

Results for the Third Quarter ended 30 September 2015

Athens, Greece, 10 November 2015 – Frigoglass SAIC (“Frigoglass” or “we” or the “Group”) announces unaudited results for the quarter and nine months ended 30 September 2015

Third Quarter 2015 Highlights

- Continued sales growth momentum with Coca-Cola customers; up 39% year-on-year
- 27% increase in sales driven by Africa and Asia, helped by favourable comparatives
- Deteriorating economic conditions in Russia impacted customer investments
- Focus on operating expense containment contributed to EBITDA improvement
- Glass business disposal is progressing in line with plan for completion by year-end

Financial Results

€ 000's	3Q15	3Q14	Change, %	9M15	9M14	Change, %
Sales ¹	66,061	52,225	26.5%	263,733	253,284	4.1%
EBITDA ¹	209	-1,612	n.m.	20,261	20,725	-2.2%
EBITDA Margin, %	0.3%	-3.1%	3.4pp	7.7%	8.2%	-0.5pp
Operating Profit (EBIT) ¹	-3,461	-5,760	n.m.	9,015	7,545	19.5%
Adj. Net Profit from Continuing Operations ²	-16,916	-10,858	n.m.	-20,959	-14,670	n.m.
Net Profit from Discontinued Operations ³	307	9	>100%	388	440	-11.8%
Total adj. Net Profit ⁴	-16,609	-10,849	n.m.	-20,571	-14,230	n.m.

1. Continuing Operations (Cool Operations)

2. Adjusted Net Profit from Continuing Operations excludes restructuring charges and one-off items in 9M14. Refer to “Reconciliation of Reported to Adjusted Financial Results” on page 8

3. Glass Operations reclassified as Discontinued Operations. Please refer to Note 28 of the Financial Statements

4. Total adjusted Net Profit includes Discontinued Operations and excludes restructuring charges and one-off items. Refer to “Reconciliation of Reported to Adjusted Financial Results” on page 8

Nikos Mamoulis, Chief Executive Officer of Frigoglass, commented:

"Our innovation leadership contributed to robust sales growth to Coca-Cola bottlers for three consecutive quarters. We concluded the quarter with a double-digit sales growth driven by increased cooler placements in Africa and Asia, aided also by last years' weak performance in Africa. Sales growth, recent restructuring initiatives and operating expense savings resulted in a year-on-year EBITDA improvement.

In the remainder of the year, trading conditions in some of our key markets remain challenging. In particular, Russia's weakening economy has impacted our customers' investments which will decelerate significantly in the fourth quarter and consequently negatively affect our performance. To limit the impact on our profitability we remain focused on productivity gains and cost efficiency.

We have made good progress on our Glass business divestment and remain on track to complete by the end of the year. This transaction will enable Frigoglass to focus on driving the long-term growth of its core Cooler business in 2016 and beyond."



Financial Overview

Third quarter Cool Operations sales increased by 26.5% to €66.1 million, cycling a weak prior year quarter. On a constant currency basis, sales growth was 23.4%. In line with our expectations, the revenue increase primarily reflects continued strong momentum in Sub-Sahara Africa on higher year-on-year orders from major soft-drink and brewery customers. In this context, South Africa's good performance compares to a weak prior year quarter following a temporary interruption of production due to a four-week strike of metal union workers. Our focus to enhance our presence in Southeast Asia, resulted in a double digit sales growth in this continent. While West Europe's sales were marginally higher than last year's third quarter, our business in East Europe declined year-on-year mainly due to continued challenging market conditions in Russia.

Gross profit (excluding depreciation) increased by 11.7% to €9.5 million, resulting in a gross margin deterioration of 190 basis points year-on-year to 14.3%. A less favorable geographical mix driven by lower contribution of our business in Europe more than offset the related benefits from 2014 restructuring initiatives and productivity improvements.

Operating expenses (excluding depreciation) declined by 10.3% to €9.4 million, improving to 14.2% as a percentage of sales, from 20% last year. Our efforts to enhance organizational efficiency and last year's rightsizing initiatives are the main drivers in operating expenses reduction, despite the non-allocation of certain corporate expenses to Glass Operations.

The higher year-on-year sales level and the operating expense reduction led to an EBITDA of €0.2 million in the quarter, an improvement compared to negative EBITDA of €1.6 million in 3Q14. Depreciation was €3.7 million, 11.5% lower year-on-year, primarily due to the consolidation of the manufacturing base in Europe. Frigoglass reported an Operating Loss (EBIT) of €3.5 million, compared to a loss of €5.8 million in the prior year's third quarter. Net finance costs were €11.3 million in the quarter, up from €6.1 million a year ago, negatively impacted by foreign currency losses mainly stemming from the devaluation of Russian Ruble and South African Rand against the Euro.

