

PRESS RELEASE

September 29th, 2017 1st Semester Financial Results of F.G. EUROPE S.A Group

- **Company's total sales increase.**
- **Increase in sales in domestic market.**
- **Increase in revenues and profitability from the Energy Sector.**

In the 1st semester 2017, Company's sales in domestic market increased by 19.42%, to € 19.06 mil from € 15.96 mil in the respective period in 2016.

Group's sales of Durable Consumer Goods towards independent customers present a slight decrease, accounting for € 47.16 mil against € 47.74 mil in 06/2016, mainly due to the reduction of sales performed by Company's subsidiaries in Italy and in Turkey.

Said increase in domestic sales altered Company's ratio between foreign and domestic sales to 58% / 42% from 63% / 37% in the 1st semester in 2016.

Company's EBT accounts for € 1.33 mil against € 1.49 mil in 06/2016, decreased by 10.75%. Said decrease is principally due to the considerable increase of Company's financial expenses, implemented by the sharp appreciation of EURO against USD. EURO appreciation led to increased credit exchange differences of € 1.01 mil (€ 0.57 mil in 06/2016) along with a loss of € 0.76 mil arising from the valuation of derivatives as at 30/06/2017.

Increased revenues and profitability, arising from Group's subsidiaries acting in the field of RES, due to favorable wind conditions in the 1st semester 2017, had a positive effect to Group's final result. Nevertheless, Group's EBT present a slight decrease to € 2.2 mil from € 2.53 mil in the 1st semester 2016, mainly due to the decreased profitability of the parent company, the € 0.2 mil loss of the Turkish Subsidiary and the € 0.19 mil loss of the new established subsidiary in UK.

<i>(Amounts in 000. €)</i>	<u>Group</u>			<u>Parent Company</u>		
	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>	<u>D%</u>	<u>1/1-30/6/2017</u>	<u>1/1-30/6/2016</u>	<u>D%</u>
Turnover	52,131	52,159	-0.1%	45,289	43,293	4.6%
Cost of Goods sold	-37,719	-37,748	0.1%	-35,333	-34,046	3.8%
Gross Profit	14,412	14,411	0.0%	9,956	9,247	7.7%
Gross Profit Margin	27.6%	27.6%		22.0%	21.4%	
Other Income	257	909	-71.7%	63	121	-47.9%
General Expenses	-9,931	-11,371	-12.7%	-6,460	-6,746	-4.2%
Operating Profit	4,738	3,949	20.0%	3,559	2,622	35.7%
EBITDA	6,935	6,708	3.4%	3,845	3,352	14.7%
EBITDA / Sales	13.3%	12.9%		8.5%	7.7%	
Financial Results	-2,536	-1,421	78.5%	-2,230	-1,133	96.8%
EBT	2,202	2,528	-12.9%	1,329	1,489	-10.7%
Tax on Income	-880	-830	6.0%	-402	-430	-6.5%
Net Profit	1,322	1,698	-22.1%	927	1,059	-12.5%
Distributed as follows:						
Shareholders of the Parent Company	956	1,485	-35.6%			
Minority rights	366	213	71.8%			
Earnings per Share				0.0176	0.0201	-12.4%

At the Parent Company Level:

As at 30/06/2017, sales of air conditioners amounted to € 42.74 mil against € 41.45 mil in 06/2016, presenting a 3.11% increase. At the same time, A/C domestic sales significantly increased by 17.01%, accounting for € 16.51 mil against € 14.11 mil in the 1st semester 2016.

Sales of ESKIMO white appliances, with a constant share increase in domestic market, present an upward movement of 22.16%, accounting for € 2.26 mil from € 1.85 mil in the 1st semester 2016.

The 4.62% increase in total sales (€ 45.29 mil against € 43.29 mil in 06/2016) along with the bigger gross profit margin in 2017 (22.0% in 06/2017 against 21.4% in 06/2016) led to a 7.68% increase in gross profit, reaching the amount of € 9.96 mil against € 9.25 mil in the 1st semester 2016.

Parent Company's general expenses (administration, distribution, and other costs) decreased by 4.24%, amounted to € 6.46 mil against € 6.75 mil in the 1st semester 2016.

