

PRESS RELEASE

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Annual 2008 Results of F.G. EUROPE S.A. Group

- **Sustaining of increasing rates in sales of durable consumers goods, spearheaded by air conditioners sales**
- **Exports increase – Dynamic entrance in Turkey's Market**
- **Significant revenues increase due to energy sales**

During the fiscal year 2008 F.G. EUROPE S.A. has successfully managed to maintain an upwards trend in sales of durable consumer goods, mainly due to both air conditioners sales and increase of exports.

In the middle of adverse economic conditions, due to global financial crisis with a significant impact in Greek Market, especially in the last four months of the fiscal year 2008, FG EUROPE S.A. achieved a 12.85% increase of air conditioners sales, compared to 2007 a year in which the respective sales reported a record rise of 88%.

Reported increase in sales of air conditioners also contributed to the final result, with the net after tax income rising to €16.50m against €14.55m of respective net after tax income in 2007, posting an increase of 13.40%.

According to the above results, the Board of Directors intends to bring a proposal to the Annual Shareholders Meeting of 14/4/2009 to approve a 26.5 cent of Euros per share dividend distribution for the fiscal year 2008 (against dividends of 22 cents per share in 2007). After the deduction of the 12 cents per share interim dividend distribution on 29/8/2008, the remaining dividend distribution to the shareholders will reach 14.5cents of Euros per share.

(Amounts in ths €)	Όμιλος			Εταιρία		
	1/1- 31/12/2008	1/1- 31/12/2007	Δ%	1/1- 31/12/2008	1/1- 31/12/2007	Δ%
Sales Revenues	144,555	154,477	-6.42%	142,502	153,714	-7.29%
Less: Cost of Goods Sold	(98,435)	(115,222)	-14.57%	(97,264)	(115,074)	-15.48%
Gross Profit	46,120	39,255	17.49%	45,238	38,640	17.08%
<i>G.P.M.</i>	<i>31.90%</i>	<i>25.41%</i>	<i>25.54%</i>	<i>31.75%</i>	<i>25.14%</i>	<i>26.29%</i>
Other Operating Income	877	626	40.09%	846	581	45.61%
General Expenses	(22,919)	(18,373)	24.74%	(21,417)	(17,290)	23.87%
Operating Income	24,078	21,508	11.95%	24,667	21,931	12.48%
EBITDA	26,846	22,241	20.70%	26,289	22,363	17.56%
<i>EBITDA(% on sales)</i>	<i>18.57%</i>	<i>14.40%</i>	<i>28.96%</i>	<i>18.45%</i>	<i>14.55%</i>	<i>26.80%</i>
Financial Expenses	(3,656)	(2,934)	24.61%	(2,080)	(1,880)	10.64%
EBT	20,422	18,574	9.95%	22,587	20,051	12.65%
Tax Income	(5,748)	(5,347)	7.50%	(6,085)	(5,502)	10.60%
Net Income	14,674	13,227	10.94%	16,502	14,549	13.42%
Distributed as follows:						
Parental Company	15,251	13,468	13.24%			
Minority Interests	(577)	(241)				
Earnings per Share	0.2888	0.2551	13.21%	0.3126	0.2755	13.47%

More specifically, with regard to figures at parent company level:

Revenue from sales of durable consumer goods amounted for 2008 to €127.08m compared to €119.06m in 2007, representing an increase of 6.74% or €8.02 million. Said increase in aggregated durable consumer goods sales came mainly as a result of the increase in sales of air-conditioners, which amounted for the fiscal year 2008 to €110.45m compared to €97.87m in 2007, representing an increase of 12.85%.

Sales of air-conditioners in the Greek market rose to €66.80m compared to €61.50m in 2007, representing an increase of 8.62%. Exports of air-conditioners also posted an increase of 20.05%, amounting to €43.65m against €36.36m in 2007. Exports in Turkey, where the Company is active since January 1st 2008, rose to €6.85 million.

Total revenue from sales for the Company rose in 2008 to €142.50m compared to €153.71m in 2007, posting a marginal decrease of 7.29%. Said decrease can be attributed to a) the ongoing decrease in sales of mobile telephony products, which for the fiscal year 2008 reached the percentage of 55.83% (and which came in accordance with the Company's policy of gradual withdrawal from the market of mobile telephony), and b) the decrease by 17.39% noted in sales of ESKIMO and SHARP white electrical home appliances (sales of which amounted to €9.69m in 2008, against €11.73m in 2007) and decrease by 25.37% noted in sales of SHARP consumer electronics (sales of which amounted to €7.03m in 2008, against €9.42m in 2007).

