

PRESS RELEASE

November 21st, 2008

F.G. EUROPE S.A. Financial Results for the Nine-month period ended September 30, 2008

- **Net Profits increased by 34.46%**
- **Durable Consumer Goods Sales Revenue continued to grow**
- **Increase of Exports**

Sales of durable consumer goods for the nine-month period ended September 30, 2008 continued to grow, positively affecting FG Europe's financial results. In particular, revenue from sales of durable consumer goods during the nine-month period of 2008 amounted to Euro 111.21 million against Euro 98.95 million for the previous corresponding period of 2007, posting a 12.4% increase. This can largely be attributed to the continued increase in sales of air-conditioners, which, during the nine-month period alone, reached Euro 98.74 million and outgrew total air-conditioners sales for the whole FY 2007 (Euro 97.87 million).

Earnings Before Tax for the parent company posted an increase of 29.14%, amounting to Euro 22.82 million, compared to Euro 17.67 million for the respective period of 2007, largely affected by the increase in sales of durable consumer goods.

Earnings After Tax rose to Euro 16.91 million against Euro 12.57 million for the relevant nine-month period of 2007, posting an increase of 34.5%.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to Euro 24.98 million for the period in question, compared to Euro 18.80 million for the previous corresponding period of 2007, increased by 32.9%. As a result EBITDA margin for the period in question was 20.00% against 14.67% for the relevant period of 2007.

(Amounts in Euro thousands €)	<u>Consolidated</u>			<u>Company</u>		
	<u>1/1- 9/30/2008</u>	<u>1/1- 9/30/2007</u>	<u>Δ%</u>	<u>1/1- 9/30/2008</u>	<u>1/1- 9/30/2007</u>	<u>Δ%</u>
Sales Revenue	126,289	128,678	-1.86%	124,929	128,113	-2.48%
Less: Cost of Sales	(86,784)	(96,494)	-10.06%	(86,054)	(96,411)	-10.74%
Gross Profit	39,505	32,184	22.75%	38,875	31,702	22.63%
Gross Profit margin	31.28%	25.01%	25.07%	31.12%	24.75%	25.74%
Less: Other Expenses	(17,249)	(13,797)	25.02%	(16,181)	(12,970)	24.76%
EBIT	22,923	18,746	22.28%	23,332	19,090	22.22%
EBITDA	25,409	18,545	37.01%	24,978	18,796	32.89%
EBITDA margin	20.12%	14.41%	39.63%	20.00%	14.67%	36.33%
Financial cost, net	(2,065)	(1,642)	25.76%	(509)	(1,417)	-64.08%
Earnings Before Tax	20,858	17,104	21.95%	22,823	17,673	29.14%
Less: Income Tax	(5,658)	(5,005)	13.05%	(5,917)	(5,100)	16.02%
Net Profit for the period	15,200	12,099	25.63%	16,906	12,573	34.46%
Attributable as follows:						
Parent Company	15,862	12,263	29.35%			
Minority Interest	(662)	(164)				
Earnings per share	0.3004	0.2323	29.32%	0.3202	0.2381	34.48%

More specifically, at parent company level:

Total revenue from sales was €124.93m for the nine-month period ended September 30 2008, compared to €128.11m in the previous corresponding period, posting a marginal decrease of 2.48%.

Sales of air-conditioners increased by 18% and rose to €98.74m, against €83.47m in the respective nine-month period of 2007. Sales of air-conditioners in the domestic market continued to grow, generating €65.18m of revenue, compared to €54.15m in the relevant period of 2007, representing an increase of 20%, while exports of air-conditioners to foreign markets where the company is active rose to €33.55m for the nine-month period of 2008, against €29.32m for the respective period of 2007, representing a significant increase of 14%. It is worth also noting that for the six-month period ended June 30 2008 this percentage was 7%.

Sales of ESKIMO and SHARP white electrical home appliances (marginally increased compared to the first half of 2008, when they had dropped by 21%) amounted to €7.67m, against €9.08m for the nine-month period of 2007, representing a decrease of 16%.

Sales of SHARP Consumer Electronics saw a decrease of 25% during the nine-month period, amounting to €4.80m, against €6.39m for the relevant period of 2007.

Within the framework of the Company's implemented policy of gradual withdrawal from the low-profit margin mobile telephony market, sales of mobile telephony products continued to decrease by 53% and amounted to €13.72m for the nine-month period ended September 20 2008, as opposed to €29.16m during the previous corresponding period of 2007.

Consolidated group figures:

Total revenue from sales was €126.29m for the nine-month period ended September 30 2008, compared to €128.68m in the previous corresponding period, posting a marginal decrease of 1.86%.

Gross profit amounted to €39.51m, compared to €32.18m in the respective nine-month period of 2007, representing an increase of 22.75%. This increase can largely be attributed to the on-going change in sales mix (sales of durable consumer goods now account for 89% of total revenue generated from sales for the parent company) and the decrease in cost of sales which dropped by 10%. Gross profit margin thus closed at 31.28% for the nine-month period of 2008, against 25.01% for the corresponding period of 2007, representing an increase of 25%.

Earnings before interest, tax, depreciation and amortization as a percentage of sales reached 20.12%, compared to 14.41% in the corresponding previous period of 2007, posting an increase of €6.86m, or 39.63%.

Administrative, distribution and other expenses rose to a total of €17.25m for the period in question, against €13.80m for the corresponding period of 2007, resulting to a change in the Other Expenses/Sales Revenue ratio, which closed at 13.66%, compared to 10.72% for the corresponding period of 2007. This 2.74 point increase can mainly be attributed to an increase noted in logistics cost, as a result of the increase in sales of durable consumer goods.

Net financial result (cost) increased by 25.76% compared to the relevant period of 2007, and amounted to a total of €2.07m against €1.64m. Financial revenues from positive (credit) exchange rate differences, and other sources reached a total of €2.73m for the period in question against €2.04m for the corresponding period of 2007, representing an increase of 33.83%, but these were counterbalanced by a 30% increase in financial expenses, as a result of an increase in debt liabilities of the parent company, as well as its subsidiaries operating in the energy sector, which counted towards shaping the final net financial result for the Group.

Total liabilities for the Group posted an increase of 51.40%, amounting for the period in question to €153.46m against €101.36m in the corresponding nine-month period of 2007. This increase can mainly

be attributed to: a) the increase in short-term and long-term debt obligations, due to additional financing that the increase in sales of durable consumer goods required (which respectively resulted to a 44.27% increase in trade receivables); b) the increase of obligations towards vendors (due to the increase of 37.68% in stock inventories in order to satisfy increased demand, mainly for air-conditioners); and c) additional financing needs requested for subsidiary R.F. ENERGY S.A., operating in the energy sector.

Net earnings before tax increased by 21.95%, and amounted to €20.86m in the nine-month period of 2008, against €17.10m in the corresponding previous period of 2007, thus shaping the EBT/Sales ratio to 16.52% against 13.29%, for the relevant period of 2007.

Net earnings after tax and minority interest amounted during the nine-month period of 2008 to €15.20m, against €12.10m in the corresponding previous period of 2007, representing an increase of 25.63%.

Finally, Management estimates, taking also into consideration figures from up-to-date sales, that financial result for the whole Fiscal Year 2008 will largely fall along the lines of the previously announced on September 17th, 2008 revised projected financial results of FY 2008.

Financial Statements for the nine-month period ended September 30, 2008 are available on the Company's website (URL: <http://www.fgeurope.gr>) under section "Investors Relations".

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