

PRESS RELEASE

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F.G. EUROPE S.A. 1st Quarter 2009 Financial Results

- **Increased exports of air-conditioners to foreign markets**
- **Significant increase in revenue from activities in the energy sector**

Global financial crisis and its subsequent effects in consumer behaviour finally affected F.G. EUROPE's continued over the last years growth in sales of durable consumer goods. Sales of durable consumer products therefore amounted in first quarter of 2009 to a total of €16.61m against €20.73m in the previous corresponding period of 2008, posting a decrease of 20%.

Decreased sales of air conditioners in the Greek market were partly counterbalanced by a 17% increase of exports. Total sales of air-conditioners in the first quarter of 2009 amounted to a total of €14.24m and, despite a decrease noted against sales in the corresponding period of 2008, they remained at slightly increased levels against respective sales in the first quarter of 2007 (which is considered to be a record-high benchmark year for the company, particularly with regard to sales of air-conditioners).

Gross profit margin, considerably benefited from the €/€ exchange rate used in exports, increased by 3.91%.

Nevertheless, total decrease in sales of durable consumer goods resulted to a decrease of 82.79% in Earnings before tax which amounted to €0.85m, against €4.95m in the previous corresponding period. Net profits after tax for the 1st quarter 2009 amounted to €0.61m, as opposed to €3.72m in the previous corresponding period, decreased by 83.65%.

It should also be noted that F.G. EUROPE's financial results were considerably affected by finance expenses incurred during the 1st quarter 2009 in the amount of €1.00m, as opposed to finance income in the amount of €1.69 in the previous corresponding period.

(amounts in € thousands)	<u>Consolidated</u>			<u>Company</u>		
	<u>1/1- 31/3/2009</u>	<u>1/1- 31/3/2008</u>	<u>Δ%</u>	<u>1/1- 31/3/2009</u>	<u>1/1- 31/3/2008</u>	<u>Δ%</u>
Sales revenue	20,379	25,200	-19.13%	19,315	25,001	-22.74%
Less: Cost of sales	(14,034)	(17,905)	-21.62%	(13,617)	(17,904)	-23.94%
Gross profit	6,345	7,295	-13.02%	5,698	7,097	-19.71%
<i>Gross profit margin</i>	<i>31.13%</i>	<i>28.95%</i>	<i>7.53%</i>	<i>29.50%</i>	<i>28.39%</i>	<i>3.91%</i>
Less: Other expenses	(4,571)	(4,440)	2.95%	(4,014)	(4,151)	-3.30%
EBIT	1,939	3,189	-39.20%	1,849	3,264	-43.35%
EBITDA	2,073	4,628	-55.21%	1,616	4,627	-65.07%
<i>EBITDA margin</i>	<i>10.17%</i>	<i>18.37%</i>	<i>-44.64%</i>	<i>8.37%</i>	<i>18.51%</i>	<i>-54.78%</i>
Finance income/(expense)	(974)	611	259.41%	(997)	1,688	159.06%
Earnings Before Tax	965	3,800	-74.61%	852	4,952	-82.79%
Income tax	(352)	(1,148)	-69.34%	(243)	(1,228)	-80.21%
Net profit for the period	613	2,652	-76.89%	609	3,724	-83.65%
Attributable to:						
Shareholders of the parent company	534	2,801	-80.94%			
Minority interest	79	(149)	153.02%			
Basic earnings per share	0.0101	0.0530	-80.94%	0.0115	0.0705	-83.69%

More specifically, at parent company level:

Total sales in the first quarter 2009 amounted to €19.32m against sales in the amount of €25.00m in the first quarter of 2008, posting a decrease of 22.74%.

Sales of air-conditioners saw a total decrease of 19% and amounted to €14.24m in the first quarter of 2009, against €17.59m in the previous corresponding period of 2008. Said decrease can largely be attributed to decreased sales in the Greek market, which shrunk to €5.58m against €10.23m in the first quarter of 2008. On the other hand exports of air-conditioners saw a noteworthy increase of 17% during the first quarter of 2009 and amounted to €8.53m against €7.29m in the previous corresponding period, which partly counterbalanced decreased sales in domestic market.

