PRESS RELEASE

September 28th, 2016
1st Semester Financial Results of F.G. EUROPE S.A Group

- **Increase in total sales both in domestic and foreign markets**
- **Significant increase in profitability both for the Parent Company and the Group.**

During the 1st semester of 2016, Company's total sales in the domestic market increased by 23.43%, accounting for € 15.96 mil. against € 12.93 mil. achieved in the respective period of 2015.

At the same time, sales to foreign third parties customers also presented a 12.98% increase, amounting to € 31.78 mil. against € 28.13 mil. in the 1st semester of 2015, mainly due to the increase in sales achieved by the Company's subsidiary in Italy (FG Europe Italia Spa).

As a result and principally based on the aforementioned increase in domestic sales, the ratio of foreign / domestic sales recalculated to 63% / 37% from 70% / 30% in the 1st semester of 2015.

Company's EBT remarkably increased by 353.96%, reaching the amount of € 1.49 mil. against € 0.33 mil. in 06/2015. Said increase in profits comes as a result of the 20.11% decrease in general expenses as well as the 43.88% decrease in net financial expenses, comparing to the relative figures in the 1st semester of 2015.

Group's net profit presented a 264.79% increase and reached the amount of € 2.53 mil against € 0.69 mil. achieved in the respective period of 2015. Said increase is mainly due to the increase in parent company's profit as well as the very positive performance of subsidiaries, principally in Italy and secondarily in Turkey, offsetting the decline in revenue arising from group's subsidiaries acting in the energy sector, affected by the unfavorable wind condition in the 1st semester of 2016.

(Amounts in 000. €)	Group			Parent Company		
	1/1-30/6/2016	1/1-30/6/2015	D%	1/1-30/6/2016	1/1-30/6/2015	D%
Turnover	**52,159**	**46,761**	**11.54%**	**43,293**	**43,176**	**0.27%**
Cost of Goods sold	-37,748	-32,904	14.72%	-34,046	-32,483	4.81%
Gross Profit	**14,411**	**13,857**	**4.00%**	**9,247**	**10,693**	**-13.52%**
Gross Profit Margin	**27.63%**	**29.63%**	**-2.00 μ.**	**21.36%**	**24.77%**	**-3.41 μ.**
Other Income	909	153	494.12%	121	98	23.46%
General Expenses	-11,371	-10,434	8.98%	-6,746	-8,444	-20.11%
Operating Profit	**3,949**	**3,576**	**10.43%**	**2,622**	**2,347**	**11.72%**
EBITDA	**6,708**	**5,766**	**16.34%**	**3,352**	**3,015**	**11.18%**
Ratio EBITDA / Sales	12.86%	12.33%	0.53 μ.	7.74%	6.98%	0.76 μ.
Financial Results	-1,421	-2,883	-50.71%	-1,133	-2,019	-43.88%
EBT	**2,528**	**693**	**264.79%**	**1,489**	**328**	**353.96%**
Tax on Income	-830	-764	8.64%	-430	-302	42.38%
Net Profit	**1,698**	**-71**	**n/a**	**1,059**	**26**	**3,973.08%**
Distributed as follows:						
Shareholders of the Parent Company	1,485	-287	n/a			
Minority rights	213	216	-1.39%			
Earnings per Share	**0.0281**	**-0.0054**	**n/a**	**0.0201**	**0.0005**	**3,920.00%**

At the Parent Company Level:

Sales of air conditioners amounted to € 41.45 mil against € 41.37 mil in 06/2015, presenting a slight 0.19% increase. At the same time, A/C domestic sales significantly increased by 26.89%, accounting for € 14.11 mil. against € 11.12 mil. in the 1st semester 2016.

It is noted that since October 2015, A/C sales in Italy have been carried out through the 100% subsidiary FG Europe Italia Spa. As a result a significant part of sales in this market, which was directly included in the elements of the Parent Company until 06/2015, it now participates in the turnover of the Subsidiary and in Group's consolidated results. Therefore, while exports appear to be relatively reduced to € 27,34 mil. from € 30.25 mil. in the corresponding period of 2015, sales abroad made by F.G. EUROPE and its subsidiaries were actually increased by 12.98%.

ESKIMO white appliances, with constantly updated and quality enhanced range of products, have a mounting impact on the internal market. Demand for ESKIMO appliances rises for 3rd consecutive year, with the relevant sales standing at € 1.85 mil. against € 1.46 mil. in the first half of 2015, presenting an increase of 26.64%.

The conservation of total sales at the same level (€ 43.29 mil. in 06/2016 against € 43.18 mil. in 06/2015), in conjunction with the decrease in gross profit margin (from 24.77% to 21.36%) had resulted in a 13.52% decrease in gross profit, which from € 10.69 mil. in the first half of 2015 deteriorated to € 9.25 mil. in the first half of 2016. Said reduction in the gross profit margin and hence the corresponding gross profit are mainly due to the applied pricing of the 100% subsidiary FG Europe Italia Spa, which has been in charge of sales of the Company's products in the Italian market.

