

**F.G. EUROPE S.A.**

**Statement of Financial Position (Consolidated and Company)**

**As of June 30, 2015**

(All amounts in Euro thousands unless otherwise stated)



**F.G. EUROPE S.A.**

**SOCIETE ANONYME WHOLESALER OF ELECTRICAL  
AND ELECTRONIC APPLIANCES**

**128, Vouliagmenis Ave.**

**166 74 Glyfada - Greece**

**G.E.MI 121596799000 (P.C. Reg. No. 13413/06/B/86/111)**

**SIX - MONTHS  
FINANCIAL REPORT**

**Six - month period ended June 30, 2015**

**In accordance with  
article 5 of L. 3556/2007**

**F.G. EUROPE S.A.**  
**Statement of Financial Position (Consolidated and Company)**  
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### **DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

**(In accordance with article 5 par. 2γ. of L. 3556/2007)**

Members of the Board of Directors, Mr. Georgios Fidakis, Chairman of the Board, Mr. Ioannis Pantousis, Managing Director and Mr. Konstantinos Demenagas, executive member of the Board, under their aforementioned capacity as Members of the Board, declare that to their best knowledge:

- The Interim Financial Statements Company and Consolidated for the period ended on June 30, 2015, which were prepared in accordance with the international accounting standards, present in a truthful manner the figures pertaining to assets, liabilities, shareholders equity and financial results of the Company and the F.G. EUROPE S.A. Group and companies consolidated, in accordance with provisions set forth in paragraphs 3 to 5, article 5 of Law 3556/30-4-2007.
- The Interim Board of Directors Report on the Financial Statements Company and Consolidated for the six-month period ended in June 30, 2015 presents in a truthful manner all information deemed necessary in accordance with provisions set forth in paragraph 6, article 5 of Law 3556/30-4-2007.

**Glyfada, August 31, 2015**

**Chairman of the  
Board of Directors**

**Managing Director**

**Executive member of the  
Board of Directors**

**Georgios Fidakis**

**John Pantousis**

**Konstantinos Demenagas**

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### **SOCIETE ANONYME WHOLESALER OF ELECTRICAL AND ELECTRONIC APPLIANCES**

## **BOARD OF DIRECTORS' REPORT ON INTERIM FINANCIAL STATEMENTS COMPANY AND CONSOLIDATED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015**

This Report has been prepared in accordance with provisions set forth in par. 6, article 5, L.3556/2007 and the relevant Hellenic Capital Market Commission Rules 1/434/3-7-2007 and 7/448/11-10-2007, issued by the Board of Directors of the Hellenic Capital Market Commission.

The purpose of this report is to inform investors with regard to:

- The financial status, outcome, and course of the Company and the Group during the period in question, as well as any changes having occurred,
- Any important events which took place during the period in question, and their effect on the Financial Statements of the Company and Consolidated for the same period,
- Any significant risks that may arise for the Company and the Group during the following remaining period of the fiscal year,
- Any transactions which took place between the Company and any Group undertakings, affiliate companies or other related parties, in accordance with IAS 24.

### **A. First Half 2015 Account**

#### **Changes and Progress noted in the Financial Figures of the Company and the Group**

The total sales of the Company during the first half of 2015 increased by 2.81%, mainly due to the increase of exports, amounting totally to € 43.18 mil against sales of € 42.00 mil in the first half of 2014. The ratio sales abroad / domestic sales in the 1<sup>st</sup> half of 2015 amounted to 70/30 against 67/33 of the corresponding relationship in the 1<sup>st</sup> half of 2014, since the exports increased by 6.85% amounting totally to € 30.25 mil.

Profit before taxes of the Company amounted to € 0.33 mil against Profit of € 0.96 mil in the corresponding period in 2014, decreased by 65.83%, due to the burden on the Company's results of an amount of € 1.94 mil, due to conduct of increased impairment provisions of the Company's receivables on 30/06/2015.

The Group's revenue in the energy sector increased by 77.50% due to both favourable wind conditions in the 1<sup>st</sup> half of 2015 and the decrease in revenue in the previous year by the amount of € 1.14 mil because of the issuance of equivalent Credit Note to LAGIE S.A. according to the provisions of L. 4254/7.4.2014.

#### **At the Parent Company level:**

Company's total sales account for € 41.35 mil in the 1<sup>st</sup> Semester of 2015, presenting an increase of 4.44% comparing to the company's total sales of € 39.60 mil of the 1<sup>st</sup> Semester of 2014. Sales in the internal market remained at the same level amounting to € 11.12 mil against sales of € 11.28 mil of the 1<sup>st</sup> half of 2014.

Exports of air conditioners amounted to € 30.25 mil against € 28.32 mil in the 1<sup>st</sup> half of 2014, increased by 6.85%.

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Sales of white appliances ESKIMO, have been significantly increased by 32.41%, amounting to €1.43mil against € 1.08 mil of those in the respective Semester of previous fiscal year.

Sales of SHARP products were limited to liquidating of existing stock, amounting to € 0.38mil., after the announcement of the Management of the Company regarding the cessation of cooperation

The rise in total sales combined with the increase of gross profit margin (from 23.65% to 24.77%) resulted in the increase of gross profit by 7.68%, which increased from € 9.93 mil in the 1<sup>st</sup> half of 2014 to € 10.69 mil in the 1<sup>st</sup> half of 2015.

The General Operating Expenses increased by 13.68%, amounting to € 8.44 mil against € 7.43 mil in the 1<sup>st</sup> half of 2014, due to the burden on the disposal expenses of an amount of € 1.94 mil, regarding the increased provisions on the Company's receivables on 30/06/2015, for the full consolidation of the portfolio of receivables of its customers. Based on the aforementioned, the other expenses of the 1<sup>st</sup> half decreased by 12.52%, despite the increase in sales.

Despite the increase of total sales and gross profit of the Company, the abovementioned rise in general expenses affected operating result (EBITDA) which amounted to € 3.02 mil against € 2.86 mil in the 1<sup>st</sup> half of 2014, posted an increase by 5.46%.

The financial result of the period (expense of € 2.02 mil against expense of € 1.61 mil in the 1<sup>st</sup> half of 2014) increased by 25.79% mainly due to: 1) the increase of interest expenses (from € 1.85 mil in the 1<sup>st</sup> half of 2014 to € 2.05 mil in the corresponding period of 2015) and 2) loss on devaluation of investments and securities by the amount of € 0.47 mil.

The abovementioned increase of expenses (financial and other), despite the increase of gross profit due to increase in sales, resulted in the decrease of gross profit of the Company from € 0.68 mil on 30/06/2014 to € 0.03 mil.

