Press Release

Results for the Second Quarter ended 30 June 2014

Athens, Greece, 7 August 2014 – Frigoglass SAIC (“Frigoglass” or “we” or the “Group”) today announces its second quarter and first half audited results ended 30 June 2014

Second Quarter 2014 Highlights

- €29 million, or 21%, reduction in Cool sales, primarily driven by adverse market conditions in Ukraine, Turkey and Africa as well as business interruption in India following the fire incident
- Stable Cool gross profit margin but volume-driven lower OpEx absorption impacting EBITDA margin
- Glass sales growth of c.8% despite FX headwind, primarily driven by strong sales in Nigeria
- Solid fixed costs absorption but lower Glass EBITDA margin on weak Jebel Ali results
- Seventh consecutive quarter of inventory reduction; down c.18% y-o-y
- €36m restructuring charges on Turkey manufacturing integration

Financial Results

€ 000’s	2Q14	2Q13	Change, %	1H14	1H13	Change, %
Sales	145,916	172,378	-15.4%	270,163	312,997	-13.7%
EBITDA	20,490	27,350	-25.1%	36,568	47,618	-23.2%
EBITDA Margin, %	14.0%	15.9%	-1.8pp	13.5%	15.2%	-1.7pp
Operating Profit (EBIT)	12,063	18,324	-34.2%	19,954	30,177	-33.9%
Net Profit [1]	-36,037	6,245	n.m.	-39,440	9,871	n.m.
Adjusted Net Profit	22	6,245	n.m.	-3,381	9,871	n.m.
Inventories	–	–	–	100,079	121,492	-17.6%

[1] *Net Profit attributable to shareholders*

Note: Adjusted Net Profit exclude restructuring charges and one-off items. Refer to “Reconciliation of Reported to Adjusted Financial Results” on page 9.

Torsten Tuerling, Chief Executive Officer of Frigoglass, commented:

"The strong contraction of our Cool sales in the quarter is driven by the collapse of sales in the Ukraine, a sharp reduction of investments in Turkey, lower sales in Africa and the business interruption impact following the fire incident in our Indian plant. The lower volume and the related low fixed costs absorption did reduce our margins in the period despite our ongoing focus on efficiency improvements.

The continued pressure on Cool sales in the quarter confirmed the need to right-size our manufacturing footprint. With the recently announced consolidation of our Turkey based cooler plant, we are significantly improving our cost structure and strengthening our long-term competitiveness. We expect annualised savings of approximately €7 million, following this quarter’s one-off restructuring charges of €36 million.

In the Glass business, we did deliver a solid 8.3% sales growth in the quarter, primarily driven by strong demand in Nigeria. For the remainder of the year, we expect continued strong performance in our glass business. In the Cooler business, we expect market conditions to remain volatile. We are focusing on the successful execution of our efficiency projects and on preparing the base for a return to profitable growth."

Financial Overview

In the second quarter, sustained macroeconomic weakness in some of our markets continued to impact our customers' cooler investments and, consequently, our top-line. As a result, sales were significantly reduced in Asia and Africa, primarily Turkey and South Africa. The temporary suspension of production in India due to the fire incident in April also contributed to the sales decline in the quarter. In Eastern Europe, the recent economic and political challenges in Ukraine also had a material adverse impact on our sales in that market. As expected, the closure of our plant in Spartanburg, South Carolina, negatively impacted our sales in the US. Sales growth momentum in the Glass business continued in the quarter, reflecting an improved performance in our core Nigerian market. Overall, Group net sales declined by 15.4% to €145.9 million which also includes the impact of an unfavorable foreign currency translation effect of c.2%.