The abovementioned increase in aggregated sales of durable consumer goods, despite the decrease noted in sales of white electrical consumer goods and consumer electronics, resulted in an overall increase of 12.66% in the Company's earnings before tax, which rose to €22.59m in fiscal 2008 compared to €20.05m in the previous corresponding period of 2007.

Earnings Before Interest Tax Depreciation and Amortization (EBITDA) in the fiscal year 2008 amounted to €26.29m against €22.36m in 2007, posting an increase of 17.58%. EBITDA margin accordingly rose to 18.45% as opposed to 14.55% in 2007.

Consolidated Group figures Σε επίπεδο Ομίλου:

Total Group revenue in fiscal 2008 amounted to €144.56m, compared to €154.48m in 2007, representing a decrease of 6.42%, due to the abovementioned impact from the decrease in sales of mobile telephony products and white electrical consumer appliances and consumer electronics of the parent company.

It is also worth mentioning that revenue from sales of electricity from the Group's subsidiary undertaking active in the energy sector highly contributed to the Group's financial outcome, as it amounted to €1.611m in 2008, against €0.268m in 2007, representing an increase of 501%. The spectacular increase noted came mainly as a result of the launch of operation in April 2008 of the wind farm owned by the subsidiary company KALLISTI ENERGIAKI S.A.

Gross profit posted an increase of 17.47%, amounting to €46.12m compared to €39.26m for the fiscal year 2007. The increase in gross profit noted can be attributed to a) the decrease in cost of goods sold, and b) the change noted in sales mix due to the ongoing increase in durable consumer goods from the parent company and the decrease in sales of mobile telephony products.

Gross Profit Margin thus accordingly rose to 31.90% in fiscal 2008, against 25.41% in 2007.

Earnings before interest, tax, depreciation and amortization, as a percentage of total sales revenue rose to 18.57% for the fiscal 2008 compared to 14.40% in fiscal 2007, representing an increase of €4.61m or 20.72%.

Administrative – Distribution – Other Expenses: Administrative, distribution and other expenses amounted in 2008 to €22.92m compared to €18.37m in 2007, representing an increase of 24.77% or €4.55m. Said increase mainly pertains to distribution expenses of the parent company which can

mainly be attributed to: a) increased cost of logistics due to the increase noted in sales of durable consumer goods, b) increased transportation costs, due to the important increase noted in oil prices, and c) the almost doubled promotion and advertising expenses, which came as a result of the corporate communication and product advertising campaigns executed.

Net financial expenses for the Group, increased by €0.73m, reached a total of €3.66m in 2008 against €2.93m in 2007. Said 24.91% increase noted in net financial expenses came as a result of the increase noted in short-term bank borrowings, as well as the significant increase noted during the second half of the fiscal year 2008 in interest rates. Said increase in financial expenses was not counterbalanced by the increase noted to financial income, which amounted to €4.33m against €2.20m in fiscal 2007.

Total liabilities for the Group posted an increase of 86.93% in 2008, amounting to €189.47m against €101.36m in 2007. Said increase in total liabilities came mainly as a result of the increase in long-term and short-term borrowings from banks, which on the other hand is largely counterbalanced by the significant increase in cash and cash equivalents, which as at 31/12/2008 amounted to €67.73 million.

More specifically, as at 31/12/2008, net amount of obligations towards banks was €74,96m against €9,35m in the respective period of 2007. Said €15,61m increase or 26,3% was used to finance additional needs resulting from the increase noted in sales of durable consumer goods, as well as financing needs for the development of R.F. ENERGY S.A. subsidiary undertakings.

A further €15.20m increase of obligations towards vendors is counterbalanced by an increase of 80.63% in inventories, which as at 31/12/2008 amounted to €64.06 million. Such increase in inventories, mainly pertaining to air-conditioners, constitutes Management's strategic decision, given the significant gains expected to arise from sales of inventories, due to the fact that imported items are priced in dollars and, under the current exchange rates, such gains are estimated at 19% of cost, which offsets any contingent financial cost and logistics cost.

Earnings before tax posted an increase of 9.96%, amounting to €20.42m in fiscal 2008, compared to €18.57m in 2007. Thus Earnings Before Tax to Sales Ratio accordingly increased to 14.13% in 2008 against 12.02% in 2007

Earnings before tax and minority interest amounted in 2008 to €14.67m compared to €13.23m in 2007, representing an increase of 10.88%.

Annual Financial Statements of 31 December 2008 are at the disposal of potential investors at the following web address: <http://www.fgeurope.gr> at the section «Investor Relations».

For further information you may contact with the investors relation Department of F.G. EUROPE S.A. Vouliagmenis 128 Str, P.c.: 166 74 Glifada, Tel.: +30 210 9696500, Fax +30 210 9603802, ir@fgeurope.gr.