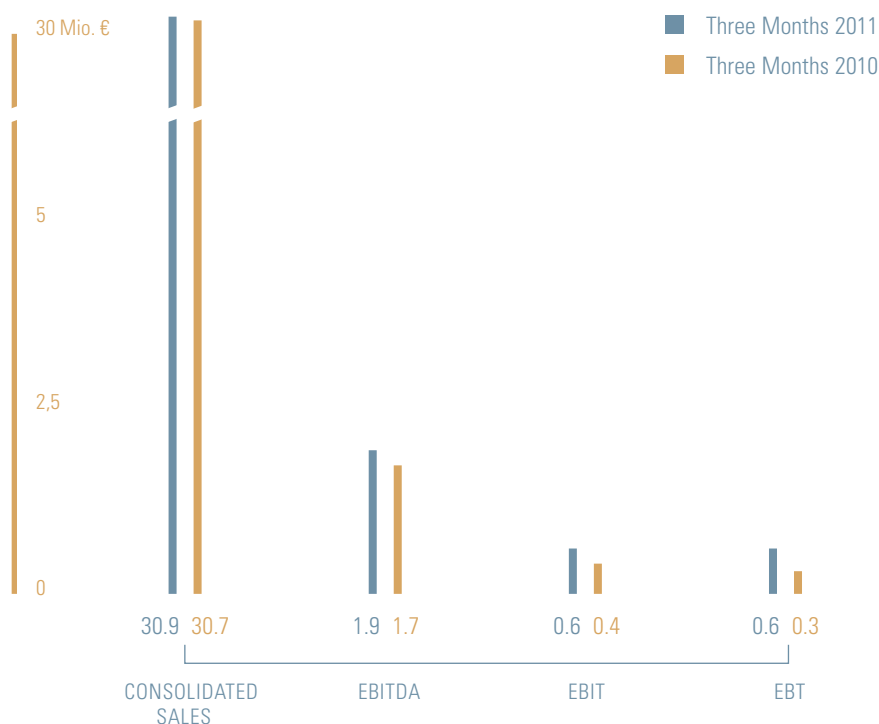
Concept – Salons – Employees – Sales

Konzepte	1st Quarter 2011			1st Quarter 2010		
	Number of Salons	Employees ¹	Sales million €	Number of Salons	Employees	Sales million €
essanelle Ihr						
Friseur	292	1,978	13,8	310	2,091	14,6
Super Cut	105	547	5,2	99	555	5,1
HairExpress	245	1,300	9,1	219	1,199	8,2
TOP TEN	31	153	1,2	32	167	1,3
Beauty Hair Shop	32	113	1,6	31	110	1,6
Total	705	4,091	30,9	691	4,122	30,7

¹ without Overhead

EARNINGS PERFORMANCE

The income statement of Essanelle Hair Group shows slightly increased sales in the first quarter with a proportionally significant improvement of the earnings performance indicators. Reasons for this are some declining expenditure positions. The expenditure for material and supplies decreased by 1.8% in the first quarter, but, when rounded, remained on previous year's level of EUR 2.4 million. Thereby, the ratio of expenditure for material and supplies decreased from 7.9% to 7.7%. Personnel expenditure increased by 1.5% in the first quarter of 2011, from EUR 17.7 million to EUR 17.9 million. Thus, the personnel expenditure ratio of 57.5% increased again to the 58.0% level of 2009. Rent and utility costs also increased slightly by 0.7% and reached EUR 6.3 million (previous year rounded to EUR 6.3 million). Other operational expenditures decreased by 7.8% from EUR 2.8 million to EUR 2.6 million. Overall, Essanelle Hair Group AG generated an EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of EUR 1.9 million after the first quarter of 2011 – an increase of 9.8%, compared to EUR 1.7 million in the previous year. Depreciation and amortizations decreased by 4.8% from EUR 1.3 million to EUR 1.2 million in the first quarter. This results in an EBIT (Earnings Before Interest and Taxes) of EUR 0.6 million compared to previous year's level of EUR 0.4 million. This is an increase of 54.5%. The financial result amounted to EUR 0.1 million in the first quarter which is identical to the previous year. Essanelle Hair Group thereby achieved a rounded EBT of just about EUR 0.6 million compared to EUR 0.3 million in the first quarter of 2010. The company tax expenditure increased from EUR 0.1 million in the first quarter of 2010 to EUR 0.2 million. Thus, the quarter surplus increased by 24.7% – rounded to EUR 0.3 million as in the previous year. The earnings per share increased from EUR 0.06 to EUR 0.07 in the first quarter.