Gross profit (excl. depreciation) dropped by 18.2% to €32.8 million, leading to gross profit margin decline of 80 basis points year-on-year to 22.5%. This margin deterioration primarily reflects significant overhead cost underabsorption, an unfavorable product mix effect, primarily in Europe and price pressure in our Cool business. It also reflects Jebel Ali's low cost absorption and lower year-on-year export related grants in our Nigerian Glass business. Last year's positive effect from the extensive use of available low-cost cullet in Jebel Ali's production continued to distort the year-on-year comparison, however to a lower extent than in the first quarter of the year. These factors more than offset the benefits of lower raw material prices, material cost efficiencies and continued overhead cost reduction. Operating expenses (excl. depreciation) were broadly unchanged at €13.5 million in the quarter.

EBITDA in the quarter was €20.5 million, down 25.1% year-on-year, with EBITDA margin declining by 180 basis points to 14.0%. Depreciation was €8.4 million, down 6.6% year-on-year, resulting in an Operating Profit (EBIT) decline of 34.2% to €12.1 million. Net finance costs were up 4.0% to €8.3 million, reflecting a higher interest cost following the issuance of a €250 million corporate bond in May 2013. Net finance costs were positively affected by lower year-on-year foreign exchange losses in the quarter. Frigoglass reported net losses of €36.0 million in the quarter, following restructuring charges of €36.0 million relating to the closure of the Group's manufacturing facility in Turkey. Excluding restructuring and other one-off costs, Frigoglass reported a break-even net profit for the quarter, compared to net profit of €6.2 million last year.

Capital expenditure was €5.8 million, modestly above last year's second quarter level of €5.3 million. Continued focus on inventory management resulted in a c.18% year-on-year reduction to €100.1 million in the quarter. We have delivered seven consecutive quarters of double-digit decline in inventory. Free cash flow improved by €37.4 million to an inflow of €6.8 million, reflecting significantly lower working capital requirements. This improvement resulted in a year-on-year net debt reduction of 6.9% to €239.6 million.

Segmental Review

Cool Operations

€ 000's	2Q14	2Q13	Change, %	1H14	1H13	Change, %
Sales	109,937	139,145	-21.0%	201,059	247,639	-18.8%
EBITDA	13,153	19,314	-31.9%	22,337	31,076	-28.1%
EBITDA Margin, %	12.0%	13.9%	-1.9pp	11.1%	12.5%	-1.4pp
Operating Profit (EBIT)	8,548	14,160	-39.6%	13,305	21,390	-37.8%
Net Profit [1]	-36,408	5,052	n.m.	-39,871	6,995	n.m.
Adjusted Net Profit	-349	5,052	n.m.	-3,812	6,995	n.m.
Capital Expenditure	2,581	2,126	21.4%	4,396	3,192	37.7%

[1] *Net Profit after minority interest*

Note: Adjusted Net Profit exclude restructuring charges and one-off items. Refer to "Reconciliation of Reported to Adjusted Financial Results" on page 9.

Cool Operations' sales declined by 21% in the quarter, primarily reflecting lower customers' investments and a c.2% adverse currency effect. Sales to Coca-Cola bottlers declined in double-digits, primarily reflecting the current economic challenges in Ukraine and Turkey. It also reflects the interruption to production following the fire incident in our Indian facility. After a strong start to the year, sales to the brewery segment also declined in double-digits, mainly driven by lower orders in Russia and the difficult market conditions in Ukraine, Turkey and South Africa. Sales to all other customers were modestly down year-on-year, primarily reflecting lower orders in Asia which more than offset growth momentum in Russia.

Our Asia and Oceania business saw sales declining by c.42% in the quarter. Despite the challenging conditions in some of our markets and intense competition, this decline also reflects the business interruption in India caused by the fire incident in our plant early in April. The required repairs to the plant were completed rapidly leading to one production line being up and running by the middle of May, with the second line being recently commissioned. Sales in Africa and the Middle East territory declined by c.25%, mainly driven by lower investments from breweries.

