

Wrocław, 29 August 2014

Selena: half-year 2014 financial results

Selena Group – global manufacturer and distributor of construction chemistry – in the first half of 2014 posted consolidated sales of PLN 503 million (EUR 120.3 million), which is an increase by over PLN 17 million (EUR 4.1 million) compared to the same period in 2013. Operating profit, at nearly PLN 15 million (EUR 3.6 million), went up by over PLN 6 million (EUR 1,4 million) compared to the first half of 2013. Gross profit margin rose to 29.4% compared to 28.7% year prior.

Selena Group's half-yearly results were notably affected by the foreign exchange along with political and economic situation in Eastern Europe which resulted in lower sales recorded in the region. However, Selena's sales rose in Turkey, Spain, Poland, Brazil and USA. The Selena Group steadily improves its operating results, which is visible in the percentage increase of gross profit margin up to 29.4% compared to 28.7% in the first half of 2013. In the first half of 2014, net result reached PLN 0.7 million (EUR 0.16 million) versus PLN 3.3 million (EUR 0.8 million) in 2013. The result posted was impacted by the rapid depreciation to the euro of the Russian, Ukrainian and Kazakh currencies in the first quarter. However, in the second quarter of the year, the Group recorded exchange gains, which partially compensated for the loss from the beginning of the year.

*„Despite the highly challenging political and economic market environment in the east of Europe, we are satisfied with Selena's results. We offset the sales decline recorded in Eastern Europe by growths in other markets. In the second quarter we made up for the loss posted in quarter one, and our net result improved by PLN 17 million compared to first three months of 2014. All in all, our **sales rose by 3.6%** and our **EBIT increased by PLN 6 million** year-on-year. We carry on with the savings programs for the Eastern markets and keep our **focus on implementing the strategy centered around increasing innovativeness and competitiveness of the Selena Group products**. However, with the upcoming quarters in mind, we take into account the persisting political turmoil in the Eastern-European countries and the slowdown we have observed in the mature markets since the second quarter” – said Jarosław Michniuk, Selena CEO.*

In 2013, Selena adopted its strategy for the years 2014 – 2016. The strategy sets out the Group's new mission and clearly indicates the actions and programmes to be undertaken in the years to come. The new mission statement: *Together we deliver better building performance* means an even more effective identification of

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customers' needs and providing products that correspond to the global trends and expectations of users in specific areas of construction, finishing and renovation works.

Selena paid dividend for the year 2013 on 14 July 2014, following the decision made on 9 June 2014 by the Annual General Meeting. The dividend totaled PLN 6.39 million, which is PLN 0.28 per share.

About the Selena Group

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 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 and www.mga.ro

