

**PRESS RELEASE**

**March 30<sup>th</sup>, 2016**

**F.G. EUROPE Group's Financial Results for the fiscal year 2015**

- **Increase in Exports**
- **Increase in Sales in Greek Market**
- **Significant improvement of financial results with earnings at both Company and Group level**

During 2015, despite the negative economic downturn, both the Company and the Group presented an increase in Profit, in Sales both abroad and domestic, and a significant rise in the Revenues from the energy sector as well, continuing their upward trend.

In particular:

- Earnings before taxes amounted to € 1.54 mil against losses of € (5.70) mil. in the corresponding period in 2014, (despite the burden on the Company's results with the amount of € 1.94 mil., after making increased provisions for impairment of its receivables during the current fiscal year).
- Total sales increased by 29%, amounting to € 86.89 mil. against € 67.35 mil. in 2014,.
- Despite the significant difficulties encountered with the implementation of capital controls, sales in the domestic market increased by 14%, amounting to € 27.04 mil. against € 23.71 mil. in the corresponding period in 2014.
- Exports presented a significant increase of 37%, amounting to € 59.85 mil. against € 43.64 mil. in 2014, further improving the relationship between sales abroad – domestic sales, which was calculated at 69% / 31% from 65% / 35% in 2014.
- Group's revenues from the energy sector presented an increase of 53%, amounting to € 10.72 mil. against € 7 mil. in 2014. It should be clarified that the real increase in revenues amounted to 29%, due to burden on revenues of 2014, both with the amount of € 1.14 mil. as a result of the issuance of the credit note to LAGIE S.A. and a special levy of € 0.14 mil in the 1<sup>st</sup> quarter of 2014.

<i>(amounts in € thousands)</i>	<b>The Group</b>			<b>The Company</b>		
	<b>1/1-30/12/2015</b>	<b>1/1-31/12/2015</b>	<b>Δ%</b>	<b>1/1-31/12/2015</b>	<b>1/1-31/12/2015</b>	<b>Δ%</b>
<b>Revenues from sales</b>	<b>95,151</b>	<b>72,717</b>	<b>30.9%</b>	<b>86,891</b>	<b>67,353</b>	<b>29.0%</b>
Cost of sales	(69,676)	(57,459)	21.3%	(66,970)	(52,730)	<b>27.0%</b>
<b>Gross Profit</b>	<b>2,475</b>	<b>15,258</b>	<b>67.0%</b>	<b>19,921</b>	<b>14,623</b>	<b>36.2%</b>
<b>G.P.M.</b>	26.77%	20.98%	5.79μ	22.93%	21.71%	1.22μ
General expenses	(19,352)	(16,972)	14.0%	- 14,727	(14,788)	(0.4)%
<b>Operating Profit</b>	<b>6,494</b>	<b>(1,255)</b>	-	<b>5,425</b>	<b>(11)</b>	-
<b>EBITDA</b>	<b>11,745</b>	<b>2,363</b>	<b>397.0%</b>	<b>7,233</b>	<b>346</b>	<b>1990.5%</b>

EBITDA / Sales	12.34%	3.25%	9.09μ	8.32%	0.51%	7.91μ
Financial Results	(5,352)	(6,947)	(23.0)%	- 3,885	(5,688)	(31.7)%
<b>Earnings before taxes</b>	<b>1,142</b>	<b>(8,202)</b>	-	<b>1,540</b>	<b>(5,699)</b>	-
Income tax	(941)	3,402	-	- 345	3,552	-
<b>Net Earnings for the period</b>	<b>201</b>	<b>(4,800)</b>	-	<b>1,195</b>	<b>(2,147)</b>	-
<b>Distributed as follows:</b>						
Shareholders of the Parent Company	(37)	(3,602)				
Minority rights	238	(1,198)				
<b>Earnings per share</b>	<b>(,0007)</b>	<b>(,0682)</b>		0,0226	(,0407)	

#### At the Parent Company Level:

The sales of air conditioners amounted to € 82.67 mil against € 61.52 mil in 2014, presenting an increase of 34%.

The sales of white appliances under the brand name ESKIMO posted a rise of 33%, amounting to € 3.57 mil. in 2015 against € 2.68 mil. in 2014.

The rise in total sales of the fiscal year resulted in an increase of 36% of the Gross Profit, which amounted to € 19.92 mil. against € 14.62 mil. in 2014. G.P.M. is displayed improved at 22.93% against 21.71% in the corresponding period in 2014.

Despite the significant increase in sales by 29%, the general expenses of the period remained at the same level, amounting to € 14.73 mil. against 14.79 mil. in 2014, decreased marginally by 0.4%. It should be noted that the disposal expenses of the period included a burden of € 1.94 mil, which concerns provisions for impairment of receivables in order to clean up the Company's portfolio of receivables.