BALANCE SHEET, INVESTMENTS AND LIQUIDITY

The balance sheet of Essanelle Hair Group AG as of 31 March 2011 showed only slight changes on the asset side of long-term net assets compared to 31 December 2010. Thus, property, plant and equipment decreased from EUR 23.4 million to EUR 22.6 million. Overall, long-term net assets amount to EUR 42.6 million at the end of the first quarter, compared to EUR 43.4 million as of 31 December 2010. In current assets, other assets increased from EUR 0.6 million to EUR 1.3 million. As in previous years, this can be traced back, in particular, to increased pre-payments for salon openings in the amount of EUR 0.6 million. In contrast to this, cash on hand decreased, now amounting to EUR 3.4 million compared to EUR 4.9 million as of 31 December 2010. Thus, they range significantly above the level at the end of the previous year's quarter of EUR 1.9 million. On the liabilities side, the equity ratio increased and, for the first time, ranges above the 60% barrier at 60.8% as of 31 March 2011 (31 December 2010: EUR 58.8%). Apart from a slight increase of equity, from EUR 32.7 to EUR 33.0 million, this could predominantly be achieved by a reduction of liabilities. Regarding long-term liabilities, financial liabilities, in particular, decreased from EUR 3.7 million to EUR 3.3 million. Altogether, long-term liabilities decreased from EUR 10.6 million as of 31 December 2010 to EUR 10.3 million at the end of the quarter. Regarding short-term liabilities, financial liabilities have also decreased from EUR 2.7 million to EUR 2.3 million. Overall, short-term liabilities are now at EUR 11.0 million (31 December 2010: EUR 12.4 million) and total liabilities at EUR 21.3 million (31 December 2010: EUR 22.9 million). The balance sheet total as of 31 March 2011 showed EUR 54.3 million compared to EUR 55.6 million as of 31 December 2010.

The investment volume of Essanelle Hair Group AG in the first three months of 2011 amounted to approx. EUR 0.6 million compared to EUR 0.5 million in the same period of the previous year. This reflects a moderate continued growth strategy with a total of seven new openings in the first quarter. A total of EUR 0.2 million has been invested in the new salons – plus EUR 0.3 million in pre-payments – EUR 0.2 million went into the renovation of existing salons and EUR 0.2 million into other investments.

Contrary to previous years, the cash flow calculation of Essanelle Hair Group shows only a very minor net cash outflow from current business activity in the amount of EUR 0.2 million, compared to EUR 1.9 million in previous year's quarter. The investment activity in the first quarter reached a level slightly above the previous year, with the purchase of property, plants and equipment amounting to EUR 0.5 million compared to EUR 0.4 million. Due to proceeds from the sale of property, plants and equipment, amounting to EUR 0.1 million (previous year: 0), a net cash outflow of EUR 0.45 million is achieved compared to previous year's level of EUR 0.46 million. In the sector of financing activity, Essanelle Hair Group continues the repayment of liabilities and recorded a net cash outflow in the amount of EUR 0.9 million compared to EUR 0.8 million in previous year. The total decrease of cash thereby amounts to EUR 1.5 million compared to EUR 3.1 million in the first quarter of the previous year. This results in cash and cash equivalents in the amount of EUR 3.4 million compared to EUR 1.9 million as of 31 March 2010.

DEVELOPMENT OF COSTS AND PRICES

Costs of Essanelle Hair Group AG did not exhibit any unexpected fluctuations over the course of the year to date. The prices of the company have also not changed unusually.

EMPLOYEES

The number of employees reached 4,193 at the end of the quarter and, as such, ranges below the 4,223 employees at the end of previous year's quarter. Presently, 39.7% are employed on a part-time basis (previous year: 39.3%). The trainee ratio continues to be high at 5.9% (247 trainees) and ranges slightly above previous year's 5.8% (243 trainees).

RISK REPORT

The detailed risk report of Essanelle Hair Group AG can be found in the Annual Report 2010 on pages 41 to 43. In this report possible risks which could damage the company are described, as well as necessary counter-measures within the risk management system.

