

## **PRESS RELEASE**

March 29<sup>th</sup>, 2013

### **F.G. EUROPE Group's Financial Results for the Fiscal Year 2012**

- **Turnover and Net Profit increase.**
- **Sales increase in the Domestic Market.**
- **Maintaining high level of Exports.**
- **Increased Revenues from the Energy Sector.**

F.G. EUROPE S.A., based on its air conditioners exports, its stable presence in 10 European countries, along with the significant increase arisen in domestic sales, it seems to overcome the existing financial crisis, preserving its stable upward movement.

Company's total sales increased by 5.65%, accounting for 99.40 mil € against 94.08 mil € received in the fiscal year 2011.

Company's net profit, increased by 3.56% in 2012, amounts to 4.36 mil € over the respective 4.21 mil € achieved in 2011.

Domestic sales present a significant 62.52% increase, reaching the level of 37.34 mil € in 2012 against 22.98 mil € received in the previous fiscal year.

Due to said increase in sales in the domestic market, Company's exports represent 60.35% of its total air conditioners sales and 57.18% of its total turnover in 2012.

<i>(Amounts in "000" €)</i>	<b>Group</b>			<b>Company</b>		
	<b>1/1- 31/12/2012</b>	<b>1/1- 31/12/2011</b>	<b>Δ%</b>	<b>1/1- 31/12/2012</b>	<b>1/1- 31/12/2011</b>	<b>Δ%</b>
<b>Turnover</b>	<b>111,122</b>	<b>99,724</b>	<b>11.43%</b>	<b>99,399</b>	<b>94,083</b>	<b>5.65%</b>
Cost of Goods Sold	(81,553)	(71,603)	13.90%	(75,453)	(68,575)	10.03%
<b>Gross Profit</b>	<b>29,569</b>	<b>28,121</b>	<b>5.15%</b>	<b>23,946</b>	<b>25,508</b>	<b>-6.12%</b>
<i>G.P.M</i>	<i>26.61%</i>	<i>28.20%</i>	<i>-1.59M</i>	<i>24.09%</i>	<i>27.11%</i>	<i>-3.02M</i>
Other Income	435	493	-11.76%	311	492	-36.79%
General Expenses	(19,387)	(19,724)	-1.71%	(17,245)	(18,204)	-5.27%
<b>Operating Profit</b>	<b>10,617</b>	<b>8,890</b>	<b>19.42%</b>	<b>7,012</b>	<b>7,796</b>	<b>-10.06%</b>
<b>EBITDA</b>	<b>14,420</b>	<b>10,400</b>	<b>38.65%</b>	<b>7,204</b>	<b>7,340</b>	<b>-1.85%</b>
<i>EBITDA Margin</i>	<i>12.98%</i>	<i>10.43%</i>	<i>2.55M</i>	<i>7.25%</i>	<i>7.80%</i>	<i>-0.55M</i>
Net Financial Results	(4,068)	(3,290)	23.65%	(1,508)	(2,337)	35.47%
<b>EBT</b>	<b>6,549</b>	<b>5,600</b>	<b>16.95%</b>	<b>5,504</b>	<b>5,459</b>	<b>0.82%</b>
Income Tax	(1,686)	(1,552)	8.63%	(1,143)	(1,248)	-8.41%
<b>Net Profit</b>	<b>4,863</b>	<b>4,048</b>	<b>20.13%</b>	<b>4,361</b>	<b>4,211</b>	<b>3.56%</b>
<b><u>Distributed as follows:</u></b>						
<b>Parent Company Shareholders</b>	<b>4,792</b>	<b>4,172</b>	<b>14.86%</b>			
<b>Minority Rights</b>	<b>71</b>	<b>(124)</b>	<b>157.26%</b>			
<b>EPS</b>	<b>0.0908</b>	<b>0.0790</b>	<b>14.94%</b>	<b>0.0826</b>	<b>0.0798</b>	<b>3.51%</b>

#### **At the Parent Company Level:**

In 2012, sales of durable consumer goods increased by 5.80%, accounting for 99.27 mil € over 93.82 mil € received in the fiscal year 2011.

Air conditioners sales, increased by 7.07% in 2012, amount to 94.18 mil € against 87.96 mil € in 2011, while company's exports account for 56.84 mil €.

Sales of ESKIMO white appliances, after the constant upgrade and additions of new products in the range of the branch, significantly increased by 48.30%, accounting for 1.75 mil € compared to 1.18 mil € received in the previous fiscal year.

Sales of SHARP products (white and brown appliances) account for 3.35 mil € in 2012 against 4.75 mil € in 2011, presenting a 29.47% decrease.

Gross profit margin decreased by 3.02 bases units (from 27.11% in 2011 to 24.09% in 2012) mainly due to the aggressive discount policy, implemented by the management team, which led to important increase in sales in the domestic market. At the same time, company managed to minimize its doubtful receivables, due to the fact that a prime percentage of sales was realized in cash. Owing to said decisions, company's cash equivalents remained at a satisfactory level (17.43 mil € as at 31/12/2012), despite the debt payments (10.4 mil €) made during the year as well as the occasional increase of creditors (31.06 mil € in 2012 against 20.27 mil € in 2011), attributed to the mentioned rise of domestic sales in the last months 2012.

