

## **PRESS RELEASE**

**March 28<sup>th</sup>, 2012**

### **F.G. EUROPE S.A. Financial Results for the period ended December 31, 2011**

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- **Increase in Total Revenues, with increase in Exports and Profit after Taxes.**
- **The openness of the Company generates significant benefits during crisis.**
- **Increase in Revenues from Energy Production.**

The export orientation and investments in the energy sector lead the Company and FG EUROPE Group on a stable path of growth, despite the crisis which affects the internal market.

FG EUROPE S.A.'s Net Profit raised to 4.21 m Euros in 2011 from 3.96 m Euros in the previous fiscal year, presenting an upward movement of 6.39%.

Total Revenues of FG EUROPE S.A. increased by 2.85%, compared to the corresponding Revenues in 2010, reaching the level of 94.08 m Euros from 91.45 m Euros in 2010.

FG EUROPE S.A.'s exports presented an increase of 18% in 2011, accounting for 73.94% of the sales of air conditioners and for 69.13% of Company's total revenues, compared to the corresponding percentages of 66.43% and 60.19% in 2010.

As of 31/12/2011, the liquidity of the Company significantly improved, while the cash equivalent assets amounted to 32.52 m Euros compared to 27.59 m Euros on 31/12/2010.

#### **More specifically, at the Parent Company level:**

The sales of consumer durables increased by 2.91% in 2011, reaching the level of 93.82 m Euros from 91.16 m Euros of the corresponding period in 2010.

The sales of Air Conditioners increased by 6%, amounting to 87.89 m Euros from 82.86 m Euros in the corresponding period in 2010.

The exports of Air Conditioners increased by 18.06%, amounting to 64.99 m Euros from 55.04 m Euros in the corresponding period in 2010.

The sales of ESKIMO products, after upgrading and adding new products in its range, increased by 18%, amounting to 1.18 m Euros from 1.00 m Euros in the previous fiscal year.

The sales of SHARP products amounted to 4.75 m Euros in 2011 from 7.29 m Euros in 2010, decreased by 34.96%.

The Promotion and Advertising Expenses were increased by 86.86% in 2011, amounting to 2.56 m Euros from 1.37 m Euros in 2010, mainly due to the promotional campaign through billboards of FUJITSU Air Conditioners.

Other General Operating Expenses decreased by 0.96%, amounting to 15.64 m Euros in 2011, compared to 15.78 m Euros in 2010.

EBITDA, due to the aforementioned increase in Distribution Expenses, amounted to 7.34 m Euros in 2011 from 8.58 m Euros in 2010, decreased by 14.45%, with the respective EBITDA Margin also declined at the level of 7.80%, compared to the level of 9.38% in 2010.

EBT in 2011 amounted to 5.46 m Euros from 7.06 m Euros in 2010, decreased by 22.71%.

#### **At Group level:**

Group's Total Revenues amounted to 99.72 m Euros in 2011, compared to 96.37 m Euros in the corresponding period in 2010, presenting an increase of 3.48%

Group's Revenues from the energy sold amounted to 5.49 m Euros from 4.79 m Euros in the corresponding period in 2010, increased by 14.61%.

For the current fiscal year, the operation of the new wind farm of 35,4MW of AIOLIKI ADERES S.A., owned 100% by RF ENERGY S.A., in Ermioni Argolidas, is expected to double the revenues from energy sector.

Group's Gross Profit, amounted to 28.12 m Euros in 2011 from 26.98 m Euros in the corresponding period in 2010, increased by 4.21% due to increase in Parent Company's sales and the revenues from energy sector.

Gross Profit Margin amounted to 28.20% in 2011 from 28.00% in 2010, increased by 0.20%.

EBITDA, reduced by 2.07% mainly due to the increase in advertising expenses of the Parent Company, amounted to 10.40 m Euros in 2011 from 10.62 m Euros in 2010. EBITDA Margin declined at the level of 10.43%, compared to the level of 11.02% in 2010, declined by 0.59%.

Administrative, Distributions and other Expenses increased by 4.63% in 2011, amounted to 19.72 m Euros from 18.85 m Euros in 2010, mainly due to the aforementioned increase in Distributions Expenses of the Parent Company. The index "General Expenses / Sales" amounted to 19.78% from 19.56% in the corresponding period in 2010.

Net Financial Result of the Group increased by 47.34%, amounting to 3.29 m Euros in 2011 from 2.23 m Euros in the corresponding period in 2010.

The increase in the Net Financial Result in 2011 is due to: a) the significant increase in exchange differences (from 0.36 m Euros to 1.03 m Euros), due to the positive change in the exchange rate dollar to euro, b) the increase in interest expense (from 2.35 m Euros in 2010 to 2.66 m Euros in 2011) and c) the decrease in Group's Revenues from interest income (from 0.99 m Euros in 2010 to 0.69 m Euros in 2011), despite the benefits of 0.49 m Euros resulting from the valuation at fair value of the currency forward contracts that the Company entered into.

As at 31/12/2011, Group's total debt amounted to 146.45 m Euros from 99.03 m Euros in 2010, increased by 47.88%, mainly due to the increase in long-term bank liabilities and other obligations of the subsidiaries operating in the energy sector (from 70.66 m Euros in 2010 to 95.25 m Euros in 2011), as a result of the construction of a new wind farm of 35,4MW by AIOLIKI ADERES S.A., and due to the increase in trade and other obligations of Parent Company (from 14.04 m Euros to 21.31 m Euros), as a consequence of the prolongation of the repayment period to the principal supplier FUJITSU GENERAL Ltd.

Group's EBT reduced by 17.60% amounted to 5.60 m Euros in 2011 from 6.80 m Euros in 2010, reducing also the performance of the index "EBT / Sales" to the level of 5.62% from 7.05%, in the corresponding period in 2010.

Group's Net Profit along with Minority Interest of the Group presented an increase of 18.13%, amounting to 4.17 m Euros from 3.53 m Euros in 2010.

Management's goal is the continuous expansion of the Company's activities in foreign markets where it operates, aiming to increase the ratio of sales abroad/domestic (70/30), facing, thus, with openness the crisis in the internal market.

Furthermore, the Company prepares for the dynamic presentation and promotion of a full range of air conditioners and home appliances of Chinese industrial giant Midea Group to the Greek Market, the inclusive distribution of which was undertaken by FG EUROPE S.A.

In the energy sector, the companies of the Group have acquired Energy Production Licenses of 294MW from wind farms in South Evia. Energy Production Licenses from wind farms of more 57MW in the region of South Evia are also expected to be acquired.

Moreover, in 2012, the Group acquired 3 Energy Production Licenses from biogas plants of total 7.066MW, while one more of 2.262MW is expected to be granted.



These aforementioned facts along with the speed of implementation of investments are expected to significantly promote Group's Revenues from the energy sector, through RF ENERGY S.A. and its subsidiaries.

Financial Statements for the period ended December 31, 2011 are available to the public on the Company's website "[www.fgeurope.gr](http://www.fgeurope.gr)" under section "Investors Relations".

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