The reduction of overhead costs, combined with the slight increase in overall sales, led to an increase in operating profitability of the Company by 14.93%. EBITDA stood at € 3.85 mil from € 3.35 mil in the 1st semester 2016 while EBITDA margin ameliorated to 8.5% compared to 7.7% in 06/2016.

Significantly increased by 97.35%, net financial results amounted to € 2.23 mil expenses compared to € 1.13 mil expenses in the corresponding period of 2016, mainly due to increased credit exchange differences and the loss arising from the valuation of derivatives at the end of June 2017.

Escalation of financial expenses effect Company's profitability in the 1st semester 2017, as EBT and Net Income reduced to € 1.33 mil and € 0.93 mil respectively compared to € 1.49 mil and € 1.06 mil in the 1st semester 2016.

Company's Inventories increased by 40.40%, amounting to € 48.20 mil against € 34.33 mil on 31/12/2016, due to sales seasonality in A/C sector and the fact that air conditioners are the bulk of the Company's inventories. Nevertheless, inventories level will significantly shrink as usually, taking into consideration the forthcoming sales during the 2nd semester 2017.

Trade and other receivables are increased by 46.36%, amounting to € 36.37 mil against € 24.85 mil on 31/12/2016, mainly attributable to sale increase in 2017 and sales seasonality. It is estimated that the level of receivables will gradually decrease till the end of the current year.

Company's total liabilities amounted to € 113.55 mil against € 80.66 mil on 31/12/2016 due to the increase in obligations to the main supplier of the Company. However, such obligations will gradually reduce till the end of the year on the basis of the payment schedule drawn up by the Company.

At the Group Level:

Group's total revenues remain at the same level with the previous year, accounting for € 52.13 mil against € 52.16 mil in 06/2016. However, revenues arising from the energy sector presented an upward movement of 12.44%, amounted to € 4.97 mil against € 4.42 mil in 06/2016, mainly affected by favorable wind conditions in the 1st semester 2017.

Group's gross profit and gross profit margin remain the same as at 30/06/2016, reaching the amount of € 14.41 mil and the 27.6% respectively.

Group's general expenses present a 12.66% decrease in the 1st semester 2017, dropped to € 9.93 mil from € 11.37 mil in 06/2016, due to the limitation of general expenses in all companies of the Group.

Group's EBITDA amounted to € 6.94 mil against € 6.71 mil in 06/2016, presenting an increase of 3.43%, while the operating margin amounted at 13.30% from 12.86% in the corresponding period of 2016.

Group's financial expenses reached the level of € 2.54 mil in the 1st semester 2017 against € 1.42 mil in 06/2016. Said increase of 78.87% is totally due to the increase of parent company's financial expenses.

Earnings before taxes reduced to € 2.20 mil in 06/2017 against € 2.53 mil the 1st semester 2016, while the net results after taxes decreased to € 1.32 against profits of € 1.70 mil respectively.

Trade and other receivables are increased by 32.87% (€ 45.85 mil. on 30/6/2017 from € 34.53 mil on 31/12/2016), mainly due to the increased receivables of the parent company.

Group's inventories are also increased by 41.06% due to the aforementioned increase in inventories of the parent company (seasonality), amounting to € 53.11 mil against € 37.65 mil on 31/12/2016. The stock will be considerably reduced till the end of the year.

Cash and cash equivalents presented a 90.02% increase, accounting for € 18.85 mil against € 9.92 mil on 31/12/2016, mainly due to the respective increase at the parent company level.

Group's total liabilities were increased by 27.24%, amounting to € 147.58 mil from € 115.99 mil on 31/12/2016, mainly due to the increase of trade and other liabilities of the parent company.

Management expects the Company and the Group to maintain its steady progress within the 2nd semester 2017. The development of sales in Italy and in Turkey, the launch of the operating activity in UK market and the stability of current wind conditions will further support the revenues of the Group.

Financial Statements of 30/6/2017 will be available to the public on the Company's website (URL: <http://www.fgeurope.gr>) under the section "Investors Relations" on Friday 29/09/2017.

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