

Wrocław, 23 March 2015

## Selena: 2014 yearly financial results

**Selena Group – global manufacturer and distributor of construction chemistry headquartered in Poland – in 2014 posted consolidated sales of EUR 263.4 m ( PLN 1.1 b), which is the level of the year prior. EBIT amounted to EUR 15.7 m (PLN 65.5 m) and was EUR 3.7 m (PLN 15.0 m) higher than the year before. The net profit came at EUR 5 m (PLN 21 m) and was close to that from 2013.**

Situation in the Selena Group's key markets was not heterogenous in 2014. Selena recorded significant sales decreases in the important and big market of Russia. The situation was deepened further by the rouble's heavy depreciation to the euro. Concerning other markets, in Poland, after a very good first half of the year, the second brought a slowdown. In the end, yearly sales posted by Selena's trading company in Poland were 2.5% higher than the year before. The Group observed satisfactory and stable sales increases in: Turkey, Spain, and both Americas – in Brazil and the USA. Central Europe stagnated and exhibited low demand. Globally, in the very challenging environment, Selena posted consolidated sales of EUR 263.4 m (PLN 1.1 b), which means the Group maintained its sales as compared to 2013.

In 2014 Selena continued improving its operational result. EBIT was recorded at EUR 15.7 m (PLN 65.5 m) compared to EUR 12 m (PLN 50 m) the year before. The main sources of improvement are: increasing profitability of businesses with low effectiveness to-date, compensating in other geographies for the losses sustained in Russia, initiating activities aimed at further diversifying the income portfolio, and market-launching innovative products that allow for generating higher margins. Selena's net profit came at EUR 5 m (PLN 21 m), which is the level of the year prior. The net profit was most heavily impacted by adverse foreign exchange, with the Russian rouble and the Ukrainian hryvnia being responsible for most negative influence.

***„The year 2014 was another year in which we improved the operating result recorded by the Selena Group. It was not an easy task with all the unexpected events we had to face. The crisis in Eastern Europe, and especially in our key Russian market, had a negative impact on the profitability of our business. Considering the strong headwinds we had to face, it is our success that we further improved the operational result, successfully reoriented our sales geographically and compensated in other markets for the losses recorded in Russia.***

***In the quarters to come, we will focus on implementing our strategy. It required an update due to the Russian-Ukrainian crisis, which could be seen in the actions we took – shifting the focus of our operations to the markets***

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***that stay uninfluenced by the eastern crisis. We will continue developing innovative products, especially insulation systems, dry mortars and waterproofing products. We will also further boost our global position in adhesives and sealants. We will also maintain focus on improving our performance in production, purchasing, logistics and research and development” – said Jarosław Michniuk, Selena CEO.***

Selena acknowledges that the current situation in the Russian market may persist. Considering the slight revival forecast in its other markets, Selena will all the more continue improving its operational excellence. The Group's activities in the matter were recognized in 2014 also by the external audiences. Selena was honoured with the Economic Award of the President of Poland for its Durable success, among others. The award in this exact category was presented for the first time in history.

#### About the Selena Group

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Selena Group is a global manufacturer and distributor of construction chemicals. Selena offers a wide range of products for professional contractors and home users – its key brands are TYTAN, ARTELIT and Spanish QUILOSA. Selena Group is among the world's three largest manufacturers of PU foam used for door and window fitting. The Group offers a range of polyurethane foams, sealants, adhesives, waterproofing products, insulation systems, fixings and complementary products.

The entire Group comprises 30 companies in 17 countries worldwide, including state of the art manufacturing plants in Poland, Turkey, Spain, South Korea, China, Romania, Kazakhstan and Brazil. The global experience gathered from many different markets allows the Selena Group to develop fast. Thanks to that experience Selena becomes an innovative company and is able to create solutions tailored to the needs of the users carrying out its new mission statement „Together we deliver better building performance”.

Selena has won numerous honours and accolades. The company received the Economic Award of the President of the Republic of Poland for its Durable Success, and the Teraz Polska award for its Foreign Investment in China.

Selena FM SA – the parent company – has been listed on the Warsaw Stock Exchange since 2008.

More information about the company [www.selena.com](http://www.selena.com)

