

Press Release
August 8th, 2013

1st Semester 2013 Financial Results of F.G. EUROPE S.A. Group

- **Increase in Revenue**
- **Increase in sales in the domestic market**
- **Maintenance of high levels of exports**

The continuing from the last quarter of 2012 increase in sales in the domestic market, combined with the maintenance of high levels of exports, resulted in an increase in total sales of F.G. EUROPE S.A. by 5.76%.

Sales of air conditioners in the internal market amounted in the 1st Semester of 2013 to € 15.43m against € 11.50m of the respective sales in the 1st Semester of 2012, posted an increase of 34.17%. The sales in units of air conditioners in the 1st Semester were increased by 63.80%. The noted increase in sales of air conditioning is especially important and indicative of the company's position in the market, when, according to the data from the Business & Industry Association of Electrical Appliances, in the 1st Semester of 2013 the sales in units of air conditioners in the Greek Market decreased by 10.90%, compared to those in 2012.

The overall increase in the sales of F.G. EUROPE S.A. in the 1st Semester, resulted in Earnings before taxes for the company of € 5.40m against € 5.38m of the corresponding Earnings of 2012 and Net Profit after taxes in the 1st Semester of 2013 of € 4.08m against € 4.30m of respective Net Profit in the 1st Semester of 2012, a bit decreased, due to the increase in the tax rate of company's earnings by 6% (From 20% to 26% in 2013).

(Amount in € thousands)	<u>The Group</u>			<u>The Company</u>		
	<u>1/1- 30/6/2013</u>	<u>1/1- 30/6/2012</u>	<u>Δ%</u>	<u>1/1- 30/6/2013</u>	<u>1/1- 30/6/2012</u>	<u>Δ%</u>
Turnover	60.354	58.066	+3,94%	54.499	51.530	+5,76%
Less: Cost of Goods Sold	(43.624)	(40.430)	+7,90%	(40.529)	(37.443)	+8,24%
Gross Profit	16.730	17.636	-5,14%	13.970	14.087	-0,83%
G.P.M	27,72%	30,37%	-2,65 μ	25,63%	27,33%	-1,70 μ
General Expenses	(8.676)	(8.411)	+3,15%	(7.637)	(7.847)	-2,68%
Operating Profit	8.542	9.524	-10,31%	6.422	6.406	+0,25%
EBITDA	10.698	11.230	-4,74%	6.790	6.250	+8,64%
EBITDA/Sales Margin	17,73%	19,34%	-1,61 μ	12,46%	12,13%	+0,33 μ
Financial Results	(1.769)	(2.416)	-26,78%	(1.022)	(1.030)	-0,78%
EBT	6.773	7.108	-4,71%	5.400	5.376	+0,45%
Income Tax	(1.644)	(1.685)	-2,43%	(1.318)	(1.071)	+23,06%
Net Profit for the period	5.129	5.423	-5,42%	4.082	4.305	-5,18%
Distributed as follows:						
Parent Company						
shareholders	4.669	4.806	-2,85%			
Minority Rights	460	617	-25,44%			
EPS	0,0884	0,0910	-2,86%	0,0773	0,0815	-5,15%

At the Parent Company level:

Company's total sales account for € 54.50m in the 1st Semester of 2013, presenting an increase of 5.76% comparing to the company's total sales of € 51.53m of the 1st Semester of 2012.

Total sales of air conditioners amounted to € 52.50m against € 49.32m of those in the respective Semester of 2012, increased by 6.45%.

Exports of air conditioners remained at the same levels, rising to € 37.07m in the 1st Semester against € 37.83 of those in the 1st Semester of 2012.

Based on the data of the 1st Semester, exports account for 70.61% of the sales of air conditioning and 68.02% of the total sales of the Company, against the respective rates of 76.67% and 73.40% in the 1st Semester of 2012.

Sales of white appliances ESKIMO, after continuous updating and adding new products to its range, have been significantly increased by 73.85%, amounting to €1.13m against € 0.65m of those in the respective Semester of previous fiscal year.

Sales of SHARP products amounted to € 0.84m against sales of € 1.49m in the 1st Semester in 2012.

Despite the increase in sales, Gross Profit of the Semester is reduced by 0.83% (from € 14.09m in the 1st Semester in 2012 to € 13.97m in the corresponding period in 2013), mainly due to the decrease of G.P.M, which amounted in the 1st Semester to 25.63% from 27.33% in the respective Semester of 2012, decreased by 1.7%. The decrease in G.P.M is due to the aggressive policy applied by the Company in the domestic market, resulting in the increase of sales by 34.17%.

The General Operating Expenses, despite the noted increase of sales, due to the ongoing effort to rationalize costs, were decreased by 2.68%, amounting to € 7.64m in the 1st Semester of 2013 against € 7.85m of corresponding expenses in the 1st Semester in 2012.