Due to the abovementioned change, Parent Company's general expenses (administration, distribution, and other costs) remarkably decreased by 20.11%, amounted to € 6.75 mil. in the 1st semester 2016 against € 8.44 mil. in the 1st semester of 2015.

The reduction of overhead costs, combined with the slight increase in overall sales, led to an increase in operating profitability of the Company by 11.18%. EBITDA stood at € 3.35 mil. from € 3.02 mil. in the 1st semester 2015 while EBITDA margin ameliorated to 7.74% compared to 6.98% in 06/2015.

Significantly reduced by 43.88% appear to be the net financial results (€ 1.13 mil. expense in the 1st semester of 2016, compared to € 2.02 million expenses in the corresponding period of 2015), due to the positive valuation of investments and securities along with the reduction of bank debt.

The increased operating profitability along with the mentioned decrease of net financial expenses, led to a further significant improvement of Company's figures as EBT and Net Profit amounted to € 1.49 mil. and € 1.06 mil. in the first half of 2016, compared to € 0.33 mil. and € 0.03 mil. respectively in the 1st semester of 2015.

Company's Inventories increased by 49.77%, amounting to € 45.66 mil. against € 30.49 mil. on 31/12/2015. Due to sales seasonality in the A/C sector and the fact that air conditioners are the bulk of the Company's inventories, it is estimated, as already happened in the 2^{nd} semester of 2015 that current stock will be significantly reduced with the forthcoming sales in the next few months.

Trade and other receivables are limited by 8.24%, amounting to € 39.41 mil. against € 42.95 mil. on 31/12/2015, mainly attributable to the reduction of the account balance "Other Receivables".

The Company's total liabilities amounted to € 112.55 mil. against € 94.35 mil. on 31/12/2015 due to the increase in obligations to the main supplier of the Company. It is predicted that such obligations will significantly be limited during the next few months on the basis of the payment schedule drawn up by the Company.

At the Group Level:

The total revenues of the Group increased by 11.54% (from € 46.76 mil. to € 52.16 mil in 06/2016), with the noted increase to be attributed to the rise in sales from air- conditioning and, especially, in the sales of the subsidiary company in Italy. The revenues from the energy sector decreased by € 1.28 mil (from € 5.70 mil. in the 1^{st} semester 2015 to € 4.42 mil in the respective period in 2016), due to unfavourable wind conditions in the first half of 2016.

The increase of total sales resulted in an increase of 4.00% of the Gross Profit of the period, which amounted to € 14.41 mil. against € 13.86 mil. in the corresponding period in 2015. The G.P.M. is, however, limited to 27.63% against 29.63% in 06/2015, mainly due to the aforementioned decrease in the G.P.M of the Parent Company.

The general expenses of the Group increased by 8.98% (€ 11.37 mil. against € 10.43 mil. in 06/2015), mainly attributable to the full operation of the subsidiary company in Italy.

Despite the increase in the general expenses of the period, EBITDA amounted to € 6.71 mil. against € 5.77 mil. in 06/2015, presenting an increase of 16.34%, while the operating margin amounted at 12.86% from 12.33% in the corresponding period in 2015, presenting an increase of 0.53%.

Net losses of the Group for the period amounted at € 1.42 mil. against losses of € 2.88 mil. in 06/2015, significantly decreased by 50.71%, mainly due to both the reduction in financial expenses of the Parent Company and the other companies of the Group as a result of the reduction in the total bank borrowing.

Group's smooth operation is reflected in an increase of 264.79% of earnings before taxes, which amounted to € 2.53 mil. against € 0.69 mil. in the 1st semester 2015, while the net results after taxes amounted to € 1.70 mil. against losses of € 0.07 mil. on 30/6/2015 respectively.

Trade and other receivables of the Group were marginally increased by 2.97% (€ 47.73 mil. on 30/6/2016 from 46.35 mil. on 31/12/2015), mainly due to the increased receivables of the Italian subsidiary.

Group’s inventories increased by 45.16% on 30/6/2016 due to the aforementioned increase in the inventories of the Parent Company (mainly due to seasonality), amounting to € 50.74 mil. against € 34.96 mil. on 31/12/2015. The stock is expected to reduce significantly in the coming months.

Cash and cash equivalents remained at the same levels amounting on 30/6/2016 to € 20.38 mil. against € 20.62 mil. on 31/12/2015.

Group’s total liabilities were increased by € 14.20 mil. (to € 155.65 mil. from € 136.29 mil. on 31/12/2015), mainly due to the increase of trade and other liabilities of the Parent Company.

Management believes that the steady progress of the Company and the Group will continue in the second half of 2016, hoping to further development of sales of its subsidiary company in Italy, the stabilization of the economic climate in the Turkish market and improvement of wind conditions, that will enhance the revenues of the Group companies operating in the energy sector.

Financial Statements of 30/6/2016 will be available to the public on the Company’s website (URL: http://www.fgeurope.gr) under the section “Investors Relations” on Wednesday, 28/09/2016.

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