Frigoglass reported a net loss from continuing operations of €16.9 million, compared to a net loss of €10.9 million the same period last year. Net profit from discontinued Glass Operations was €0.3 million, compared to a break-even result in 3Q14. Taking into account discontinued operations, we reported a net loss of €16.6 million, compared to a loss of €10.8 million the prior year's quarter.

Capital expenditure from continuing operations reached €3.1 million in the quarter, compared to €2.4 million last year. Net trade working capital from continuing operations was €107.0 million, 3% lower than last year, driven by a 6% reduction of inventory levels. Net debt from continuing operations at quarter-end reached €301.0 million, compared to €271.1 million at the same period last year.



Cool Operations Sales Review

Sales by Geography¹

€ 000's	3Q15	3Q14	Change, %	9M15	9M14	Change, %
East Europe	13,287	15,158	-12.3%	97,181	105,230	-7.6%
West Europe	13,693	13,494	1.5%	45,179	47,583	-5.1%
Asia & Oceania	11,735	8,396	39.8%	55,806	51,213	9.0%
Africa & Middle East	23,709	11,705	>100%	54,146	40,934	32.3%
America	3,637	3,472	4.8%	11,421	8,324	37.2%
Total	66,061	52,225	26.5%	263,733	253,284	4.1%

Sales by Customer Group¹

€ 000's	3Q15	3Q14	Change, %	9M15	9M14	Change, %
Coca-Cola Bottlers	39,680	28,615	38.7%	144,177	103,021	39.9%
Breweries	14,427	10,508	37.3%	76,949	79,101	-2.7%
Other	11,954	13,102	-8.8%	42,607	71,162	-40.1%
Total	66,061	52,225	26.5%	263,733	253,284	4.1%

1. Continuing Operations (Cool Operations)

For a third consecutive quarter, sales growth to Coca-Cola bottlers remained robust, resulting in a 40% increase in the nine month period. Sales to Coca-Cola bottlers were up 39% in the quarter, driven by higher cooler placements in South Africa, Nigeria, Vietnam and China. Sales to brewery customers were strong, significantly recovering from the declining trend of the first two quarters, led by increased cooler investments in Nigeria and South Africa.

Europe and North America

Our Russian business saw sales decline by 40% year-on-year in the quarter, as deteriorating market conditions in the country led our key customers to sharply reduce their investments in coolers. Good performance in Poland and Romania was not enough to neutralize the impact from Russia, resulting in an overall 12% decline in our Eastern European sales. In West Europe, sales were marginally higher than last year's level, with increased sales in France and the United Kingdom more than offset lower customer investments in Germany and Norway. Driven by the recent transformation of our business model in the US, sales grew by a mid-single digit rate in the quarter.

Africa and Middle East

Growth momentum in Africa and Middle East continued in the quarter, with sales doubling, cycling a weak comparative quarter. Sales in South Africa grew more than twofold in the quarter, primarily reflecting last year's impact of the one-month strike from metal union workers that caused a temporary production standstill. Sales in Nigeria grew in double digits, following new product launches in the marketplace as well as earlier deliveries to our customers compared to last year.

Asia and Oceania

Our performance in Asia significantly improved in the quarter, with sales growing by 40% year-on-year. This strong growth was mainly driven by increased cooler placements from key customers in Vietnam and our focus to increase market presence in Southeast Asia. In China, we continued to gain market share with Coca-Cola bottlers, leading to double digit sales growth.



Business Outlook

The challenging economic environment in some of our key markets impacted performance in the quarter. In Russia, our business saw sales declining by a double digit rate given the current economic headwinds. Deteriorating market conditions in Russia will result in a sharp decline in customer investments in the fourth quarter of 2015. This material adverse effect in this core market will more than offset the nine months' sales growth.

To mitigate the impact of market headwinds on our profitability in the fourth quarter, we remain strongly focused on productivity and efficiency measures as well as continued cost reduction across the organization. In the short-term, the gradual normalization of ICOOL's production ramp-up will contribute to productivity improvements. Driven by the already implemented rightsizing actions and continuous efforts for further improvements, the declining trend in operating expenses will continue in the fourth quarter.