Eastern Europe's sales were down c.6% year-on-year in the quarter, mainly driven by a freeze in customers' orders following the highly uncertain environment in Ukraine. Higher sales in Russia partly offset the adverse effect from Ukraine in the quarter. In a challenging market environment, sales in Western Europe were down double-digits mainly on lower orders in Italy. Following the closure of our South Carolina based facility earlier in the year, sales in North America declined in double-digits. Our focus in the US has turned to more differentiated specialty coolers and to selected products from our core range.

EBITDA declined 31.9% year-on-year to €13.2 million in the quarter, with the EBITDA margin declining by 190 basis points to 12.0%. This margin decline reflects low fixed cost absorption, an unfavorable product mix primarily in Europe and price pressure. These factors outweighed the benefits of lower raw material prices, material cost efficiencies and savings from our ongoing overhead cost reduction initiatives. Despite a c.11% decline in depreciation charges, Operating Profit (EBIT) reached €8.5 million, down 39.6% year-on-year. Our Cool Operations reported net losses of €36.4 million in the quarter, including restructuring charges of €36.0 million associated to the closure of our Turkish plant. Excluding restructuring and other one-off costs, Cool Operations reported marginal net losses of €0.3 million in the quarter, compared to profits of €5.1 million in the prior year's quarter.

Glass Operations

€ 000's	2Q14	2Q13	Change, %	1H14	1H13	Change, %
Sales	35,979	33,233	8.3%	69,104	65,358	5.7%
EBITDA	7,337	8,036	-8.7%	14,231	16,542	-14.0%
EBITDA Margin, %	20.4%	24.2%	-3.8pp	20.6%	25.3%	-4.7pp
Operating Profit (EBIT)	3,515	4,164	-15.6%	6,649	8,787	-24.3%
Net Profit [1]	371	1,193	-68.9%	431	2,876	-85.0%
Capital Expenditure	3,175	3,213	-1.2%	4,062	4,519	-10.1%

[1] *Net Profit after minority interest*

Despite an adverse currency translation impact of c.5% and a strong performance in 2Q13, Glass Operations' sales increased by 8.3% in the quarter. This solid growth mainly reflects continued momentum in our core glass container business following robust performance in Nigeria's beer market.

Nigerian operations grew sales by 14.4% to €27.0 million in the quarter. Our Nigerian glass business was aided by solid demand from brewers and follows new product launches in the market. Nigeria's beer market fundamentals remain strong, driving some international brewers to expand capacity in order to capitalise on this growing demand. The increased demand for glass also resulted in higher year-on-year sales for our plastic crates business, reflecting key customers' promotional campaigns.

Following a solid first quarter, sales in Jebel Ali business declined by 7% to €9.0 million in 2Q14. This reflects lower sales in Asia and Africa, more than offsetting increased orders in UAE and Australia.

EBITDA was 8.7% lower year-on-year in the quarter at €7.3 million, with EBITDA margin declining to 20.4% from 24.2% in 2Q13. The margin decline mainly reflects Jebel Ali's increased production cost per ton following lower year-on-year output and reduced export related grants in our Nigerian Glass business. The benefit of last year's extensive use of available low-cost cullet in Jebel Ali's production also continued to distort the year-on-year comparison. Depreciation charges were broadly stable in the quarter compared to the prior year. Operating Profit (EBIT) for the quarter was €3.5 million, compared to EBIT of €4.2 million in the prior year quarter. Glass Operations reported net profits of €0.4 million, compared to profits of €1.2 million last year.

Business Outlook

For the second half of the year, we expect market conditions in emerging markets to remain challenging. Furthermore, we remain cautious about the outlook for Russia. In our Glass business, we expect positive sales momentum to continue in the second half, driven by strong market conditions in our core Nigerian market.

In order to regain profitability in a volatile market environment, we are implementing far-reaching steps to right-size our manufacturing footprint and to address the performance of dilutive entities. Following the closure of our US facility earlier in the year, we are now integrating the Turkish manufacturing volume into our Romanian facility. This will significantly improve overhead cost absorption, drive economies of scale and reduce complexity within our manufacturing base in Europe. We expect this integration to deliver annualised pre-tax savings of approximately €7 million from 2015 onwards.