Trade and other receivables amounted on 30/6/2015 to € 36.98 mil against € 25.13 mil of those on 31/12/2014 and € 37.56 mil on 30/06/2014, increased by 47.15%. The comparison of receivables on 30/06/2015 with those on 30/06/2014 is to show that, due to the seasonality of Company's sales, the customers' balances appeared to be clearly increased in the interim reporting period. During the next months, after the realization of those receivables, the customers' balances are expected to be significantly decreased, recurring to normal.

On 30/6/2015, inventories amounted to € 48.23 mil against € 43.43mil on 31/12/2014, increased by 11.05%. Due to the seasonality of sales and the expected increase of sales during the next period and given that the orders for air conditioners, which are the basic volume of stock, held at the end of last year, inventory levels will normalize.

Total liabilities on 30/06/2015 amounted to € 94.92 mil against € 78.34mil on 31/12/2014, due to the increase in liabilities to main supplier of the Company, Fujitsu General Ltd because of the increased time credit, provided by the main supplier.

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

Group's turnover in the 1<sup>st</sup> Semester amounted to € 46.76m against € 41.43m of the corresponding Semester in 2014, posting an increase of 12.86%, due to both the increase in the parent company's sales and the increase in revenues from the energy sector, which amounted on 30/06/2015 to € 5.70 mil against € 3.21 mil on 30/06/2014.

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Group's Gross Profit in the 1<sup>st</sup> Semester amounted to € 13.86m against € 9.31 in the respective period in 2014, increased by 48.90%, due to the increase of total sales. The Gross Profit margin amounted to 29.63% against 22.46% in the 1<sup>st</sup> half of 2014.

The General Expenses of the Group (Administration – Distribution – Other) were increased by 26.46%, mainly due to the aforementioned increase of the Parent Company's expenses, amounting to € 10.43 mil against € 8.25 mil in the 1<sup>st</sup> half of 2014. Despite the increase of the general expenses, EBITDA were significantly increased by 80.13%, amounting to € 5.77 mil from € 3.20 mil in the 1<sup>st</sup> half of 2014, while EBITDA margin increased by 4.6%, amounting to 12.33% from 7.73% in the corresponding period in 2014.

The net financial result of the Group in the 1<sup>st</sup> Semester (cost) of € 2.88m is increased against the respective financial result in the 1<sup>st</sup> Semester in 2014 (cost) of € 2.15m, mainly due to the increase of financial expenses of the Parent Company.

Trade and other receivables of the Group on 30/6/2015 increased by 24.71%, amounting to € 43.76m against € 35.097m on 31/12/2014, mainly due to the increase (by 47.15%) of the receivables of the Parent Company along with significant decrease (by 22.44%) of trade and other liabilities of the Group's subsidiaries.

Cash in hand of the Group increased by 24.45%, amounting to € 6.82 mil on 30/06/2015 against € 5.48 mil on 31/12/2014.

The total liabilities of the Group on 30/6/2013 amounted to € 139.70m against € 126.13m on 31/12/2014, increased by 10.76%, mainly due to the increase in trade and other liabilities of the parent company.

The Profit before taxes for the Group amounted to € 0.69 mil in the 1<sup>st</sup> Semester of 2015 against loss of € 0.96m in the 1<sup>st</sup> Semester of 2014. Group's Net Loss after taxes and Minority Interests amounted to € 0.07m as at 30/6/2015 against loss of € 1.13m

### **Other Financial Ratios:**

<b>FINANCIAL RATIOS</b>	<b>Group</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>30/6/2014</b>	<b>30/6/2015</b>	<b>30/6/2014</b>
Current Ratio:	1.02	1.05	0.93	0.99
Quick Ratio:	0.50	0.57	0.42	0.52
Inventory Turnover Ratio (days):	290	293	272	277
Return on Equity Ratio %:	(0.20)%	(2.98)%	0.09%	2.13%
Earnings Before Tax Ratio %:	(1.48)%	(2.31)%	0.76%	2.29%
EBITDA Ratio %:	12.33%	7.73%	6.98%	6.81%

### **B. Significant events occurred**

Annual General Assembly of Shareholders convened on Tuesday, June 30, 2015, with the participation of eight (8) shareholders, duly representing 70.97% of the Company's total Share Capital, and resolved as follows:

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1. Company and Consolidated financial statements for the fiscal year 2014 (01/01/2014 to 31/12/2014) were unanimously approved.
2. The non-distribution of dividends to the Company's shareholders for the fiscal year 2014
3. New Board of Directors for a term of two years was elected, as follows:  
Executive members: Fidakis Georgios son of Athanasios, Pantousis Ioannis son of Dimitrios, Fidakis Athanasios son of Georgios, Fidakis Athanasios son of Konstantions, Demenegas Konstantinos son of Andreas - Fotios, Non executive member: Oikonomopoulos Panagiotis son of Konstantinos and Independent non Executive members: Katsoulakos Ioannis son of Sokratis, Lioukas Spyros son of Konstantinos and Piblis Nicolaos son of Evarestos.
4. Spyros Lioukas, Ioannis Katsoulakos and Panagiotis Oikonomopoulos were elected as new members of Audit Committee, in accordance with the article 37, L. 3693/2008.
5. The already disbursed for fiscal year 2014 remuneration fees of the independent non-executive Vice- President were approved and no remuneration fees will be granted to the Members of the Board for the fiscal year 2015.
6. Members of the Board of Directors and the Certified Auditors - Accountants were exempt from any liability for the fiscal year 2014 (01/01/2014 to 31/12/2014).
7. Permission was granted, in accordance with article 23, Codified Law 2190/1920, to establish contract agreements between the Company and Members of the Board, or between the Company and companies related to the Members of the Board.
8. Permission to the Members of the Board of Directors and to the Company's Management was granted to participate as Members of the Board of Directors in or as Management in other companies of similar business scope, in accordance with article 23, paragraph 1, of Codified Law 2190/1920.
9. GRANT THORNTON S.A. was elected as Certified Auditors, including tax audit, of the Company for the financial statements, Company and Consolidated, for the fiscal year 2015 (01/01/2015 to 31/12/2015).
10. Approved the existing contracts between the Company and affiliated or related companies.

### **C. Future Perspectives and Outlook, Main Risks with regard to the second half of fiscal year 2013**

#### **Future perspectives and outlook**

Management believes that both the sales of the Company and the Group will improve in the near future, taking into account the full activation of the subsidiary company in Italy and through this the increase of exports, the gradual abolition of capital controls and the climate stabilization in the internal market, but also due to the improvement of wind conditions during the next months which are going to enhance the revenues of the Group from the energy sector.

