

Wrocław, 31 August 2016

Selena: 20 million profit for the first half of 2016

Selena Group – global producer and distributor of construction chemicals headquartered in Poland - in the first half of 2016 years has achieved consolidated sales of 456 M PLN. At the same time, Selena Group noted in the reporting period net profit of 20,1 M PLN, which means an improvement of 16,9 M PLN compared to the same period of 2015, while operating profit amounted to 17 M PLN and was increased year-on-year by almost 70%. The Company recorded also an increase in the margin from 30,5% to 33,4%, so by 2,9 p.p.

In the first half of 2016 the Group significantly **improved profitability of operations**. This is, among other things, the result of:

- continued consistent **products recipes' cost reductions** while maintaining the quality
- an increase of share of **high-margin products** in the revenue
- further savings resulting from the work of the **central purchasing department**
- a further decrease in prices of many **key raw materials**
- the positive impact of **exchange rate differences**

Selena Group noted an increase in sales i.a. in Brazil, USA, Turkey and Spain and in the private-label sector. Decline in sales were recorded mainly in the eastern markets - which is due to the unstable political and economic situation in this region - and Poland, partly as a result of problems arising as a consequence of the ERP system implementation in the first quarter.

"Advantage through innovation strategy is resulting in measurable effects that are being reflected in the financial results. In the first half of the year once again we improved our gross margin, which is primarily due to the share in sales of high-margin, innovative products and cost optimization of recipes for previously existing products. Selena Group sets standards here, because our R&D departments constantly work on improving the existing and introducing new solutions to the market - through the exchange of knowledge and professionalism of teams located in several countries. Recently, we introduced a very advanced products: **Cool-R (highly reflective, waterproof roof coating), a series of foam adhesives FOAD and Noah Electro Protector (innovative screen for the electric field in**

the form of paint), that show in which direction strives Selena and what needs to be developed in the entire construction industry. These products and the broad diversification of markets, are a guarantee of maintaining the growing trend in the company in the face of still fragile economic and political situation both in Asia and in Eastern Europe." said Marcin Macewicz member of the Management Board of Selena FM SA, the master unit Selena Group.

In the coming quarters, Selena Group expects a continuation of the current positive trend in terms of sales in Brazil, USA and Spain, and sales growth in Poland. The Board also is going to continue the strategy based on maintaining high margins. What's important - the first effects in terms of sales for new products implemented in 2016 such as roof coating Cool-R and a line of foam adhesives FOAD should be visible soon.

On 16 August - continuing the existing dividend policy - Selena Group **paid a dividend for 2015 years in the amount of 0,30 PLN per share, for a total of more than 6,85 M PLN.**

From January 2016 Selena's key companies in Poland are working **exclusively in the ERP system Microsoft Dynamics AX 2012** supporting key management processes within the Group. In Q2 2016 problems associated with the implementation of the system in production and distribution companies were eliminated, which significantly improved the punctuality of deliveries both in Poland and abroad. Currently, continued efforts to improve ergonomics and internal efficiency of the system are being continued and the implementation of the ERP system in other companies in Poland is planned. Inclusion in the system of subsidiaries present in other markets will be realized after the stabilization of the system in Poland.

Additional Information:

Selena is a global producer and distributor of construction chemicals and one of the three largest producers of polyurethane foam in the world. The Group's offer includes foams, sealants, adhesives, waterproofing products, insulation systems, mounting and complementary products. The Group consist of 30 companies in 17 countries. Selena's production units are located in Poland, Brazil, South Korea, China, Romania, Turkey, and in Spain and Kazakhstan. International experiences gained in many different markets allow Selena Group to grow rapidly - it is an innovative company, creating the new solutions, tailored for the growing needs of users. Selena Group has won numerous awards in the most prestigious rankings. The company was awarded by the Polish President Bronislaw Komorowski in the competition President's Economic Award in the category of "Sustainable Success" and has received, among others, the title "Now Poland" in the category "Foreign Investment". Top quality of Selena Group's products and their modernity are appreciated by partners and customers in 70 countries. Portfolio of brands in the Group is being opened by such top brands as: Tytan, Quilosa, Artelit or Matisol. Since April 2008, the shares of Holding Company in the Group - Selena FM SA - are listed on the Stock Exchange in Warsaw.

More information about the company: www.selena.com