In order to return to profitable growth in our Cool business, we are preparing for the 2015 introduction of an innovative modular cooler range that will set new benchmarks in terms of merchandising, energy optimization and sustainability. In addition, we have successfully piloted an innovative integrated services concept that is expected to open up additional service revenue streams as from 2015 across Europe.

In Asia, we are continuing the rebuild of our Indian plant to full capacity. This will allow us to fully benefit from the long term substantial growth potential of the Indian sub-continent and to regain our market leadership position. In Africa, we are currently redeploying our resources in order to better benefit from our strong presence in both the Cool and Glass business across the continent.

We are determined to drive the current transformation to successful conclusion. This transformation will strengthen the robustness of our business model, enhance value creation and substantially improve cash flow generation, in all market conditions.

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 second 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 13868825#. 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 Friday, 5 September 2014.

The second quarter results press release is available from 7 August 2014 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 press release contains forward-looking information and statements which are based on current expectations and assumptions about future events. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Frigoglass ability to control or estimate precisely. 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 these materials.

Appendices

1. Reconciliation of Reported to Adjusted Financial Results
2. Cool Operations Sales by Geography and Customer Group
3. Condensed Consolidated Income Statement
4. Condensed Consolidated Balance Sheet
5. 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	**2Q14**				**1H14**			
€ 000's, *unless otherwise indicated*	**EBITDA**	**EBIT**	**Net Profit**	**EPS**[1]	**EBITDA**	**EBIT**	**Net Profit**	**EPS**[1]
Reported	20,490	12,063	-36,037	-0.71	36,568	19,954	-39,440	-0.78
Restructuring Costs	–	–	36,000	0.71	–	–	36,000	0.71
Fire Costs	–	–	59	0.00	–	–	59	0.00
Adjusted	20,490	12,063	22	0.00	36,568	19,954	-3,381	-0.07

[1]Basic EPS, restructuring costs and fire costs per share. Based on average of 50.6 (49.4) million shares for 2Q14 (2Q13) and 50.6 (49.1) million shares for 1H14 (1H13).

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 will cease manufacturing operations by 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. Any reimbursement relating to Business Interruption will be settled by the end of the year.

Appendix 2: Cool Operations Sales by Geography and Customer Group

Cool Operations Sales by Geography

€ 000's	**2Q14**	2Q13	Change, %	**1H14**	1H13	Change, %
East Europe	55,619	59,407	-6.4%	90,072	93,776	-3.9%
West Europe	17,563	20,448	-14.1%	34,089	36,031	-5.4%
Asia & Oceania	18,708	32,333	-42.1%	42,817	72,344	-40.8%
Africa & Middle East	15,162	20,135	-24.7%	29,229	34,761	-15.9%
America	2,885	6,822	-57.7%	4,852	10,727	-54.8%
Total	**109,937**	**139,145**	**-21.0%**	**201,059**	**247,639**	**-18.8%**

Cool Operations Sales by Customer Group

€ 000's	**2Q14**	2Q13	Change, %	**1H14**	1H13	Change, %
Coca-Cola Bottlers	45,568	62.066	-26.6%	74,406	120,852	-38.4%
Breweries	33,521	45,402	-26.2%	68,593	70,108	-2.2%
Other	30,848	31,677	-2.6%	58,060	56,679	2.4%
Total	**109,937**	**139.145**	**-21.0%**	**201,059**	**247,639**	**-18.8%**