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### **Risks and Uncertainties**

#### ***Financial Risk Management***

**Financial risk factors:** The Group's operations entail exposure to various financial risks (including foreign exchange risk, interest rates risk, cash flow risk and price risk credit risk and liquidity risk). The Group's risk management policy is focused in the unpredictability of the financial markets targeting the minimization of the factors that can negatively affect the financial performance of the Group. The Group uses in certain cases financial derivative products in order to hedge its exposure to certain risks. The risk management is conducted by the Company's financial management department in accordance with the policy authorized by the Company's Board of Directors. The financial management department detects, evaluates and hedges financial risks in close cooperation with the Group's other departments. The Board of Directors provides guidelines for the risk management in general and specifically covering such areas of risk as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and non financial instruments as well as the investment of additional liquidity.

#### ***Market risks***

**Foreign exchange risk:** The Group operates internationally and as a result, it is exposed to foreign exchange risks arising from commercial operations in foreign currencies (USD and JPY) with customers and suppliers using currencies other than the Euro. In order to minimize risks the Group on occasion hedges its exposure to foreign currency risk through derivative contracts but does not use hedging accounting.

**Price volatility risk:** The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as available for sales assets. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.

**Cash flow and interest rate risks:** The Group is exposed to cash flow risk that may arise: a) through the volatility noted in variable interest rates which may cause positive or negative variations in cash inflows and/or outflows of assets and/or liabilities connected with these variable interest rates, b) through the increase in receivables which may be caused due to extension in the time when receivables are due, as suggested current market conditions, or c) through the increase of reserves, due to failure to realize expected sales growth.

Interest rate risk results mainly from short and long term borrowing in Euro and in variable interest rates. The Group assesses its exposure to interest rate variation on a constant basis taking under examination any chance of refinancing of its existing obligations under different conditions and terms. On this basis the Group assesses any potential influence to its financial result arising out of contingent variations in interest rates pertaining to mid term and long term financing facilities.

According to the Bond Loan Term Sheet under which the Company entered the bond loan agreement, in case of a set back in financial figures of the Company and failure to comply with the terms, the current spread of interest rates of 6%, may respectively rise up to 6,25%, thus accordingly having an effect on the cost of the debt financing. In the opposite case of further improvement of the Company's financial rates spread rates would further decrease to 5,75%.

**Credit risk:** Credit risk is hedged at Group level. Such credit risk mainly arises out of from the existence of potentially doubtful receivables. For credit risk management purposes the Group has policies in place in order to continuously assess clients' credibility taking into consideration the



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client's financial standing, previous transactions with the client, the client's credit history. Such factors and other are monitored on a steady basis and cannot be exceeding predefined levels for any individual client. Sales to individuals are conducted in cash. During the FY 2012 no excess in credit levels was noted and the Group does not expect any substantial potential losses which come as a result of inability to liquidate receivables.

**Liquidity risk:** Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing. The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.

**Seasonality in sales of air-conditioners:** Over the last year's sales of air-conditioners showed signs of a seasonal trend mainly increasing during the summer period. This resulted to concerns with regard to potential risks from doubtful debts due to the high number of credit openings in a relatively short period of time.

However over the last couple of years this seasonal trend seems to steadily decrease and demand seems to spread more evenly throughout the year, nonetheless a relatively high demand sustained during summer months, and especially at times of extreme climate conditions, but also during winter months (due to the increase in heating oil last year). This fact contributes towards higher quality client services and mitigation of the abovementioned risks.

In addition to the above risks, due to recent developments in Greek economy, the Group faces additional risk regarding the macroeconomic conditions, which are as follows:

#### **Macroeconomic conditions - Restrictions on capital movements**

By Legislative Act on 28/06/2015, a bank holiday was declared and restrictions on capital movements were imposed as a result of failure to reach agreement between the Greek government and the European Union, the European Central Bank and the International Monetary Fund (institutions), till the expiration date of the extension of Greece's financing program (30/06/2015). By a new Legislative Act on 18/07/2015, the cessation of bank holiday was decided, but the restrictions on capital movements, albeit with variations, remained.

Within August 2015, the Greek government completed the negotiation with institutions, with the preparation and adoption of the third rescue plan, its ratification by ESM and the disbursement of the first installment, so that the obligation to the European Central Bank could be paid. Moreover, the completion of the program of recapitalization of Greek banks is pending, which outcome can not accurately be estimated at this stage. This intensifies the economic uncertainty in the macroeconomic and business environment in Greece.

Based on the abovementioned facts that took place within the six-month period to be reported and the remaining uncertainties for the second half of the current year, the risks and the imitations of the Group are the following:

- Imports of goods are now made through particularly lengthy and costly procedures, burdening all enterprises with additional costs. However, most of the Group's orders had already been completed within the first half of the year and no significant effect in the second half is expected.

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- The impacts on exports may also be significant due to delays in the procedure for granting guarantees to foreign entities for the proper and timely delivery of products to be exported. The Group does not appear to face any impact on its exports, having sufficient stock.
- Difficulties relating to the recovery of receivables are highly probable, with possible negative impacts on the respective coverage of the Group's obligations. It should be noted that the Group's sales during the second half of the year are currently enhanced compared to the respective period last year.
- Regarding the recovery of the receivables that have matured, there may be delays that could affect the cash flows of the Group. The Group conducted in the six – month period ended on 30/06/2015 impairment of trade receivables amounting to € 1,940, systematically monitoring the collectability of receivables and crystallizing the recoverability of trade receivables of its portfolio during current conditions.
- The cash flow of the Group may incur significantly from the collectability of its receivables. The change in the collection and payment of VAT will lead to significant delays and burden on the smooth operation and management of the Group's assets.

Management estimates that no significant negative impact on both the Company's and Group's operations is expected, after the finalization of the third rescue program and given the reduced, in terms of revenues, exposure to Greek market (company's sales abroad / domestic company's sales 70:30)

The monitors and continually assesses the developments of any possible effect that the prevailing conditions may have on its operation, its financial situation and results, in order to ensure that all the necessary actions and initiatives are undertaken to minimize any impact on Group's domestic operations.

#### **D. Related party transactions**

According to IAS 24, related parties are subsidiary companies, affiliate companies and companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Company sales to related parties primarily concern sales of products and merchandise. Intercompany transactions take place in accordance with Law 3728/18-12-2008, and under such conditions and terms which do not materially differ from relevant conditions and terms in agreements between the Company and third parties.

