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that help them - to feel more beautiful -
@ any time

Press Release

**ANOTHER RECORD YEAR:
COSNOVA BEAUTY
SURPASSES THE 300
MILLION EURO MARK**

In the fiscal year 2015, cosnova Beauty has achieved its annual objectives again and is continuing to grow more rapidly than the entire cosmetics market. With a **net sales turnover of 316.6 million Euros**, the previous year's figures (279.3 million Euros) were **surpassed by 13%** and the company has once again ended the fiscal year with a **double-digit increase in sales**. cosnova Beauty has thus succeeded in continuing its positive sales turnover trend of the past years.

>> "We can look back on an extremely successful fiscal year 2015. Despite new competition and a stagnating market growth, we were not only able to grow in our core market in Germany. The international market is also influenced by cosnova Beauty. With a **share in sales of almost 55 %, the foreign market has become our strongest sales region**," reports Hilko Prah, Managing Director of cosnova Beauty. This brings the cosmetics manufacturer a step closer to achieving its global mission of offering women around the world high-quality cosmetics at affordable prices to make them feel even more beautiful.

Overall Development

Due to the **innovative product design** and a continued **international expansion of the range** as well as the development of new sales channels, cosnova Beauty has managed to achieve a consistent sales growth. CATRICE in particular was able to significantly expand its geographic distribution in further sales markets.

As a result, essence is meanwhile available in over 80 countries and CATRICE in almost 60 countries.

In addition to the strong international growth, cosnova Beauty was also able to increase its market share in the German core market by **6.5 % p.* in terms of value** and by **6.7 % p.* per sold unit** for both brands, according to AC Nielsen. As a result, cosnova Beauty achieved a **volume market share of 36.3 %**, the highest result since founding the company in 2001:

Every third cosmetics product sold in Germany is by cosnova Beauty.

Brands and Products

With its corporate philosophy of offering ideal assortments for trend-conscious consumers who value high quality at an excellent price-performance ratio, cosnova Beauty has achieved rapid growth worldwide in the decorative cosmetics and skin care market.

According to Euromonitor International, the cosmetics brand **essence** is the **biggest decorative cosmetics brand in the lower price segment in the world**. However, market leadership in the lower price segment is not the ultimate goal of cosnova's management. Instead, the aim is overall market leadership in terms of quantity on the cosmetics market across all price segments. cosnova Beauty has already managed to achieve this in Europe with its brand essence since the year 2012. According to current Euromonitor International data**, essence can effectively claim to be the **largest decorative cosmetics brand across all price segments in Europe**.

In 2015, the main drivers of sales across all markets were **the gel nail polishes by essence**, which are based on an innovative 3-step-system and have received multiple national and international awards such as the Pure Beauty Awards since their launch. Therefore, one of cosnova Beauty's aims for 2016 is to launch and establish further innovative product lines like the **Prime and Fine Professional Contouring Palette by CATRICE** on the markets.

Thanks to global communication activities in classic media as well as on

social media and due to various elaborate partnerships, brand awareness and the image of both brands has been developed continuously internationally. The social media portfolio of both brands has been joined by the instant messaging service **Snapchat**. With the launch of its own essence channel on YouTube, **essence TV**, in July 2015, essence was able to create a totally innovative way of using this social media channel. Eight YouTubers, who are all beauty enthusiasts, lead viewers through the program by presenting different topics such as beauty, fashion, music and lifestyle. With 3 videos per week, essence TV has so far been able to gain around 38,000 subscribers and over 1.7 million views to date. Furthermore, essence was once again partner of the MTV European Music Awards in 2015 and exclusively sponsored the "Biggest Fans" award.

 **CATRICE** was a sponsoring partner of the WGSN GLOBAL FASHION AWARDS, which are awards granted by the leading trend analysis and research agency in the fashion industry WGSN, for the third time in a row in 2015. CATRICE collaborated with the Berliner Mode Salon, an institution that offers young talents and renowned members of the German fashion scene a platform to present their collections, for the first

time in July 2015. The cosmetics brand was responsible for creating the beauty looks for various designer labels such as lala Berlin, Marina Hoermanseder and Nobi Talai. The highlight in October: the continuation of the collaboration with the couture label Kaviar Gauche at the Paris Fashion Week – the cosmetic brands' first international appearance. With these partnerships, CATRICE has once again shown how closely beauty is linked to fashion.

Positive Outlook

For the fiscal year 2016, the Managing Directors Christina Oster-Daum, Javier González, Mathias Delor and Hilko Prahll plan to **achieve yet another double-digit growth in sales**.

➤ *"In January 2016, we started using our new, fully automated high-bay warehouse with sufficient space to store 43,000 palettes. This means that we fulfill the logistical requirements for further growth,"* states Andreas Erbe, Managing Director of CNL GmbH, cosnova Beauty's own distribution center. <<

cosnova Beauty also has high expectations regarding the North American market, where distribution has recently been increased significantly:

➤ "essence was introduced in 555 Target stores as well as in Target's accompanying online store (Target.com) in January 2016. We are optimistic about our developments on the North American market and looking forward to seeing what the year brings for us," reports Jeffery Wagstaff, General Manager of cosnova Inc. ⬅

The cosmetics brand essence is meanwhile distributed in over 80 countries and the cosmetics brand CATRICE in almost 60 countries in Europe, North and South America, the Near and Middle East, Asia, Oceania as well as Africa. The company's clients include drug stores, food retailers, department stores, perfumeries and fashion chains.



In addition to the increase in distribution and the logistic optimization, cosnova Beauty also plans to implement a **sustainable corporate management** style. As a basis for the future handling of economic, ecologic and social topics, the company is currently developing a sustainability strategy. Existing and already established social projects such as the collaboration with various local school projects, the Maltese Help Organization (the Malteser Hilfsdienst) and Worldvision will, of course, be continued.

* Abbreviation for percentage points

** Source: Euromonitor 2013 European value data, converted into units by cosnova using average prices from Nielsen/IRI, excluding CIS.

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About cosnova Beauty

cosnova Beauty, with headquarters in **Sulzbach/Germany**, is run by Managing Directors Christina Oster-Daum, Javier González, Mathias Delor and Hilko Prah. At the end of the fiscal year 2015, cosnova Beauty had more than 400 employees around the world.