As at 31/12/2012, total liabilities decreased by 5.59%, amounted to 67.41 mil € against 71.40 mil € in 2011.

Despite its turnover increase, Company's general expenses presented a 5.27%, downward movement accounting for 17.25 mil € in 2012 against 18.20 mil € in 2011. Said decrease was achieved due to the constant aim of the management team to reduce operating costs, apart from the number of employees and their salaries which remained unchanged.

In 2012, EBITDA accounts for 7.20 mil €, against 7.34 mil € in 2011, while the respective operating profit margin also dropped to 7.25% from 7.80% in 2011. Said 1.85% decrease of EBITDA is mainly due to the mentioned reduction of gross profit margin.

Net profit amounted to 5.50 mil € in 2012 over 5.46 mil € in 2011, presenting a 0.82% increase.

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

Group turnover, significantly increased by 11,43%, accounts for 111.12 mil € in 2012, over 99.72 mil € received in 2011.

Group's sales arising from the energy sector were over doubled during the last fiscal year. The 111.84% increase in income received from energy sold (11.63 mil € in 2012 against 5.49 mil € received in 2011) comes as a result of the 1<sup>st</sup> full operational year of the 35.4 mw wind park installed in Ermionida in Argolida prefecture, owned by AIOLIKI ADERES S.A., which is a 100% subsidiary of RF ENERGY S.A.

Group's gross profit amounted to 29.57 mil € in 2012 over 28.12 mil € in 2011, presenting a 5.15% increase due to said revenue rise in the energy sector.

Gross profit margin presents a downward movement of 1.59 base units, accounting for 26.61% in 2012 against 28.20% in 2011, as a result of the mentioned decrease in gross profit margin of the Parent Company.

EBITDA presents a 38.65% increase in 2012, reaching the level of 14.42 mil € against 10.40 mil € in 2011, while the respective operating profit margin rises to 12.98% from 10.43% in 2011.

General Expenses decreased in 2012 by 1.71%, accounting for 19.39 mil € (19.72 mil € in 2011), representing the 17.45% of Group's turnover against 19.78% in 2011.

Group's net financial expenses present a 23.65% increase, amounted to 4.07 mil € against 3.29 mil € in 2011. Despite the proceeds arisen from exchange differences, due to the positive variation of the exchange rate of euro against dollar (0.28 mil € receivable in 2012 from 1.03 mil € payable in 2011), said increase is mainly due to:

1. Increase in interests payable (4.61 mil € in 2012 against 2.66 mi. € in 2011) and
2. Decrease in interests receivable (0.58 mil € in 2012 against 0.69 mil € in 2011)

Group's total liabilities stand for 143.50 mil € against 146.45 mil € in 2011, reduced by 2.01% owing to the reduction of Parent Company's total liabilities.

EBT present a 16.95% increase in 2012, amounted to 6.55 mil € (5.60 mil € in 2011), representing 5.89% of Group's Turnover compared to the respective 5.62% achieved in fiscal year 2011.

In 2012, Group's total financial result was notably affected by the special contribution of 0.51 mil €, implemented from 1/7/2012 on revenues arisen from the energy sector, based on law 4093/2012.

Group's net profit after taxes and minority rights rose to 4.79 mil € against 4.17 mil € in 2011, presenting a 14.86% increase.

For the fiscal year 2013, the management team has set as principal objective to further support Company's extraversion, extending its presence in the European market and further ameliorating the services provided in the markets where it is active. In the domestic market management team aims to maintain Company's leading position in the field of air conditioning. To deal with the specific goal, F.G. EUROPE S.A. undertook the distribution of MIDEA products for the Greek Market, providing from mid 2012 and from March 2013 a full set of air conditioners and a wide range of white appliances respectively.

Additionally, the Company managed to renegotiate the existing commercial agreement with SHARP, achieving more favorable terms of cooperation and competitive prices compared to similar products provided from competitors. As a result the Company estimates that demand and respective proceeds from consumer electronics, refrigerators and microwave ovens of SHARP will significantly increase in the following months.

Referring to ESKIMO products, it is believed that the Brand will maintain its upward movement, ameliorating its presence into the Greek Market.

In the field of renewable energy sources, several subsidiaries of the Group acquired energy production licenses from wind parks of 294 MW nominal power in South Evia, while other 69 MW of energy production licenses are expected to be granted in the following months. Additionally, in 2012, subsidiary CITY ELECTRIC S.A. became the first Greek company who acquired an energy production license from offshore wind park of 498.15 MW nominal power near the island of Lemnos in north Aegean sea. Finally, the Group acquired 4 energy production licenses from respective biogas plants of 9.328 MW total nominal power.



Based on the abovementioned facts and despite the current effect of the special taxation implemented on proceeds from the energy sector, Group's total turnover will be significantly benefited, taking into consideration the future revenues arising through RF ENERGY S.A. and its subsidiaries.

Financial Statements for the fiscal year ended December 31st, 2012 are available to the public on the Company's website (URL: <http://www.fgeurope.gr>) under section "Investors Relations".

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