The compensation of Directors concerns compensation of regular payment according to employment contracts.

The following paragraph lists important transactions between the company and its related parties, having occurred during the period under review, in accordance with provisions of IAS 24, pertaining to amounts over € 10 thousand.

During the 1<sup>st</sup> half of 2015, F.G. EUROPE S.A. sold products to its subsidiary in Turkey, FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER, which amounted to € 5.46

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mil. From these sales, FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER owes to F.G. EUROPE S.A. the amount of € 5.03 mil.

Moreover, F.G. EUROPE S.A., during the 1<sup>st</sup> half of 2015, made purchases of products from its subsidiary in Turkey, FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER, which amounted to € 0.20 mil. The obligation coming from these purchases have been fully paid.

CYBERONICA S.A.'s income from leasing offices and storing facilities rose to € 1,64m during the period from January 1 to June 30, 2015. From that amount the contribution of F.G. EUROPE S.A. was € 1.58m. The biggest share concerns storage facilities of 25.000 s.m. in Aspropyrgos and Glyfada.

Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of € 0,58m during the period from January 1 to June 30, 2015 (€ 0,58m on June 30, 2014). The amount paid as guarantee from F.G. EUROPE S.A. is € 0.56m, remaining the same from the year 2014.

F.G. EUROPE S.A. owes to the subsidiary of the Group, AIOLIKI ADERES S.A., the amount of € 1.00 mil that AIOLIKI ADERES S.A. has paid as a temporary liquidity facility.

F.G. EUROPE S.A. owes to FIRMENT TRADING LTD (common ownership) the amount of € 4.00 mil that FIRMENT TRADING LTD has paid as a temporary liquidity facility.

### **E. Corporate Governance**

FG EUROPE S.A. is committed to maintain high standards of corporate governance. In applying the principles of corporate governance, the Company has applied the principles laid down in the Code of Governance, established by the Federation of Enterprises.

F.G. EUROPE S.A. pays great significance and undertakes all necessary actions to secure the necessary levels of transparency for all its actions and internal procedures, aiming to further strengthening its credibility for the sake of its shareholders and the investment community in general. The F.G. EUROPE S.A. attaches particular importance and attention to ensuring the transparency of procedures relating to the General actions and transactions, aiming to consolidate its credibility vis-à-vis its shareholders and investors.

The Company fully abides by and implements all provisions set forth by the statutory laws and legal framework. Corporate Governance practices implemented by the Board of Directors' relevant sub-committees, are a major factor towards achieving the Company's corporate mission, which is maximizing the value of the shareholders' equity.

### **F. Internal Policies and Procedures**

The Company operates under an internal code of Policies and Procedures, which is updated and kept abreast of current events, in order to incorporate any issues arising pertaining to matters of corporate governance, as well as any changes in the organizational structure of the Company.

### **G. ISO 9001-2000 Certified**

F.G. EUROPE S.A implements the Quality Management System ISO 9001:2000 and is certified by the internationally recognizes Certification Organization, TUV Austria.

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The implementation of the Quality Management System, plays a pivotal role towards improving efficiency for the Company and its daily operations, and thus lays the ground for the optimal use of the Company's resources, as well as for the provision of excellent services for the Company's customers, partners and shareholders.

#### **H. Corporate Social Responsibility**

F.G. EUROPE S.A. is especially sensitive to matters of environmental awareness and protection. Respect for the environment, promoting renewable energy sources, taking part in recycling initiatives and implementing recycling policies, all are guidelines incorporated in F.G. Europe's strategy.

The abovementioned are elements that define the Company's new corporate identity and guided the design of the new corporate logo of F.G. EUROPE S.A.

As part of corporate social responsibility actions, the Company during August 2015 granted for free and installed 100 air conditioners in the new facilities for hosting refugees in the region of Elaiona, Atiki.

All the above information mentioned with regard to the financial standing of the Company and the Group is accurate and can be confirmed through the Financial Statements for the period ending June 30, 2015

**Glyfada, August 31, 2015**

**Chairman of the Board of Directors**

**Georgios Fidakis**

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**Report on Review of Interim Financial Information**

To the Shareholders of company “F.G. EUROPE SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES”

**Introduction**

We have reviewed the accompanying separate and consolidated condensed statement of financial position of F.G. EUROPE S.A. (the “Company”) and its subsidiaries (the “Group”) as of 30 June 2015 and the related separate and consolidated condensed statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim financial information, which form an integral part of the six-month financial report of article 5 of Law 3556/2007.

Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and applies for interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

**Reference to other legal requirements**

Based on our review, we concluded that the content of the six-month financial report, as required by article 5 of L.3556/2007, is consistent with the accompanying condensed interim financial information.

**Athens, 31 August 2015**  
**The Chartered Accountant**

**Manolis Michalios**  
**I.C.P.A. Reg.: No. 25131**



Chartered Accountants Management Consultants  
56, Zefirou str., 175 64 Palaio Faliro, Greece  
Registry Number SOEL 127

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**F.G. EUROPE S.A.  
128, Vouliagmenis Ave.  
166 74 Glyfada - Greece  
P.C. Reg. No. 13413/06/B/86/111**

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COMPANY AND CONSOLIDATED FOR THE SIX – MONTHS PERIOD  
ENDED JUNE 30, 2015**

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**F.G. EUROPE S.A.**  
**Statement of Financial Position (Consolidated and Company)**  
**As of June 30, 2015**

(All amounts in Euro thousands unless otherwise stated)