THE SHARE

National and international stock exchanges continued to perform very positively in the beginning of the year. Only in the middle of February did a significant drop in prices take place – triggered by the developments in Japan. The DAX decreased from more than 7,400 points to approx. 6,400 points in the middle of March. After this short down-turn, stock exchanges recovered significantly; after the first quarter, the DAX reached new annual highs as soon as April. The share of Essanelle Hair Group showed a very stable performance since the beginning of the year, and ranged mostly in a corridor between EUR 8.00 and EUR 8.60. The first quarter low point was at EUR 7.90 in January. The share reached its high point at the end of March at EUR 8.82, before it increased to more than EUR 9 in April.

Within Investor Relations, the first quarter of the current financial year was marked by the creation and publishing of the Annual Report containing detailed information about the 2010 financial year and an outlook for 2011. After submission of the annual results, analysts rated the share of Essanelle Hair Group with “overweight” (performaxx-Research) and “buy” (GSC-Research).

SHAREHOLDER STRUCTURE (DATE: 31. MARCH 2011)

Saxonia	89.76%
Freefloat according to German Stock Exchange	10.24%

DATA FOR THE SHARE IN THE 1ST QUARTER 2011

Maximum price Xetra	EUR 8.82
Lowest price Xetra	EUR 7.90
Performance 01 January – 31 March 2011	+6.3%
Share price as of 31 March 2011 Xetra	EUR 8.82
Authorised capital	EUR 4,595,044
Market capitalisation as of 31 March 2011	EUR 40.53 million

OUTLOOK

The outlook for the current financial year is cautiously optimistic. After the rather strong months of January and February there has been a sales decrease in March which, among other things, can be traced back to the fact that the Easter period this year did not fall before April. The improved performance of the retail situation was only felt here and there. Essanelle Hair Group continues to expect a sales increase of between 2% and 3% based on the rather positive economic environment and the new openings during the previous year. For the current year, new openings continue to be planned in the range of about 30 salons. The development of the department store environment continues to be a factor of uncertainty. The earnings performance indicators should improve disproportionately over the full year. Here we already achieved a good start to the year 2011 with a significant increase of essential key figures in the first quarter. A concrete objective for the full year is the increase of EBT by at least 5% compared to the previous year's EUR 5.1 million.

CONSOLIDATED BALANCE SHEET (IFRS) as of 31 March 2011

ASSETS

€	31.03.2011	31.12.2010
ASSETS		
Fixed assets		
Property, plant and equipment	22,612,096.97	23,404,558.51
Goodwill	19,558,872.10	19,558,872.10
Other intangible assets	182,014.60	142,555.22
Other loans	240,132.28	257,921.97
	42,593,115.95	43,363,907.80
Current assets		
Other loans	38,854.97	38,854.97
Inventories	6,757,272.08	6,625,461.10
Accounts receivable	189,939.68	61,883.76
Other assets	1,302,735.64	587,875.56
Cash and cash equivalents	3,401,819.71	4,916,613.03
	11,690,622.08	12,230,688.42
Total assets	54,283,738.03	55,594,596.22

LIABILITIES

€	31.03.2011	31.12.2010
SHAREHOLDERS' EQUITY		
Capital and reserves allocable to the shareholders in the parent company		
Share capital	4,522,841.00	4,522,841.00
Capital reserve	15,717,699.17	15,717,699.17
Revenue reserves	12,753,996.85	12,419,632.20
	32,994,537.02	32,660,172.37
DEBT		
Long-term debt		
Financial debt	3,290,141.77	3,742,389.53
Deferred tax liabilities	4,681,260.00	4,544,354.57
Pension provisions	837,555.56	833,918.00
Other provisions	1,453,975.32	1,441,342.11
	10,262,932.65	10,562,004.21
Short-term debt		
Financial debt	2,263,238.11	2,678,547.36
Accounts payable	2,027,060.61	2,237,066.95
Current income tax liabilities	1,182,963.10	1,268,954.05
Other liabilities	2,192,329.53	2,807,991.33
Other provisions	3,360,677.01	3,379,859.95
	11,026,268.36	12,372,419.64
Total debt	21,289,201.01	22,934,423.85
Total shareholders' equity and debt	54,283,738.03	55,594,596.22

