

Lyon, October 15<sup>th</sup> 2014 - The **MEDICREA** Group (FR0004178572-ALMED, PEA PME eligible), which specializes in the development of innovative surgical technologies for the treatment of spinal pathologies and is listed on Alternext Paris, announces its results for the 1<sup>st</sup> half of 2014, as approved by the Board on September 30<sup>th</sup>, and its sales for the 3<sup>rd</sup> quarter of 2014.

### RESULTS FOR THE 1<sup>ST</sup> HALF OF 2014

€ millions	H1 2013	H1 2014
Sales	11.9	11.9
Gross margin as a % of sales	79%	81%
Operating profit before amortization and provision	2.2	1.5
Operating profit before share-based payments	0.7	0.2
Current pre-tax profit	0.5	0.1
Net profit	0.5	(0.1)

Exchange rate fluctuations had a negative impact of 3% on sales for the 1<sup>st</sup> half of 2014, but no noticeable effect on net profit.

First-half sales were the subject of a detailed press release on July 10<sup>th</sup>. In summary, activity increased significantly in the United States (+20%), the Group's priority market, and in France (+30%). However, the strengthening of the Dollar against the Euro over the period and the import difficulties encountered on the Brazilian market weighed on sales growth.

Gross margin continued to improve, reaching 81%, up 2 points on the 1<sup>st</sup> half of 2013, essentially as a result of the increase in sales in the United States (56% of total sales over the 1<sup>st</sup> half of 2014, compared with 49% over the same period of 2013) and the optimization of industrial costs.

*"We became profitable in 2013 and want to continue generating a profit in the coming years. Nevertheless, the Group is beginning a new and much more aggressive development phase that should enable it to increase its sales at a sustainable rate. We are therefore continuing to invest in our US sales teams and are deploying an international sales team that will become totally operational in the 2<sup>nd</sup> half of this year. These actions are also being accompanied by an increase in our Research & Development and Marketing investments, which has reduced our profitability compared with the 1<sup>st</sup> half of 2013",* says Denys SOURNAC, Chairman and CEO of MEDICREA.

### SALES FOR THE 3<sup>RD</sup> QUARTER OF 2014

€ millions	Q3 2013	Q3 2014	Δ
United States	3.16	3.50	+11%
France	0.67	0.82	+22%
Europe	0.84	0.95	+13%
South America	0.12	0.37	+208%
Asia	0.32	0.18	(43)%
<b>TOTAL</b>	<b>5.11</b>	<b>5.82</b>	<b>+14%</b>

3<sup>rd</sup> quarter sales were up 14% compared to the same quarter of 2013, and billings in South America (essentially Brazil) were up again following administrative problems encountered in recent months. For the first time, MEDICREA USA's contribution to total sales exceeded 60% over a quarter, despite the reduction in activity in August. Two new distribution contracts have been signed in Argentina and Colombia and a number of others are the subject of ongoing discussions in Europe, materializing the first positive effects of the deployment of the international sales force.

### OUTLOOK

Over the 2<sup>nd</sup> half of the year, sales growth should be similar to that recorded in the 3<sup>rd</sup> quarter. 2014 annual results, albeit down compared with FY 2013 because of the level of investments, should remain positive.

**Next publication:** 2014 annual sales: January 14<sup>th</sup> 2015, after market.

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

The MEDICREA Group specializes in the design, manufacture and distribution of innovative proprietary technologies devoted exclusively to spinal surgery. Operating on a \$10 billion market, MEDICREA is a small to medium-sized business with 140 employees, including 40 at its MEDICREA USA Corp. subsidiary based in New York. The Company enjoys an excellent and ever-improving reputation, and develops unique scientific partnerships with some of the most visionary and creative spine surgeons in France, the UK and the USA. The 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. MEDICREA has also become a pioneer and global leader in the manufacturing of customized implants for personalized spinal surgery with the development of a comprehensive process incorporating the software analysis of each patient, the pre-surgical planning of the surgical strategy, and the production of customized spinal osteosynthesis rods (UNiD™ rod) and lumbar interbody osteosynthesis cages (UNiD™ ALIF cage) that are made to measure by a 3D printer.

The Group's headquarters are based near Lyon, France, and it also has an implant and surgical instrument manufacturing facility located in La Rochelle, France as well as three distribution subsidiaries in the USA, the UK and France.

**Contacts:**

**MEDICREA**

Denys Sournac, Chairman and Chief Executive Officer

[dsournac@medicrea.com](mailto:dsournac@medicrea.com)

Fabrice Kilfiger, Chief Financial Officer

[fkilfiger@medicrea.com](mailto:fkilfiger@medicrea.com)

Tel: +33 (0)4 72 01 87 87

**NewCap.**

Financial Communication / Press and Investor Relations

Sophie Boulila / Pierre Laurent

Tel: +33 (0)1 44 71 94 91

[medicrea@newcap.fr](mailto:medicrea@newcap.fr)

**MEDICREA is listed on ALTERNEXT Paris**  
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