		<b>Consolidated</b>			
	Note	<b>1/1- 30/6/2015</b>	<b>1/1- 30/6/2014</b>	<b>1/4- 30/6/2015</b>	<b>1/1- 30/6/2014</b>
Sales.....	4	46.761	41.433	24.799	26.785
Less: Cost of sales.....		<u>(32.904)</u>	<u>(32.127)</u>	<u>(19.697)</u>	<u>(21.583)</u>
<b>Gross profit</b>		<b><u>13.857</u></b>	<b><u>9.306</u></b>	<b><u>5.102</u></b>	<b><u>5.202</u></b>
Other operating income.....		153	132	110	98
Distribution expenses.....	10	(7.812)	(6.051)	(5.198)	(3.265)
Administrative expenses.....		(2.333)	(1.838)	(1.188)	(924)
Other operating expenses .....		<u>(289)</u>	<u>(362)</u>	<u>(274)</u>	<u>(93)</u>
<b>Earnings before interests and taxes</b>		<b><u>3.576</u></b>	<b><u>1.187</u></b>	<b><u>(1.448)</u></b>	<b><u>1.018</u></b>
Finance income.....	5	2.092	1.174	413	723
Finance costs.....	5	<u>(4.975)</u>	<u>(3.320)</u>	<u>(1.545)</u>	<u>(1.756)</u>
<b>Earnings before taxes</b>		<b><u>693</u></b>	<b><u>(959)</u></b>	<b><u>(2.580)</u></b>	<b><u>(15)</u></b>
Income tax expense.....	6	<u>(764)</u>	<u>(170)</u>	475	(338)
<b>Net profit for the period</b>		<b><u>(71)</u></b>	<b><u>(1.129)</u></b>	<b><u>(2.105)</u></b>	<b><u>(353)</u></b>
<b>Attributable as follows:</b>					
Equity holders of the Parent.....		(287)	(510)	(1.879)	(143)
Minority interest.....		<u>216</u>	<u>(619)</u>	<u>(226)</u>	<u>(210)</u>
<b>Net profit (after tax) attributable to the Group</b>		<b><u>(71)</u></b>	<b><u>(1.129)</u></b>	<b><u>(2.105)</u></b>	<b><u>(353)</u></b>
<b>Amounts not reclassified in the income statement:</b>					
Actuarial gains / (losses).....		-	-	-	(8)
Income tax expense.....		<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<b><u>(6)</u></b>
<b>Amounts reclassified to the income statement:</b>					
Exchange differences		4	8	164	8
Available for sale investments.....		<u>-</u>	<u>(155)</u>	<u>-</u>	<u>(201)</u>
		<b><u>4</u></b>	<b><u>(147)</u></b>	<b><u>164</u></b>	<b><u>(193)</u></b>
<b>Other Comprehensive Income after taxes</b>		<b><u>4</u></b>	<b><u>(147)</u></b>	<b><u>164</u></b>	<b><u>(199)</u></b>
<b>Total Comprehensive Income after taxes</b>		<b><u>(67)</u></b>	<b><u>(1.276)</u></b>	<b><u>(1.941)</u></b>	<b><u>(552)</u></b>
<b>Attributable as follows:</b>					
Equity holders of the Parent.....		(285)	(661)	(1.789)	(346)
Minority interest.....		<u>218</u>	<u>(615)</u>	<u>(152)</u>	<u>(206)</u>
<b>Net profit (after tax) attributable to the Group</b>		<b><u>(67)</u></b>	<b><u>(1.276)</u></b>	<b><u>(1.941)</u></b>	<b><u>(552)</u></b>
<b>Earnings per share (expressed in €s):</b>					
Basic.....	7	<u>(0,0054)</u>	<u>(0,0097)</u>	<u>(0,0356)</u>	<u>(0.0027)</u>



**F.G. EUROPE S.A.**  
**Statement of Financial Position (Consolidated and Company)**  
**As of June 30, 2015**  
(All amounts in Euro thousands unless otherwise stated)

	Note	<u>Company</u>			
		<u>1/1- 30/6/2015</u>	<u>1/1- 30/6/2014</u>	<u>1/1- 30/6/2015</u>	<u>1/1- 30/6/2014</u>
Sales.....	4	43.176	41.996	22.638	28.699
Less: Cost of sales.....		<u>(32.483)</u>	<u>(32.066)</u>	<u>(18.372)</u>	<u>(23.118)</u>
<b>Gross profit</b>		<b><u>10.693</u></b>	<b><u>9.930</u></b>	<b><u>4.266</u></b>	<b><u>5.581</u></b>
Other operating income.....		98	63	71	34
Distribution expenses.....	10	(7.272)	(6.051)	(4.658)	(3.265)
Administrative expenses.....		(1.164)	(1.362)	(572)	(672)
Other operating expenses .....		<u>(8)</u>	<u>(15)</u>	<u>(7)</u>	<u>(13)</u>
<b>Earnings before interests and taxes</b>		<b><u>2.347</u></b>	<b><u>2.565</u></b>	<b><u>(900)</u></b>	<b><u>1.665</u></b>
Finance income.....	5	1.849	1.150	291	708
Finance costs.....	5	<u>(3.868)</u>	<u>(2.755)</u>	<u>(1.078)</u>	<u>(1.464)</u>
<b>Earnings before taxes</b>		<b><u>328</u></b>	<b><u>960</u></b>	<b><u>(1.687)</u></b>	<b><u>909</u></b>
Income tax expense.....	6	<u>(302)</u>	<u>(284)</u>	<u>479</u>	<u>(254)</u>
<b>Net profit for the period</b>		<b><u>26</u></b>	<b><u>676</u></b>	<b><u>(1.208)</u></b>	<b><u>655</u></b>
<b>Amounts reclassified to the income statement:</b>					
Available for sale investments – Reclassification at results.....		-	(155)	-	(201)
<b>Other Comprehensive Income after taxes</b>		<u>-</u>	<u>(155)</u>	<u>-</u>	<u>(201)</u>
<b>Total Comprehensive Income after taxes</b>		<b><u>26</u></b>	<b><u>521</u></b>	<b><u>(1.208)</u></b>	<b><u>454</u></b>
<b>Earnings per share (expressed in €s):</b>					
Basic.....	7	<u>0,0005</u>	<u>0.0128</u>	<u>(0,0229)</u>	<u>0.0124</u>