Appendix 3: Condensed Consolidated Income Statement

€ 000's, *unless otherwise indicated*	**2Q14**	**2Q13**	**1H14**	**1H13**
Net sales revenue	145,916	172,378	270,163	312,997
Cost of goods sold	-119,969	-139,660	-222,168	-252,736
Gross profit	**25,947**	**32,718**	**47,995**	**60,261**
Operating expenses	-15,126	-15,288	-29,585	-31,679
Other income/losses	1,242	894	1,544	1,595
Operating profit	**12,063**	**18,324**	**19,954**	**30,177**
Total finance costs, net	-8,271	-7,951	-17,627	-12,494
Profit before tax, restructuring and fire costs	**3,792**	**10,373**	**2,327**	**17,683**
Restructuring costs	-36,000	0	-36,000	0
Fire costs	-59	0	-59	0
Profit before tax	**-32,267**	**10,373**	**-33,732**	**17,683**
Income tax expense	-2,889	-3,024	-4,504	-5,736
Profit after tax	**-35,156**	**7,349**	**-38,236**	**11,947**
Attributable to:				
Equity holders of the Company	-36,037	6,245	-39,440	9,871
Non-controlling Interests	881	1,104	1,204	2,076
	-35,156	**7,349**	**-38,236**	**11,947**
Depreciation	8,427	9,026	16,614	17,441
EBITDA[1]	**20,490**	**27,350**	**36,568**	**47,618**
Earnings per share (€)				
Basic	-0.7123	0.1265	-0.7795	0.2012
Diluted	-0.7110	0.1261	-0.7773	0.2007

[1]*Excluding restructuring and fire costs.*

Appendix 4: Condensed Consolidated Balance Sheet

€ 000's	Period ended 30 June 2014	Period ended 30 June 2013
Assets		
Property, plant and equipment	188,606	215,693
Intangible assets	18,404	42,978
Other non-current assets	9,097	13,657
Total non-current assets	**216,107**	**272,328**
Inventories	100,079	121,492
Trade and other receivables	190,848	211,055
Cash and cash equivalents	69,810	67,701
Total current assets	**360,737**	**400,248**
Total assets	**576,844**	**672,576**
Liabilities		
Long-term borrowings	245,507	252,436
Other non-current liabilities	32,887	35,718
Total non-current liabilities	**278,394**	**288,154**
Short-term borrowings	63,925	72,581
Other current liabilities	151,571	142,900
Total current liabilities	**215,496**	**215,481**
Total liabilities	**493,890**	**503,635**
Equity		
Total shareholders' equity	48,059	134,017
Non-controlling interests	34,895	34,924
Total equity	**82,954**	**168,941**
Total equity and liabilities	**576,844**	**672,576**

Appendix 5: Condensed Consolidated Cash Flow Statement

€ 000's	Period ended 30 June 2014	Year ended 30 June 2013
Operating activities		
Profit before tax	-33,732	17,683
Adjustments for:		
Depreciation	16,614	17,441
Total finance costs, net	17,627	12,494
Other non-cash items and provisions	37,280	-293
Decrease/(increase) in inventories	15,457	23,962
Decrease/(increase) in trade and other receivables	-39,787	-64,387
(Decrease)/increase in trade and other payables	4,315	-25,220
Income tax paid	-2,585	-4,619
Net Cash flow from operating activities	**15,189**	**-22,939**
Investing activities		
Purchase of property, plant and equipment	-5,852	-5,152
Purchase of intangible assets	-2,606	-2,559
Proceeds from disposal of property, plant, equipment and intangible assets	105	51
Net cash flow used in investing activities	**-8,353**	**-7,660**
Cash flow after operating & investing activities	**6,836**	**-30,599**
Financing activities		
Net (decrease)/increase in borrowing	13,089	21,416
Interest paid	-13,236	-9,643
Dividends paid	-28	-12
Sale of Treasury Shares	0	8,816
Proceeds from issue of shares to employees	0	231
Net cash flow used in financing activities	**-175**	**20,808**
Net increase / (decrease) in cash and cash equivalents	6,661	-9,791
Cash and cash equivalents at the beginning of the period	**59,523**	**76,953**
Effects of changes in exchange rate	3,626	539
Cash and cash equivalents at the end of the period	**69,810**	**67,701**