Going forward, our strategic pillars for long-term growth remain unchanged. In Europe, continuous product innovations that create customer value will drive market share gains. Leveraging on ICOOL's success, we are developing a new cooler range for brewery and other customers based on the highly cost efficient new modular platform. Furthermore, early next year, we will launch our first proprietary digital device, EvoCool. EvoCool has the potential to transform our product offering towards a comprehensive for our customers Cooler Fleet Management enriched with digital services. In Africa, we are well positioned to capture increased investments by our customers in this high long-term growth continent. ILOOK's current customer excitement and upcoming product innovations will further strengthen our presence in Africa. In a highly competitive environment in Asia, we are targeting to improve our cost base and drive further efficiencies.

We remain on track to conclude the divestment of the Glass business by the year-end. Upon completion of the Glass transaction, we will evolve to a pure Beverage Cooler player with all our resources focused on sustained profitable growth.



Frigoglass

Frigoglass is a strategic partner to beverage brands throughout the world. We are the global leader in the Ice Cold Merchandisers (ICM) market and the principal supplier of glass packaging in the high growth markets of West Africa.

Frigoglass has long-standing relationships with blue chip customers in the soft drinks and beverage industries. Our bespoke Ice Cold Merchandisers (beverage coolers) enhance our customers' beverage branding and trigger immediate beverage consumption. At the same time, our leading innovations in the field of green refrigeration enable our customers to meet their ambitious sustainability and carbon emissions reduction targets.

With a truly global footprint, Frigoglass is well established in the more mature European markets while it is evolving into an emerging markets champion. We efficiently support our customers around the world through manufacturing facilities in eight countries and an extensive network of sales and after-sales representatives in five continents.

In our glass bottle business, we are focused on the markets of Africa and the Middle East, which are a prime spot of investments for our customers. We create value for our customers by building on our position as leading supplier of glass bottles and complementary packaging solutions in West Africa and the Middle East.

For more information, please visit www.frigoglass.com.

Conference call details

Frigoglass will host an analysts and investors conference call to discuss its third quarter results today at 4:00 pm, Athens Time (2:00 pm London time and 9:00 am New York time). Callers should dial +30 210 969 6444 from Greece, +44 203 139 4830 from the UK (also other international callers) and +1 718 873 9077 from the US. The access code to the conference call is 20212094#.

The conference call, which will include management's remarks and a question and answer session, will last approximately one hour. A slide presentation will be available as of that time on Frigoglass website.

Please dial in approximately 10 minutes ahead of the scheduled start time to ensure your participation. A replay of the conference call will be available until Wednesday, 9 December 2015.

The third quarter results press release is available from 10 November 2015 on the Frigoglass News section at www.frigoglass.com/press-releases and on the IR homepage at www.frigoglass.com/investors.

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Important note regarding forward-looking statements

This announcement may contain forward-looking statements which are based on current expectations and assumptions about future events. These forward-looking statements are subject, among other things, to business, economic and competitive uncertainties and contingencies, many of which are beyond Frigoglass' ability to control or estimate precisely. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Frigoglass does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement.



Appendices

1. Reconciliation of Reported to Adjusted Financial Results
2. Condensed Consolidated Income Statement
3. Condensed Consolidated Balance Sheet
4. Condensed Consolidated Cash Flow Statement

The attached condensed financial statements should be read in conjunction with the relevant notes to the full financial statements for the period, which can be found on our company's website at www.frigoglass.com.

Appendix 1: Reconciliation of Reported to Adjusted Financial Results

Financial Results	3Q14				9M14			
€ 000's, unless otherwise indicated	EBITDA ¹	EBIT ¹	Net Profit ¹	Total Net Profit ²	EBITDA ¹	EBIT ¹	Net Profit ¹	Total Net Profit ²
Reported	-1,612	-5,760	-10,858	-10,849	20,725	7,545	-50,729	-50,289
Restructuring Costs	–	–	–	–	–	–	36,000	36,000
Fire Costs	–	–	–	–	–	–	59	59
Adjusted	-1,612	-5,760	-10,858	-10,849	20,725	7,545	-14,670	-14,230

1. Continuing Operations (Cool Operations)

2. Including Discontinued Operations (Glass Operations)

Restructuring costs

Restructuring costs amounted to €36.0 million before tax, all recorded in Cool Operations in the second quarter of 2014. The restructuring costs reflect the integration of the Turkey-based manufacturing volume into the Romania plant. As part of this process, Frigoglass' Turkish plant ceased manufacturing operations at the end of 2014. These charges relate to goodwill and trademarks write-offs as well as impairment of inventories, machinery and buildings. It also includes severance related and other expenses.

India's fire incidence related costs

Fire costs after insurance reimbursements for Property Damage amounted to €0.06m before tax, all recorded in Cool Operations in the second quarter of 2014.