# **F.G. EUROPE S.A.**

## **Statement of Financial Position (Consolidated and Company)**

**As of June 30, 2015**

(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		30/6/2015	31/12/2014	30/6/2015	31/12/2014
<b><u>ASSETS</u></b>					
<b>Non-current assets</b>					
Property, plant and equipment.....	8	59.862	61.746	1.053	591
Investments in real estate property.....	8	255	256	255	256
Intangible assets.....	8	7.148	7.290	4	5
Investments in subsidiaries.....	1.2	-	-	31.018	29.952
Long term receivables.....		667	691	639	658
Deferred tax assets.....		4.939	4.935	4.039	4.341
Available for sale investments.....	13	549	1.019	549	1.019
<b>Total non-current assets</b>		<b>73.420</b>	<b>75.937</b>	<b>37.557</b>	<b>36.822</b>
<b>Current assets</b>					
Inventories.....	9	52.091	45.217	48.231	43.432
Trade receivables.....	10	43.760	35.089	36.984	25.132
Cash and cash equivalents.....	11	6.821	5.475	2.456	3.242
<b>Total current assets</b>		<b>102.672</b>	<b>85.781</b>	<b>87.671</b>	<b>71.806</b>
<b>Total assets</b>		<b>176.092</b>	<b>161.718</b>	<b>125.228</b>	<b>108.628</b>
<b><u>SHAREHOLDERS' EQUITY &amp; LIABILITIES</u></b>					
<b><u>SHAREHOLDERS' EQUITY</u></b>					
<b>Shareholders equity attributable to the equity holders of the parent company</b>					
Share capital.....		15.840	15.840	15.840	15.840
Share premium.....		6.731	6.731	6.731	6.731
Reserves.....		4.097	4.082	3.860	3.860
Retained earnings.....		(9.844)	(9.544)	3.882	3.856
		<b>16.824</b>	<b>17.109</b>	<b>30.313</b>	<b>30.287</b>
Minority interest.....		19.570	18.480	-	-
<b>Total shareholders' equity</b>		<b>36.394</b>	<b>35.589</b>	<b>30.313</b>	<b>30.287</b>
<b><u>LIABILITIES</u></b>					
<b>Non-current liabilities</b>					
Long term Borrowings.....	12	15.658	16.939	-	-
Retirement benefit obligations.....		614	618	544	567
Deferred government grants.....		19.515	20.403	-	-
Long-term provisions.....		1.754	1.703	-	-
Deferred taxes		1.972	1.291	-	-
<b>Total non-current liabilities</b>		<b>39.513</b>	<b>40.954</b>	<b>544</b>	<b>567</b>
<b>Current liabilities</b>					
Short term Borrowings.....	12	5.300	4.379	2.299	2.967
Short term portion of long term borrowings.....	12	55.638	57.424	53.282	55.028
Current tax liabilities.....		124	165	-	-
Trade and other payables.....	14	39.123	23.207	38.790	19.779
<b>Total current liabilities</b>		<b>100.185</b>	<b>85.175</b>	<b>94.371</b>	<b>77.774</b>
<b>Total liabilities</b>		<b>139.698</b>	<b>126.129</b>	<b>94.915</b>	<b>78.341</b>
<b>Total equity and liabilities</b>		<b>176.092</b>	<b>161.718</b>	<b>125.228</b>	<b>108.628</b>

**F.G. EUROPE S.A.**  
**Statements of Changes in Equity (Consolidated)**  
**For the Six-Months Period ended June 31, 2015**  
(All amounts in Euro thousands unless otherwise stated)

<b><u>Consolidated</u></b>	<b>Share capital</b>	<b>Share premium</b>	<b>Legal reserve</b>	<b>Available for sales - Fair value reserves</b>	<b>Actuarial gains / (Losses)</b>	<b>Special tax reserves</b>	<b>Retained earnings / (Losses)</b>	<b>Total</b>	<b>Minority interest</b>	<b>Total equity</b>
<b>Balance on January 1, 2014</b>	<b>15.840</b>	<b>6.731</b>	<b>3.961</b>	<b>(1.273)</b>	<b>-</b>	<b>1.661</b>	<b>3.925</b>	<b>30.845</b>	<b>18.525</b>	<b>49.370</b>
<b>Year's changes:</b>										
Net profit for the period	-	-	-	-	-	-	(510)	(510)	(619)	(1.129)
Other Comprehensive Income..	-	-	-	(155)	5	-	-	(150)	3	(147)
<b>Total Comprehensive Income..</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155)</b>	<b>5</b>	<b>-</b>	<b>(510)</b>	<b>(660)</b>	<b>(616)</b>	<b>(1.276)</b>
Expenses of shares issuance	-	-	200	-	-	-	(200)	-	-	-
Dividend Distribution 2013	-	-	-	-	-	-	(10.560)	(10.560)	-	(10.560)
(Increase)/ Decrease shareholding of Subsidiaries	-	-	-	-	-	-	-	-	339	339
<b>Balance on June 30, 2014</b>	<b>15.840</b>	<b>6.731</b>	<b>4.161</b>	<b>(1.428)</b>	<b>5</b>	<b>1.661</b>	<b>(7.345)</b>	<b>19.625</b>	<b>18.248</b>	<b>37.873</b>
<b>Balance on January 1, 2015</b>	<b>15.840</b>	<b>6.731</b>	<b>4.162</b>	<b>-</b>	<b>-</b>	<b>(80)</b>	<b>(9.544)</b>	<b>17.109</b>	<b>18.480</b>	<b>35.589</b>
<b>Year's changes:</b>										
Net profit for the period	-	-	-	-	-	-	(287)	(287)	216	(71)
Other Comprehensive Income..	-	-	-	-	-	2	-	2	2	4
<b>Total Comprehensive Income..</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(287)</b>	<b>(285)</b>	<b>218</b>	<b>(67)</b>
Legal reserve	-	-	13	-	-	-	(13)	-	-	-
(Increase)/ Decrease shareholding of Subsidiaries	-	-	-	-	-	-	-	-	872	872
<b>Balance on June 30, 2015</b>	<b>15.840</b>	<b>6.731</b>	<b>4.175</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>(9.844)</b>	<b>16.824</b>	<b>19.570</b>	<b>36.394</b>

**F.G. EUROPE S.A.**  
**Statements of Cash Flows (Consolidated and Company)**  
**For the Six-Months Period ended June 30, 2015**  
(All amounts in € thousands unless otherwise stated)

<u>Company</u>	Share capital	Share premium	Legal reserve	Available for sales - Fair value reserves	Actuarial gains / (Losses)	Special tax reserves	Retained earnings	Total
<b>Balance on January 1, 2014</b>	<b>15.840</b>	<b>6.731</b>	<b>3.792</b>	<b>(1.273)</b>	<b>(24)</b>	<b>1.851</b>	<b>14.854</b>	<b>41.771</b>
<b>Year's changes:</b>								
Net profit for the period	-	-	-	-	-	-	676	676
Other Comprehensive Income..	-	-	-	(155)	-	-	-	(155)
<b>Total Comprehensive Income..</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155)</b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>521</b>
Expenses of shares issuance	-	147	-	-	-	-	(147)	-
Dividend Distribution 2013	-	-	-	-	-	-	(10.560)	(10.560)
<b>Balance on June 30, 2014</b>	<b>15.840</b>	<b>6.731</b>	<b>3.939</b>	<b>(1.428)</b>	<b>(24)</b>	<b>1.851</b>	<b>4.823</b>	<b>31.732</b>
<b>Balance on January 1, 2015</b>	<b>15.840</b>	<b>6.731</b>	<b>3.939</b>	<b>-</b>	<b>(72)</b>	<b>(7)</b>	<b>3.856</b>	<b>30.287</b>
<b>Year's changes:</b>								
Net profit for the period	-	-	-	-	-	-	26	26
<b>Total Comprehensive Income..</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>26</b>
<b>Balance on June 30, 2015</b>	<b>15.840</b>	<b>6.731</b>	<b>3.939</b>	<b>-</b>	<b>(72)</b>	<b>(7)</b>	<b>3.882</b>	<b>30.313</b>

