

**Lyon, January 15<sup>th</sup> 2014** - The **MEDICREA** group (FR0004178572-ALMED), which specializes in the development of innovative surgical technologies for the treatment of spinal pathologies and is listed on Alternext- Euronext Paris, announces its 2013 annual sales.

€m	2012	2013	Δ
<b>9 months to end-September</b>	<b>15.8</b>	<b>17.1</b>	<b>+8%</b>
<b>4<sup>th</sup> quarter</b>	<b>4.9</b>	<b>5.8</b>	<b>+18%</b>
<b>Annual total</b>	<b>20.7</b>	<b>22.9</b>	<b>+11%</b>

*Variations in foreign currency rates had a negative impact of €0.4 million on 2013 sales*

Sales for the 4<sup>th</sup> quarter of 2013 were up 18% compared with that of 2012 thanks to the dynamism of the US subsidiary, which recorded its best quarterly revenue of \$4.5 million. US Sales grew 25% over the entire year of 2013, posting one of the highest growth rates in the industry.

In 2013, annual sales were up 11% at 22.9 million euros despite a negative currency effect of 0.4 million euros. *“The development of our direct and indirect sales networks in the United States is enabling us to distribute our PASS®LP range of thoraco-lumbar fixation implants and its latest innovations, focusing mainly on complex spine surgery for adults and adolescents, across a broader spectrum of reputable surgeons. The continual strengthening of our presence on the US market will remain our top priority for the coming year”,* says Denys SOURNAC, Chairman and CEO of MEDICREA.

Since the 2<sup>nd</sup> half of 2013, the gross margin has broken through the 80% barrier, driven by the growth in US sales and the continued improvement in industrial output in the integrated manufacturing unit located in La Rochelle, France. The Group has also managed to reduce its operational breakeven point by investing its selling and marketing costs in a more strategic and targeted manner. *“As a result, 2013 was a turning point in the history of our Company: For the first time since our IPO, we will post a significant operating profit as well as a net profit”,* adds Denys SOURNAC.

## **OUTLOOK**

The spine market has gradually taken on the ongoing health system reforms. Conditions should therefore improve in 2014, particularly for companies such as MEDICREA that put innovation at the heart of their growth strategy.

While MEDICREA will continue investing in Research & Development proportionally to its growth, a substantial portion of the resources from its development in the United States will be allocated, in a more aggressive manner, to the opening of at least one new subsidiary in Europe (Germany), as well as arranging distribution agreements in Asia, the Middle East and Eastern European countries.

In December, the Group resubmitted the approval file for its K-JAWS® cervical compression staple with the FDA in the United States.

## **Next publication**

2013 annual results: March 31<sup>st</sup> 2014, after market.

## **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 115 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 located in La Rochelle as well as three distribution subsidiaries in the USA, the UK and France.

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