

**EXCELLENT 2013 RESULTS – SIGNIFICANT ANNUAL PROFIT – EBITDA +97.6%**

**Lyon, April 1<sup>st</sup>, 2014** - The **MEDICREA** group (FR0004178572-ALMED), which specializes in the development of innovative surgical technologies for the treatment of spinal pathologies, is listed on Alternext-Euronext Paris and is eligible for *PEA-PME* SME equity savings plans, announces its audited 2013 annual results (IFRS), approved by the Board meeting of March 27<sup>th</sup>.

**2013 ANNUAL RESULTS**

€ millions	2012	2013
Sales	20.7	22.9
Gross margin (% of sales)	78%	80%
Operating income before amortization and provision (EBITDA)	2.2	4.4
Operating income before share-based payments	(0.5)	1.5
Income before tax	(0.9)	1.3
Net profit	(1.2)	0.4

**REMARKABLE IMPROVEMENT IN RESULTS IN 2013**

In 2013, operating profit increased by 2 million euros, virtually the same increase as sales. This remarkable performance was a result of:

- the increase in sales in the United States (+25%), a market on which MEDICREA records 55% of its sales and its highest margins;
- the continuing improvement in industrial output in the integrated manufacturing plant located in La Rochelle (France). The optimization of production costs and the increase in sales in the United States is resulting in a regular increase in gross margin, which exceeded 81% over the 2<sup>nd</sup> half of 2013;
- the reduction in the operational breakeven point and tight control over fixed costs within a context of increasing activity.

The other key indicators that characterize the Group's activity also saw a substantial improvement, notably operating profit before amortization and provision (EBITDA), and working capital requirements. EBITDA doubled to 4.4 million euros and working capital requirements expressed as a percentage of sales continued to decrease, standing at 25% on December 31<sup>st</sup>, 2013 versus 27% a year earlier. Within this context, the Group recorded a substantial increase in the cash flow generated, with net operating cash flow totaling 4.1 million euros in 2013 compared with 0.9 million euros in 2012.

The Group has also reported a net profit, once deferred tax essentially associated with the accounting of loss carryforwards of its American subsidiary and previously recorded as an asset on the balance sheet are taken into account. The MEDICREA group does not yet pay any corporate tax and, for its fiscally integrated French subsidiaries, has substantial reserves of deferred tax losses.

**OUTLOOK**

*“2013 marked a turning point in our Company's history, with the publication of its first ever significant positive results. We are pursuing our development on the basis of these fundamentals, and 2014 should be fertile in terms of new product launches, mostly in the United States”*, comments Denys SOURNAC, Chairman and CEO of MEDICREA.

The Group is entering a new offensive phase in its development to support the launch of its new products. MEDICREA USA's resources are thus being enhanced with a team that has doubled in the last year and is now close to 40 people, half of which belong to the sales field. In France, the Company has been recording steady sales growth in recent months and is also supplementing its domestic coverage with the recruitment of additional sales staff. Two export managers and an international sales director will be joining the group in the coming weeks to stimulate sales outside the United States and accelerate the setting up of subsidiaries and distribution agreements in new countries.

The Group has seen an acceleration in sales since the beginning of March, notably in the United States, following a moderate start at the beginning of the 1<sup>st</sup> quarter of 2014.

The FDA is expected to announce its decision regarding its approval of the K-JAWS® cervical compression staple in the United States during the month of April 2014.

**Next publication:**

Sales for the 1<sup>st</sup> quarter of 2014: April 10<sup>th</sup>, after market.

**PEA-PME eligibility**

MEDICREA confirms its eligibility for the new *PEA-PME* SME equity savings plan setup in accordance with decree n°2014-283 of March 4<sup>th</sup>, 2014 published within the framework of the application of article 70 of the 2014 finance law n° 2013-1278 of December 29<sup>th</sup>, 2013 defining the conditions for companies to be eligible for *PEA-PME* SME savings plans: less than 5,000 staff, annual revenue of less than 1,500 million euros, total balance sheet of less than 2,000 million euros and autonomous as defined by CE 800/2008.

**ABOUT MEDICREA ([www.medicrea.com](http://www.medicrea.com))**

MEDICREA specializes in the design, development, manufacture and distribution of orthopedic implants dedicated to spinal surgery. In a \$10 billion market, MEDICREA is a very dynamic small to medium-sized business of 120 employees with unique innovation capabilities. The Company enjoys an excellent and ever-improving reputation and develops unique relationships with the most visionary and creative spine surgeons in France, the UK, and the USA. Products developed and patented by MEDICREA provide neurosurgeons and orthopedic surgeons specialized in the spine with new and less-invasive surgical solutions that are faster and easier to implement than traditional techniques. The Group's headquarters are based near Lyon, France, and it also has a manufacturing facility for surgical instruments and implants located in La Rochelle as well as three distribution subsidiaries in the USA, the UK and France.

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**MEDICREA is listed on ALTERNEXT by NYSE - Euronext Paris  
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