

PRESS RELEASE

May 30th 2014

1st Quarter 2014 Financial Results of F.G. EUROPE S.A. Group

- Sales increase in domestic market.
- Decrease in Group's net financial results.
- Negative effect on Group's financial results, due to both the extraordinary taxation of 10% on revenues arising from energy sector (Law 4093/2012) in 2014 and the credit note of 10%, implemented on revenues from energy sector in 2013, under the provisions of Law 4254/14.

The change of Company's development strategy in Turkey temporarily affected its sales in this market, which in the 1st quarter presented a 63.37% decrease and a further 35.53% decline in Company's total exports. The current situation is expected to normalize by the launch of the Group's subsidiary in Turkey, in June 2014.

Sales in the domestic market presented a 6.24% increase, limiting Company's total sales decrease to the level of 24.55%. Sales ratio between domestic over foreign markets stood in the 1st quarter 2014 to 37% / 63% versus 26% / 74% of the respective sales in 2013.

Said decrease in exports affected both Company's EBT and net income, amounted to € 0.05 mil and € 0.02 mil respectively, from € 1.23 mil and € 0.89 mil in the 1st quarter 2013.

The obligation to issue a credit note on revenues achieved in 2013 from the energy sector, under the Law 4254/7-4-2014, had a further negative effect on Group's results. Said credit note of € 1.02 mil affected Group's turnover and EBT, amounted to € 0.94 mil loss.

(amounts in '000 €)	Group			Company		
	1/1- 31/3/2014	1/1- 31/3/2013	Δ%	1/1- 31/3/2014	1/1- 31/3/2013	Δ%
Turnover	14,648	20,990	-30.21%	13,297	17,624	-24.55%
(Minus): C.G.S.	(10,544)	(13,555)	-22.21%	(8,948)	(12,112)	-26.12%
Gross Profit	4,104	7,435	-44.80%	4,349	5,512	-21.10%
Gross Profit Margin	28.02%	35.42%	-7.40 μ	32.71%	31.28%	1.43 μ
General Expenses	(3,969)	(4,371)	-9.20%	(3,478)	(3,593)	-3.20%
Operating Profit	169	3,117	-94.58%	900	1,971	-54.34%
EBITDA	1,328	3,821	-65.24%	1,187	1,780	-33.31%
EBITDA Margin	9.07%	18.20%	-9.13 μ	8.93%	10.10%	-1.17 μ
Net Financial Results	(1,113)	(1,260)	-11.67%	(849)	(739)	14.88%
EBT	(944)	1,857	-	51	1,232	-95.86%
Income Tax	168	(325)	-	30	(347)	-
Net Profit	(776)	1,532	-	21	885	-97.63%
<u>Distributed as follows:</u>						
Parent Company Shareholders	(367)	1,169	-	-	-	-
Minority Rights	(409)	363	-	-	-	-
EPS	(0.0070)	0.0221	-	(0.0004)	0.0168	-

At the parent Company Level:

In the 1st quarter 2014 Total sales amounted to € 13.30 mil against € 17.62 mil in the corresponding quarter 2013, presenting a 24.55% decrease.

Air Conditioners total sales, decreased by 26.00% due to said decline in sales in Turkish market, amounted to € 12.43 mil against € 16.80 mil in the 1st quarter 2013. Air conditioners domestic sales presented an upward movement by 6.52%, amounted to € 4.05 mil over € 3.80 mil in the 1st quarter 2013, while respective exports limited to € 8.38 mil against € 12.99 mil in 2013.

Domestic sales of white goods, under the own brand name ESKIMO, slightly fell to € 0.39 mil versus € 0,41 mil in 2013, while sales of SHARP products presented a 20.10% increase in the respective period, amounted to € 0.47 mil against 0.39 mil in the 1st quarter 2013.

Gross profit margin slightly increased, accounting for 32.71% versus 31.28% in 2013. The improvement of GPM made the reduction in gross profit to be proportionally less than the reduction in total sales (21.10% compared to 24.55% respectively).

Cash & Cash Equivalents significantly increased in the 1st quarter 2014, amounted to the level of € 22.22 mil versus € 10.71 mil at 31/12/2013.

To meet the expected demand in view of the summer season, the stock increased to € 56,67 mil compared to € 40,43 mil at the end of 2013.

At the Group Level:

Group's total sales amounted to € 14.65 mil against € 20.99 mil in the 1st quarter 2013, decreased by 30.21%.

Revenues received from the energy sector in the 1st quarter 2014 significantly decreased to € 1.35 mil against € 3.35 mil in 2013, mainly due to abovementioned deduction of 10% on the revenues arising in 2013 (€ 1.02 mil - Law 4254/2014) and the unfavorable wind conditions occurred in the 1st quarter 2014.

Group's gross profit presented a 44.80% decrease, amounted to € 4.10 mil over € 7.44 mil achieved in the respective period in 2013.

EBITDA dropped to € 1.33 mil against € 3.82 mil in 2013, while operating margin (EBITDA/Sales) accounts for 9.07% versus 18.20% in 2013.

General expenses (Administration - Distribution – Miscellaneous) fell by 9.20%, amounted to € 3.97 mil compared to € 4.37 mil in 2013, bringing the ratio General Expenses / Sales to 27.10% against 20.82% in the 1st quarter 2013.

Group's net financial expenses decreased to € 1.11 mil against € 1.26 mil in 2013 mainly due to positive exchange differences of € 0.25 mil achieved in the 1st quarter 2014 (negative exchange differences of € 0.23 mil occurred in the same period in 2013).

Group's total liabilities presented a 22.52% increase, accounting for € 145.23 mil against € 118.54 mil at 31/12/2014. Said increase is primarily due to the rise in trade and other payables, resulted from the stock increase with a view to meeting the expected demand in the forthcoming period.



EBT amounted to € 0.94 mil loss against € 1.86 mil profit in the 1st quarter 2013, entirely due to the credit note of € 1.02 mil, implemented by the provision of Law 4254/2014.

Group's Net profit after tax and minority rights amounted to € 0.367 mil loss compared to € 1.169 mil profit for the corresponding quarter in 2013.

The Management Team of the Group strongly estimates that both Parent Company's and Group's Sales will significantly augment in the forthcoming period in the domestic market as well as in active markets abroad.

Financial Statements for the three month period ended March 31st, 2014 will be available to the public on the Company's website (URL: <http://www.fgeurope.gr>) under section "Investors Relations" on 30/5/2013.

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