EBITDA amounted to € 7.23 mil against € 0.35 mil in 2014, while EBITDA margin amounted to 8.32% against 0.51% in 2014, increased by 7.91%.

Net financial expenses of the Company reduced significantly by 31.7%, amounting to € 3.89 mil against € 5.69 mil in 2014. This reduction is mainly attributable to the increase of positive exchange rates differences.

Net Earnings of the Company amounted to € 1.19 mil against net losses of € (2.15) mil. in the previous corresponding period in 2014.

The stock level is displayed significantly reduced, amounting to € 30.49 mil, against € 43.43 mil on 31/12/2014, with the reduction of 29.8% as a result of the aforementioned remarkable increase in sales.

Trade and other receivables are displayed increased by 70.9%, amounting to € 42.95 mil. against € 25.13 mil on 31/12/2014. This noted increase is mainly attributable to both the rise in sales and receivables from its 100% subsidiary in Italy, which began full operation from 01/10/2015. In coming months, after the realization of these receivables, the balance of Trade and other receivables is expected to be significantly reduced, back to normal.

The total liabilities of the Company increased by 20.4% in 2015, amounting to € 94.35 mil. against € 78.34 mil. on 31/12/2014. This rise is due to the increase of short-term loan liabilities, which amounted to € 24.53 mil. on 31/12/2015 against € 2.97 mil. on 31/12/2014. It should be noted that the balance of short-term borrowings includes an allocation of € 4.91 mil. that concerns discounted receivables of the Company through factoring.

#### **At the Group Level:**

The total sales of the Group increased by 30.9%, amounting to € 95.15 mil in 2015 against €72.72 mil. in 2014.

The Gross Profit of the period, significantly increased by 67%, amounted to € 25.48 mil. in 2015 against € 15.26 mil. in 2014. The G.P.M. increased by 5.79% with the relevant index being calculated at 26.77% against 20.98% in 2014.

The general expenses of the Group increased by 14%, amounting to € 19.35 mil. against € 16.97 mil. in 2014. This increase is mainly attributable to full operation of the subsidiaries of the Group in Turkey and Italy from 01/10/2015.

Despite the increase in the general expenses of the period, EBITDA amounted to € 11.75 mil. against € 2.36 mil. in the corresponding period in 2014, presenting an increase of 397% and pushing the operating margin to 12.34% against 3.25% in 2014. This abovementioned increase together with the restriction of the net financial expenses of the Group at € 5.35 mil. from € 6.95 mil. in 2014, mainly due to the expenses of the Parent Company, resulted in Earnings before Taxes of € 1.14 mil. against losses before taxes of € (8.20) mil. in 2014.

Trade and other receivables of the Group were increased by 32.1% (€ 46.35 mil. from 35.09 mil. on 31/12/2014), due to both the aforementioned increase in sales and the rise of trade receivables of the Parent Company.

The total Group's liabilities increased by 8%, amounting to € 136.29 mil. from € 126.13 mil. on 31/12/2014. This rise is attributable to the increase of short-term bank liabilities of the Parent Company.

Group's earnings before taxes in 2015 amounted to € 1.14 mil against losses in 2014 of € (8.20) mil, while the index Earnings before taxes / Sales amounted to 1.20% against (-11.28%) of the corresponding index in 2014.

Net earnings for the period amounted at € 0.20 mil. against losses of € (4.80) mil. in 2014.

Despite the obvious and unprecedented difficulties in Greece (Capital controls e.t.c.), both the Company and the Group faced and face successfully the difficult economic downturn, improving significantly their financial figures. The outward orientation of the Company helped so that, during the whole period from the implementation of restrictions on capital movements, both the Company and the Group could fully respond, covering their liabilities to banks, suppliers and employees.

The commencement of operation from its 100% subsidiary in Italy on 01/10/2015 is expected to help significantly the further increase in Group's sales

From 01/01/2016, the Company, other than Greece, undertook the exclusive disposal of MIDEA air conditioners for the Balkans. Due to the significant presence of MIDEA products till now in that market, significant rise in sales of air conditioners in these countries is expected, which will strengthen significantly and consolidate the position of the Company in the wider Balkan region.

Meanwhile, ESKIMO products with continuous enrichment and broadening their range are expected to continue their dynamic penetration, strengthening year by year their presence in Greek market.

The Management believes that the positive performance of the both the Company and the Group in total, will continue in the coming period.

Financial Statements of 31/12/2015 will be available to the public on the Company's website (URL: <http://www.fgeurope.gr>) under the section "Investors Relations" on 30/03/2016.

For further information please contact the Investors Relations Department of F.G. Europe S.A., 128, Vouliagmenis Avenue, Glyfada – 166 74, Tel. +30 210 9696500, Fax +30 210 9603802, email: [ir@fgeurope.gr](mailto:ir@fgeurope.gr).