

## PRESS RELEASE

March 28<sup>th</sup>, 2014

### FG EUROPE Group's Financial Results for the fiscal year 2013

- **Satisfactory Profitability.**
- **Proposal from the Board of Directors for dividend distribution.**
- **Conservation of the level of exports.**
- **Significant decrease of Group's total liabilities.**

Despite the constant decline in demand in the domestic market, FG EUROPE S.A. maintains its positive performance in the fiscal year 2013, while preserving satisfactory profitability, principally based on its exports in the sector of air conditioning.

Company's profitability remains extremely healthy as EBT amounts to € 3.96 mil, decreased by 28% against € 5.50 mil in 2012.

Company's total sales account for € 87.74 mil, against € 99.40 mil in 2012, presenting a 12% decrease. Given that Company's exports remain at the same level as those in 2012, said decrease is mainly due to the drop of sales in the domestic market, which fell to € 32.24 mil from € 42.56 mil in 2012.

Exports account for € 55.50 mil, representing 63.25% of Company's total sales (57.18% in 2012) and 66.73% of air conditioner sales (60.35%) respectively.

<i>(Amounts in '000. €)</i>	<b>Group</b>			<b>Company</b>		
	<u>1/1- 31/12/2013</u>	<u>1/1- 31/12/2012</u>	<u>Δ%</u>	<u>1/1- 31/12/2013</u>	<u>1/1- 31/12/2012</u>	<u>Δ%</u>
<b>Turnover</b>	<b>99,103</b>	<b>111,122</b>	<b>-10.82%</b>	<b>87,736</b>	<b>99,399</b>	<b>-11.73%</b>
Minus: Cost of Goods Sold	(72,686)	(81,553)	-10.87%	(66,228)	(75,453)	-12.23%
<b>Gross Profit</b>	<b>26,417</b>	<b>29,569</b>	<b>-10.66%</b>	<b>21,508</b>	<b>23,946</b>	<b>-10.18%</b>
<i>G.P. Margin.</i>	<i>26.66%</i>	<i>26.61%</i>	<i>0.05M</i>	<i>24.51%</i>	<i>24.09%</i>	<i>0.42M</i>
Other Income	650	435	49.43%	179	311	-42.44%
General Expenses	(17,562)	(19,387)	-9.41%	(15,123)	(17,245)	-12.31%
<b>Operating Profit</b>	<b>9,505</b>	<b>10,617</b>	<b>-10.47%</b>	<b>6,564</b>	<b>7,012</b>	<b>-10.06%</b>
<b>EBITDA</b>	<b>13,817</b>	<b>14,420</b>	<b>-4.18%</b>	<b>7,376</b>	<b>7,204</b>	<b>6.39%</b>
<i>EBITDA Margin</i>	<i>13.94%</i>	<i>12.98%</i>	<i>0.96M</i>	<i>8.41%</i>	<i>7.25%</i>	<i>1.16M</i>
Net Financial Results	(3,223)	(4,068)	-20.77%	(2,601)	(1,508)	72.48%
<b>EBT</b>	<b>6,282</b>	<b>6,549</b>	<b>-4.08%</b>	<b>3,963</b>	<b>5,504</b>	<b>-28.00%</b>
Income Tax	(2,039)	(1,686)	20.94%	(1,037)	(1,143)	-9.27%
<b>Net Profit</b>	<b>4,243</b>	<b>4,863</b>	<b>-12.75%</b>	<b>2,926</b>	<b>4,361</b>	<b>-32.90%</b>
<b><u>Distributed as follows:</u></b>						
Parent Company Shareholders	<b>3,640</b>	<b>4,792</b>	<b>-24.04%</b>			
Minority Rights	<b>603</b>	<b>71</b>	<b>749.30%</b>			
<b>EPS</b>	<b>0.0689</b>	<b>0.0908</b>	<b>-24.12%</b>	<b>0.0554</b>	<b>0.0826</b>	<b>-32.93%</b>

#### At the Parent Company Level:

Sales of durable consumer goods account for € 87.70 mil in 2013, presenting a 11.65% decrease against € 99.27 mil in 2012.

Air Conditioners sales amount to € 83.17 mil against € 94.18 mil in 2012, decreased by 11.69%.

Sales of ESKIMO white appliances present a significant 43.34% increase in 2013, accounting for € 2.51 mil (€ 1.75 mil in 2012).

Sales of SHARP's product (both white and brown appliances) were clearly affected by the crisis in 2013 and amounted to € 2.03 mil versus € 3.34 mil in 2012, presenting a 39.22% decrease.

Gross Profit Margin increases by 42 basis units in 2013, reaching the point of 24.51% versus 24.09% in 2012. Nevertheless, Gross Profit presents a 10.18% decrease, as it accounts for € 21.51 mil against € 23.95 mil in the previous year.

Said decrease in domestic sales provokes a 14.64% reduction in trade and other receivables which stand at 31/12/2013 € 26.51 mil (€ 31.06 mil at 31/12/2012).

Sales decrease in domestic market partially influenced the quantity of stock which amounts to € 40.43 mil at 31/12/2013 from € 35.00 mil at 31/12/2012 (€ 50.5 mil at 30/06/2013 and € 47.59 mil at 30/09/2013 respectively).