CONSOLIDATED INCOME STATEMENT (IFRS)

for the period from 1 January 2010 to 31 March 2011

€	01.01.–31.03.2011	01.01.–31.03.2010
Sales	30,893,510.74	30,725,426.92
Other operating income	231,146.97	193,430.92
Cost of materials	-2,369,380.42	-2,412,229.00
Personnel expenses	-17,925,627.56	-17,664,366.27
Depreciation and amortization	-1,222,867.14	-1,284,853.35
Rental and ancillary rental expenses	-6,335,084.43	-6,292,176.54
Other operating expenses	-2,624,585.04	-2,846,478.55
Operating earnings	647,113.12	418,754.13
Financing income	6,827.09	4,002.46
Financing expenses	-75,772.77	-80,895.75
Net financial expenses	-68,945.68	-76,893.29
Earnings before taxes	578,167.44	341,860.84
Tax expenses	-243,802.79	-73,656.58
Consolidated net income	334,364.65	268,204.26

Earnings per share

basic	0.07	0.06
diluted	0.07	0.06

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

as of 31 March 2011

k€	31.03.2011	31.03.2010
1. CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated by ongoing business activities	122	-1.575
Interest paid	-116	-121
Taxes on income paid	-193	-222
Net outflow of funds for operating activities	-187	-1.918
2. CASHFLOW FROM INVESTMENT ACTIVITIES		
Acquisition of property, plant and equipment	-535	-408
Proceeds from sale of property, plant and equipment	111	0
Acquisition of intangible assets	-62	-44
Loans paid out	0	0
Loans repaid	18	0
Interest received	7	4
Net outflow of funds for investment activities	-460	-448
3. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend payout	0	0
Receipts from taking up of financial debt	50	55
Repayment of financial debt	-917	-820
Net outflow of funds for financing activities	-868	-765
Net decrease in cash and cash equivalents	-1.515	-3.132
Cash and cash equivalents at the beginning of the year	4.917	5.021
Cash and cash equivalents at the end of the quarter	3.402	1.889

SCHEDULE OF CHANGES IN GROUP EQUITY (IFRS)

as of 31 March 2011

€	Share capital	Capital reserve	Revenue reserves	Total equity
Balance at 1 Jan. 2010	4,522,841.00	15,717,699.17	11,303,033.79	31,543,573.96
Dividend payout			-2,261,420.01	-2,261,420.01
Consolidated earnings			3,378,018.42	3,378,018.42
Balance at 31 Dec. 2010	4,522,841.00	15,717,699.17	12,419,632.20	32,660,172.37
Balance at 1 Jan. 2011	4,522,841.00	15,717,699.17	12,419,632.20	32,660,172.37
Dividend payout			0.00	0.00
Consolidated earnings			334,364.65	334,364.65
Balance at 31 March 2011	4,522,841.00	15,717,699.17	12,753,996.85	32,994,537.02

COMPANY SHORT NOTES

ACCOUNTING STANDARDS

This Quarter Report has been prepared in accordance with the current accounting regulations of the International Financial Reporting Standards (IFRS). The balancing and assessment standards correspond to those of the last Annual Report as of the end of financial year 2010. Consequently, the Interim Report has to be viewed in context of the audited Annual Report as of 31 December 2010 and its notes.

The consolidated interim financial statements have not been audited. Various information and notes which normally belong to a consolidated financial statement set up according to IFRS have been presented shortened or left out altogether.

CONSOLIDATED COMPANIES

No changes have been made in the first three months of 2011 regarding the consolidated companies.

SEGMENT REPORTING

The requirements for segment reporting have neither been met in regional nor in factual or organisational respect. Further information regarding this can be found on page 70 in the notes of the Annual Report 2010.

EARNINGS PER SHARE

The undiluted and the diluted earnings per share in the first three months of the current financial year amount to EUR 0.07 above previous year's EUR 0.06.

POST BALANCE SHEET DATE EVENTS

No further crucial events occurred after 31 March 2011.

BUSINESS TRANSACTIONS WITH CLOSELY RELATED COMPANIES AND INDIVIDUALS

Business transactions with closely related companies and individuals can be found on page 104 of the Annual Report 2010.

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