Appendix 2: Condensed Consolidated Income Statement

€ 000's, unless otherwise indicated	3Q15	3Q14	9M15	9M14
Net sales revenue	66,061	52,225	263,733	253,284
Cost of goods sold	-58,871	-46,281	-220,970	-209,670
Gross profit	7,190	5,944	42,763	43,614
Operating expenses	-10,766	-12,061	-34,196	-37,053
Other income/losses	115	357	448	984
Operating profit	-3,461	-5,760	9,015	7,545
Total finance costs, net	-11,290	-6,050	-25,874	-20,720
Profit before tax, restructuring and fire costs	-14,751	-11,810	-16,859	-13,175
Restructuring costs	-	-	-	-36,000
Fire costs	-	-	-	-59
Profit before tax	-14,751	-11,810	-16,859	-49,234
Income tax expense	-1,939	1,033	-3,892	-1,343
Profit after tax from Continuing Operations	-16,690	-10,777	-20,751	-50,577
Discontinued Operations				
Profit after tax from Discontinued Operations	1,494	936	3,372	2,500
Total profit for the period	-15,196	-9,841	-17,379	-48,077
Attributable to:				
Equity holders of the Company	-16,609	-10,849	-20,571	-50,289
Non-controlling Interests	1,413	1,008	3,192	2,212
	-15,196	-9,841	-17,379	-48,077
Depreciation ¹	3,670	4,148	11,246	13,180
EBITDA¹	209	-1,612	20,261	20,725
Basic Earnings per share (€)				
From Continuing Operations	-0.3343	-0.2146	-0.4143	-1.0027
From Discontinued Operations	0.0061	0.0002	0.0077	0.0087
Diluted Earnings per share (€)				
From Continuing Operations	-0.3343	-0.2145	-0.4143	-1.0007
From Discontinued Operations	0.0061	0.0002	0.0077	0.0087

1. Continuing Operations (Cool Operations)



Appendix 3: Condensed Consolidated Balance Sheet

€ 000's	Period ended 30 September 2015	Period ended Restated ¹ 30 September 2014
Assets		
Property, plant and equipment	99,823	98,706
Intangible assets	16,742	16,922
Other non-current assets	10,327	11,275
Total non-current assets	126,892	126,903
Inventories	70,587	75,378
Trade and other receivables	107,078	104,383
Cash and cash equivalents	46,962	25,607
Total current assets	224,627	205,368
Assets classified as held for sale	199,551	196,777
Total assets	551,070	529,048
Liabilities		
Long-term borrowings	245,733	245,345
Other non-current liabilities	12,215	12,015
Total non-current liabilities	257,948	257,360
Short-term borrowings	102,271	51,397
Other current liabilities	86,599	77,010
Total current liabilities	188,870	128,407
Liabilities classified as held for sale	66,561	67,134
Total liabilities	513,379	452,901
Equity		
Total shareholders' equity	-7,290	37,725
Non-controlling interests	44,981	38,422
Total equity	37,691	76,147
Total equity and liabilities	551,070	529,048

1. Please refer to Note 27 of the Financial Statements



Appendix 4: Condensed Consolidated Cash Flow Statement

€ 000's	Period ended 30 September 2015	Period ended 30 September 2014
Operating activities		
Profit before tax	-16,859	-49,234
Adjustments for:		
Depreciation	11,246	13,180
Total finance costs, net	25,874	20,720
Other non-cash items and provisions	103	36,524
Decrease/(increase) in inventories	2,270	6,104
Decrease/(increase) in trade and other receivables	6,890	12,582
(Decrease)/increase in trade and other payables	-39,770	-29,533
Income tax paid	-3,759	-2,737
Discontinued Operations	12,296	5,685
Net Cash flow from operating activities	-1,709	13,291
Investing activities		
Purchase of property, plant and equipment	-4,160	-2,972
Purchase of intangible assets	-2,563	-3,822
Proceeds from disposal of property, plant, equipment and intangible assets	406	1,084
Discontinued Operations	-23,867	-11,673
Net cash flow used in investing activities	-30,184	-17,383
Cash flow after operating & investing activities	-31,893	-4,092
Financing activities		
Net (decrease)/increase in borrowing	48,839	5,872
Repayment of intragroup loans	-16,278	-8,737
Interest paid	-11,731	-10,669
Dividends paid	-	-28
Discontinued Operations	14,222	-2,805
Net cash flow used in financing activities	35,052	-16,367
Net increase / (decrease) in cash and cash equivalents	3,159	-20,459
Cash and cash equivalents at the beginning of the period	68,732	59,523
Effects of changes in exchange rate	-10,770	7,576
Cash from Discontinued Operations	-14,159	-21,033
Cash and cash equivalents at the end of the period	46,962	25,607