**F.G. EUROPE S.A.**  
**Statements of Cash Flows (Consolidated and Company)**  
**For the Six-Months Period ended June 30, 2015**  
(All amounts in € thousands unless otherwise stated)

	<u>Consolidated</u>		<u>Company</u>	
	<u>For the Six-Months Period Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Profit before tax (and minority interest).....	693	(959)	328	960
<b>Add / (less) adjustments for:</b>				
Depreciation and amortization.....	2.696	2.669	61	61
Provisions.....	2.026	155	2.026	156
Exchange rate differences.....	<b>(562)</b>	<b>(198)</b>	<b>(562)</b>	<b>(198)</b>
Result of investment activity.....	446	(319)	458	(296)
Interest and similar expenses.....	2.767	2.731	2.116	2.166
Government grants recognized in income.....	(888)	(888)	-	-
Employee benefits.....	38	22	19	20
Impairment charges.....	-	145	-	-
<b>Operating result before changes in working capital</b>	<b><u>7.216</u></b>	<b><u>3.358</u></b>	<b><u>4.446</u></b>	<b><u>2.869</u></b>
<b>Add / (less) adjustments for changes in working capital items:</b>				
(Increase) / decrease in inventories.....	(6.959)	(11.182)	(4.884)	(8.167)
(Increase) / decrease in receivables and prepayments.....	(10.750)	(5.721)	(13.799)	(11.236)
Increase / (decrease) in trade and other payables.....	16.661	16.402	19.751	16.712
(Increase) in long term receivables.....	24	3	19	1
<b>Total cash inflow / (outflow) from operating activities</b>	<b><u>6.192</u></b>	<b><u>2.860</u></b>	<b><u>5.533</u></b>	<b><u>179</u></b>
Interest and similar expenses paid.....	(2.831)	(766)	(2.234)	(262)
Income taxes paid.....	-	(610)	-	(518)
<b>Total net inflow / (outflow) from operating activities</b>	<b><u>3.361</u></b>	<b><u>1.484</u></b>	<b><u>3.299</u></b>	<b><u>(601)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
(Purchase) of subsidiaries and other investments.....	-	(1.674)	(1.066)	(2.115)
Proceeds from the sale of subsidiaries and other investments.....	-	1.920	-	1.920
(Purchase) of PPE and intangible assets.....	(669)	(150)	(521)	(103)
Interest income.....	37	198	25	175
<b>Total net cash inflow / (outflow) from investing activities</b>	<b><u>(632)</u></b>	<b><u>294</u></b>	<b><u>(1.562)</u></b>	<b><u>(123)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from share capital increase.....	872	-	-	-
Proceeds from borrowings.....	1.666	64.191	-	64.191
Payments of borrowings.....	(3.914)	(59.797)	(2.516)	(57.336)
<b>Total net cash inflow from financing activities</b>	<b><u>(1.376)</u></b>	<b><u>4.394</u></b>	<b><u>(2.516)</u></b>	<b><u>6.855</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b><u>1.353</u></b>	<b><u>6.172</u></b>	<b><u>(779)</u></b>	<b><u>6.131</u></b>
<b>Exchange rate differences</b>	<b>(7)</b>	<b>62</b>	<b>(7)</b>	<b>62</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5.475</b>	<b>12.144</b>	<b>3.242</b>	<b>10.711</b>
<b>Cash and cash equivalents at end of period</b>	<b>6.821</b>	<b>18.378</b>	<b>2.456</b>	<b>16.904</b>

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Consolidated and Company)**

**For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

### **1. Incorporation and Business of the Group**

The parent company F.G. EUROPE S.A. (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter referred to as “the Group) activate:

- The company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, televisions and in the wholesale of rendered services of mobile telephony.
- The subsidiaries **F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S. and F.G. EUROPE ITALIA S.P.A.**, in the import and wholesale of all types of air conditioners, while R.F. ENERGY S.A. and its subsidiaries below activate in the field of electric energy production from renewable energy sources.
  - HYDROELECTRICAL ACHAIAS S.A.
  - CITY ELECTRIC S.A.
  - AIOLIKI KYLINDRIAS S.A.
  - KALLISTI ENERGIAKI S.A.
  - R.F. ENERGY S.A. OMALIES S.A.
  - AIOLIKI ADERES S.A.

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of June 30, 2015 is 88 for the Company and 117 for the Group.

The Company’s shares are listed on the primary market segment of the Athens Exchange.

The subsidiaries contained with the method of full consolidation in the attached consolidated financial statements of the group are the following:

<b>Name</b>	<b>Country</b>	<b>Share as of June 30, 2015</b>	<b>Method of consolidation</b>
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• F.G. EUROPE ITALIA S.P.A.	Greece	100,00% (a)	Full consolidation
• F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S.	Greece	55,00% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	50,00% (a)	Full consolidation
• HYDROELECTRICAL ACHAIAS S.A.	Greece	50,00% (b)	Full consolidation
• CITY ELECTRIC S.A.	Greece	50,00% (b)	Full consolidation
• AIOLIKI KYLINDRIAS S.A.	Greece	50,00% (b)	Full consolidation
• KALLISTI ENERGIAKI S.A.	Greece	50,00% (b)	Full consolidation
• AIOLIKI ADERES S.A.	Greece	50,00% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	50,00% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

F.G. EUROPE’s holding share in the company R.F. ENERGY S.A. is to 50,00%. Due to the fact that the existing shareholders’ agreement concerning the appointment of the majority of Board Members through F.G. EUROPE S.A., R.F. ENERGY is fully consolidated in the Company’s financial statements, with the method of full consolidation.

F.G. EUROPE S.A. participates with 10,00% in the share capital of ANAKYKLOSI SYSKEVON SYMMETOCHIKI S.A. which is not included in the consolidated financial statements of the Group and the Company as ‘Available for sale investment’.