Company's total liabilities amount to € 68.81 mil against € 67.42 mil in 2012, slightly increased by 2.06%. Nevertheless, trade and other payables present a significant 61.39% decrease and amount to € 10.54 mil versus € 27.30 mil at 31/12/2012. Such a decrease undoubtedly affects Company's cash and cash equivalents, which decline to the level of € 10.71 mil against € 17.43 mil in 2012.

For the fiscal year 2013, Company's general expenses decreased by 12.31% (from € 17.25 mil in 2012 to € 15.12 mil in 2013) as a combination of the domestic sales decline and the management constant effort to rationalize company's operating expenses.

Company's EBITDA amounts to € 7.38 mil in 2013 against 7.20 mil in 2012, presenting a satisfactory increase of 6.39%, mainly due to the limitation of operating expenses and the positive exchange differences arising in 2013. Operating margin increases to the point of 8.41% from 7.25% in 2012.

Net Income presents a 32.90% decline in 2012 and amounts to € 2.93 mil versus € 4.36 mil in 2012.

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

Group turnover, decreases by 10.82% and accounts for € 99.1 mil € in 2013, over € 111.12 mil € received in 2012.

In the Energy sector, Group's Sales remains almost at the same level and account for € 11.38 mil against € 11.63 mil in 2012.

Group's Gross Profit, affected by the figures of the Parent Company, amounts to € 26.42 mil in 2013 over € 29.57 mil in 2012, presenting a 10.66% decrease. However, Gross Profit Margin presents a slight upward movement of 5 basis points and accounts for 26.66% (26.61% in 2012).

EBITDA accounts for € 13.82 mil in 2013 slightly decreased from the level of € 14.42 mil achieved in 2012 while EBITDA margin is improved by 96 bases points and amounts to 13.94% from 12.98% in 2012.

Group's General Expenses present a 9.41% decline and account for € 17.56 mil in 2013 versus € 19.39 mil in 2012, while the index General Expenses over Sales stands at 17.72% over 17.45% in 2012. It is noticed that Group's total general expenses were burdened in 2013 with the amount of € 1.14 mil as extraordinary taxation, imposed under the Law 4093/2012 on revenues arising from Energy Sector. In 2012 the respective charge was € 0.51 mil.

Group's Net Financial Results present an important decrease of 20.77% and account for € 3.22 mil in 2013 against € 4.07 mil in 2012. Said decrease is attributed to:

- a) the positive exchange differences of € 0.45 mil arising in 2013
- b) the increase of € 0.24 mil in interest receivable
- c) the profit of € 0.33 arising from trade of stocks
- d) the preservation of interest payable to the same level as in 2012 (€ 4.69 mil versus € 4.61 mil in 2012).

Group's total liabilities, decreased by 17.40%, account for € 118.54 mil (€ 143.50 mil in 2012), mainly due to the decline of Group's Bank Debt.

As at 31/12/2013, EBT presents a downward movement by 4.08% and amounts to € 6.28 mil (€ 6.55 mil in 2012). However, the relevant index of EBT over Sales *επισχύεται* to the point of 6.34% against 5.89% in 2012

Group's net income stands at € 3.64 mil in 2013, decreased by 24.04% versus net income of € 4.79 mil achieved in the previous year.

Additionally, at 10/01/2014 a Common Bond Loan of € 65 mil was issued by FG EUROPE SA and was fully covered by Banks EUROBANK, PIRAEUS, ALPHA BANK, NATIONAL AND GENERAL. The scope of the current bond was to refinance its existing short-term borrowings and to meet the Company's needs for working capital.

As at 10/10/2013 the Ministry of Development and Competitiveness approved the merger by absorption of FG EUROPE SA with its 100% subsidiaries FG LOGISTICS AE and FG SERVICE A.E. which is expected to lead to significant economies of scale due to cost savings. The entire staff of the absorbed companies relocated to the parent company.

As at 18/12/2013 the corresponding public authority approved the merger by adsorption of RF ENERGY OMALIES SA (a 100% subsidiary of RF ENERGY SA) with RF ENERGY MISOCHORIA SA and RF ENERGY TSOYKKA SA, which were also 100% subsidiaries of RF ENERGY SA.

For the fiscal year 2014 principal target of the Management Team in the field of air-conditioning is to support and expand Company's activities in European Markets where it operates. To this context, FG EUROPE SA has initiated the establishment of two subsidiaries in Italy (100% subsidiary) and in Turkey (55% subsidiary) respectively, with a view to strength its presence in these countries where it is believed that, despite the crisis, there is there considerable room for growth. In the domestic Market, Management aim is to maintain its leading position in air-conditioning sector as well as to ensure the collection of sales receivables. At the same time, the Company seeks to further promote MIDEA products (both air conditioners and white appliances) in the Greek Market, whose distribution undertook in



2012. The range of Midea products provided is constantly enriched as in 2014 dehumidifiers and microwave ovens were added at very competitive prices.

Presence of Eskimo Products is expected to grow in the domestic market, increasing year by year their market share.

The Company's Board of Directors proposed to the Annual General Assembly to proceed with dividend distribution to shareholders for the fiscal year 2013. The amount of earnings per share to be distributed will be decided by the General Meeting of Shareholders.

Financial Statements for the fiscal year ended December 31st, 2013 will be available to the public on the Company's website (URL: <http://www.fgeurope.gr>), under section "Investors Relations" at 31/03/2013.

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