Trade and other receivables amounted on 30/6/2013 to € 40.70m against € 31.05m of those on 31/12/2012, increased by 31.08%, due to the aforementioned significant increase in sales in the domestic market.

Cash in hand on 30/06/2013 amounted to € 11.99m against € 17.43m on 31/12/2012, decreased by 31.21%.

On 30/6/2013, inventories amounted to € 50.50m against € 35m on 31/12/2012, increased by 44.27%. The increase in inventories and as a result, the increase in liabilities is due to the increased orders (air conditioners) of the period, due to the

achievement of clearly more favorable terms from the supplier (in prices, payment method and time of settlement for liabilities), to meet the anticipated demand both in summer and winter, since as was the case last year, after the increase in the price of heating oil, air conditioning is widely used by the consumers to meet their heating needs during the winter months, resulting in the significant increase in demand during these months. Administration's policy is to reduce inventories which increase, as mentioned before, is cyclical and this fact will be confirmed the next period.

Total liabilities on 30/06/2013 amounted to € 93.58m against € 67.42m on 31/12/2012, increased by 38.80%, due to the increase in Trade and other liabilities, which from € 27.30m on 31/12/2012 rose to € 59.61m on 30/06/2012.

EBITDA amounted to € 6.79m against € 6.25m of the respective Earnings of the 1st Semester of 2012, increased by 8.64%, whereas EBITDA margin amounted to 12.46% against 12.13% in the respective period in 2012.

At the Group level:

Group's turnover in the 1st Semester amounted to € 60.35m against € 58.07m of the corresponding Semester in 2012, posting an increase of 3.94%, due to the increase in the parent company's sales.

Group's revenue coming from the energy sector in the 1st Semester amounted to € 5.81m against € 6.50m in the respective Semester in 2012, decreased by 10.62%, mainly due to unfavorable wind conditions during this period.

Group's Gross Profit in the 1st Semester amounted to € 16.73m against € 17.64 in the respective period in 2012, decreased by 5.14%. Gross Profit Margin amounted to 27.72% against 30.37% in the corresponding Semester in 2012, affected by the fall in G.P.M of the parent company.

EBITDA amounted to € 10.70m in the 1st Semester against € 11.23m in the 1st Semester of 2012, decreased by 4.74%, due to the decrease in the revenue from the energy sector during this period. EBITDA margin amounted to 17.73% against 19.34% in the respective period in 2012.

The General Expenses of the Group (Administration – Distribution – Other) were increased by 3.15%, mainly due to the charge with the amount of € 0.58m relating to the extraordinary contribution of 10%, calculated on the revenues of the energy companies during the Semester.

In further detail, Group's expenses for the Semester amounted to € 8.68m against € 8.41m of those in the respective period in 2012. The ratio General Expenses / Sales was decreased from the point of 14.48% in the corresponding period in 2012 to 14.38%.

The net financial result of the Group in the 1st Semester (cost) of € 1.77m is decreased by € 0.65m (-26.78%), against the respective financial result in the 1st Semester in 2012 (cost) of € 2.42m, mainly due to the positive impact of exchange rates fluctuations on financial results.

Trade and other receivables of the Group on 30/6/2013 amounted to € 66.47m against € 59.97m on 31/12/2012.

Trade and other receivables include:

- Receivables from investment grants of € 11.58m
- Receivables from LAGIE S.A. of € 7.07m
- Receivables from the Greek Public (VAT) of € 4.82m, from which an amount of € 1.65m concerns the parent company.

The total liabilities of the Group on 30/6/2013 amounted to € 162.46m against € 143.50m on 31/12/2012, increased by 13.21%, mainly due to the increase in trade and other liabilities of the parent company.



The Net Profit for the Group amounted to € 6.77m in the 1st Semester of 2013 against € 7.11m of the respective profit in the 1st Semester of 2012. The EBT/Sales ratio amounted to 11.22% against 12.24% in the respective period in 2012.

Group's Net Profit after taxes and Minority Interests amounted to € 4.67m as at 30/6/2013 against € 4.81m as at 30/6/2012, presenting a decrease of 2.85%.

In the 1st Semester of 2013, F.G. EUROPE S.A. acquired 12.5% stake in R.F. ENERGY S.A., increasing its stake in the company from 37.5% to 50%, expecting to reap gains after the completion of the construction of major energy projects by R.F. ENERGY S.A.

On 30/7/2013, the Group sold its participation in FIRST BUSINESS BANK S.A. instead of € 2.65m, gaining an amount of € 0.65m as a profit.

The Company is in advanced negotiations with club of banks for the issuance of a new Bond Loan of € 65m to refinance the outstanding amount of the Bond Loan issued by the Company in 2008, its short – term bank liabilities and its trade liabilities from L/Cs and L/Gs. The coverage of this issue is to be implemented immediately.

Financial Statements for the six month period ended June 30st, 2013 will be available to the public on the Company's website (URL: <http://www.fgeurope.gr>) under section "Investors Relations" on Thursday 8/8/2013.

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