Sales of ESKIMO and SHARP white electrical home appliances amounted to €1.26m as opposed to €1.67 in previous corresponding period of 2008, decreased by 25%.

Sales of SHARP Consumer Electronics also decreased by 24% and amounted in the first quarter of 2009 to €1.11m against €1.46 in the previous corresponding period.

Finally, 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 a further 37% and amounted to €2.71m for the first quarter of 2009, as opposed to €4.28m during the previous corresponding period of 2008.

Total liabilities of the Company posted a considerable decrease of 25.97% during the first quarter of 2009 and amounted to €114.91m as at 31/01/2009, as opposed to €155.21m as at 31/12/2008, mainly due to the decrease noted to short-term and long-term borrowings, as well as the decrease of payables to suppliers.

Said decrease in total liabilities came mainly as a result of: a) decreased by 14.26% inventories which as at 31/3/2009 amounted to €54.89m against €64.02m as at 31/12/2008, and b) decreased by 30.58% in payables (the amount of €18.98m was paid), which stood at €62.06m as at 31/12/2008 and following payment of €18.98m decreased to €43.08m as at 31/03/2009.

Consolidated group figures:

Total revenue for the Group amounted to €20.38m, as opposed to €25.20m in the previous corresponding period of 2008, decreased by 19.13%, as a result of the aforementioned decrease in sales of the parent company.

A spectacular increase of 732% was noted in revenue from activities in the energy sector, which rose to €1.09m against €0.13m in the previous corresponding period and €1.61m in the whole of fiscal 2008.

Gross profit for the Group decreased by 13.02%, mainly due to decreased sales of durable consumer products, and amounted to €6.35m against €7.30 in the previous corresponding period of 2008. Gross profit margin increased to 31.13% against 28.95% in the 1st quarter of 2008, posting an increase of 7.35%.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA), amounted to €2.07m, against €4.63m, decreased by 55.21% compared to the previous corresponding period, mainly due to the decrease in sales of durable consumer products. Consequently, EBITDA margin for the first quarter 2009 close at 10.17% against 18.37% in the first quarter of 2008, posting a decrease of 44.64%.

Administrative, distribution and other expenses rose in the first quarter of 2009 to a total of €4.57m against €4.44m in the corresponding period of 2008, resulting to a change in the Other Expenses/Sales Revenue ratio, which closed at 22.43%, against 17.62% in the corresponding quarter of 2008. This



2.93% increase in other expenses is mainly an outcome of the operations of the Company's subsidiaries, particularly in the energy sector, whereas the parent company's expenses appear decreased by 3.30%.

Net financial result (cost), in the amount of €0.97m is significantly increased compared to the previous corresponding period of 2008 during which the net financial result was income in the amount of €0.61m (a difference in the amount of €1.59m). It should be noted that said finance income in the first quarter of 2008 was mainly a result of credit exchange rate differences in the amount of €1.37m, against debit exchange rate differences during the reported period in the amount of €0.15m.

Total liabilities for the Group posted a decrease of 21.80%, and amounted to €148.17m as at 31/3/2009 as opposed to €189.47m as at 31/12/2008. Said decrease came as a result of the aforementioned decrease of 25.97% in total liabilities of the parent company.

Net earnings before tax amounted to €0.97m in the first quarter of 2009, against €3.80m in the previous corresponding period, posting a decrease of 74.61%, thus shaping the EBT/Sales ratio to 4.74% against 15.08%, in the first quarter of 2008.

Net earnings after tax and minority interest for the Group amounted in the first quarter of 2009 to €0.61m, against €2.65m in the previous corresponding period of 2008.

Financial Statements for the three month period ended March 31st, 2009 are available to the public on the Company's website (URL: <http://www.fgeurope.gr>) under section "Investors Relations".

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