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Consolidated and Company)**

### **For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

The investments in subsidiaries of the Company are as follows:

<b>Investments in Subsidiaries as at 30/6/2015</b>				
<b>Subsidiary name</b>	<b>Balance as at 31/12/2014</b>	<b>Additions 1/1-30/6/15</b>	<b>Reductions 01/01 - 30/6/2015</b>	<b>Balance as at 30/6/2015</b>
<b>1</b> R.F. ENERGY S.A..... F.G. EUROPE KLIMA	29.287	-	-	<b>29.287</b>
<b>2</b> TEKNOLOJILERI SANAYI VE TICARET A.S	413	1.066	-	<b>1.479</b>
<b>3</b> F.G. EUROPE ITALIA S.P.A.	252	-	-	<b>252</b>
<b>Total</b>	<b>29.952</b>	<b>1.066</b>	-	<b>31.018</b>

<b>Investments in Subsidiaries as at 31/12/2014</b>				
<b>Subsidiary name</b>	<b>Balance as at 31/12/2013</b>	<b>Additions 1/1 – 31/12/2014</b>	<b>Reductions 1/1 - 31/12/2014</b>	<b>Balance as at 31/12/2014</b>
<b>1</b> R.F. ENERGY S.A..... F.G. EUROPE KLIMA	<b>29.287</b>	-	-	<b>29.287</b>
<b>2</b> TEKNOLOJILERI SANAYI VE TICARET A.S	-	413	-	<b>413</b>
<b>3</b> F.G. EUROPE ITALIA S.P.A	-	252	-	<b>252</b>
<b>Total</b>	<b>29.287</b>	<b>665</b>	-	<b>29.952</b>

"Other comprehensive income after tax" represents gains for the Group of € 4 which concerns difference in exchange at the consolidation of Group Companies in foreign currency.

## **2. Significant Accounting Policies used by the Group**

### **2.1 Basis of Preparation of Financial Statements**

These consolidated and company financial statements (hereinafter referred to as "Financial Statements") have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Interpretations that have been issued by the Standing Interpretations Committee.

These financial statements have been prepared according to IAS 34 (Interim Financial Reporting) and therefore should be considered in combination with the audited financial statements as of December 31, 2014 that are accessible on the internet site of the Company.

The Accounting policies, estimations and calculation methods adopted for the preparation of these interim Financial Statements are those used for the preparation of the Annual Financial Statements for the year ended December 31, 2014, apart from the adoption of new standards and interpretations that were adopted for first time as of January 1, 2014, the impact of which on the Financial Statements is mentioned below in note 2.2.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Using the available information and the implementation of subjective evaluation are necessary in order to conduct forecasts. Actual results may differ from estimates and deviations can have serious impacts on the Financial Statements.

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Consolidated and Company)**

**For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

The operating results of the six-months period ended June 30, 2015, are not indicative for the results expected by management for the year ending December 31, 2014 because of the seasonality of the core business. This seasonality results from fact that air conditioners sales that are the company's core business in terms of profitability multiply during the second and third quarter of the year dependent on the weather conditions.

## ***2.2. Changes in Accounting Policies***

### **2.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union**

The following amendments and interpretations of the IFRS have been issued by IASB, have been adopted by the European Union and their application is mandatory from or after 01/01/2014.

The most significant Standards and Interpretations are as follows:

#### **a. IFRIC 21 “Levies” (effective for annual periods starting on or after 17/06/2014)**

In May 2013, the IASB issued IFRIC 21. IFRIC 21 provides guidance on when a company recognises a liability for a levy imposed by the state in its Financial Statements. IFRIC 21 is an interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. IAS 37 sets out criteria for the recognition of a liability, one of which is the present obligation resulting from a past event, known as an obligating event. This interpretation indicates that the obligating event is the activity that triggers the payment of the levy in accordance with the relevant legislation. The interpretation does not affect the consolidated and separate Financial Statements.

#### **b. Annual Improvements cycle 2011-2013 (effective for annual periods starting on or after 01/07/2014)**

In December 2013, the IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The issues included in this cycle are the following: IFRS 1: Meaning of effective IFRSs, IFRS 3: Scope exceptions for joint ventures; IFRS 13: Scope of paragraph 52 (portfolio exception); and IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property. The amendments do not affect the consolidated and separate Financial Statements.

#### **c. Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (effective for annual periods starting on or after 01/07/2014)**

In November 2013, the IASB published narrow scope amendments to IAS 19 “Employee Benefits” entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendment does not affect the consolidated and separate Financial Statements.



# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Consolidated and Company)**

**For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

### **3. Operating Segments**

The operating segments of Group are strategic units that sell different goods. They are monitored and managed separately by the Board of Directors, because these goods are of completely different nature, demand in the market and mixed profit margin.

The Groups' segments are the following:

#### **Long Living Consumer Goods**

The sector of Long Living Consumer Goods constitutes the import and wholesale of all types of air conditioners for domestic and professional use and the import and wholesale of white and brown house appliances.

#### **Energy**

The sector of Energy constitutes the development and operation of energy projects, focused on Renewable Energy Sources (RES).

The accounting policies for the operating segments are those used for the preparation of the Financial Statements.

The efficiency of the sectors is determined by the net profit after taxes.

The sales of the Group are completely wholesale and all assets are located in Greece.

The segments results of the Group are analyzed as follows:

<b>Six-month period ended June 30, 2015</b>	<b>Long Living Consumer Goods</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
Sales to third parties.....	46.722	5.703	-	52.425
Sales within the Group.....	(5.664)	-	-	(5.664)
<b>Gross profit.....</b>	<b>41.058</b>	<b>5.703</b>	<b>-</b>	<b>46.761</b>
Depreciation of Fixed/ Intangible assets	(77)	(2.619)	-	(2.696)
Gain / Loss before taxes, investing activities, total depreciations	1.752	4.014	-	5.766
Finance income.....	2.081	11	-	2.092
Finance costs.....	(4.492)	(483)	-	(4.975)
<b>Profits before tax.....</b>	<b>(1.063)</b>	<b>1.756</b>	<b>-</b>	<b>693</b>
Income tax expense.....	17	(781)	-	(764)
<b>Profits after tax.....</b>	<b>(1.046)</b>	<b>975</b>	<b>-</b>	<b>(71)</b>
Expenses for Fixed/ Intangible assets	643	26	-	669
Assets per sector	93.781	82.311	-	176.092
Liabilities per sector	57.135	43.050	-	100.185

<b>Six-month period ended June 30, 2014</b>	<b>Long Living Consumer Goods</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
Sales to third parties.....	37.960	3.213	260	41.433
Sales within the Group.....	-	-	-	-
<b>Gross profit.....</b>	<b>37.960</b>	<b>3.213</b>	<b>260</b>	<b>41.433</b>
Depreciation of Fixed/ Intangible assets	(52)	(2.617)	-	(2.669)
Gain / Loss before taxes, investing activities, total depreciations	1.098	2.087	16	3.201
Finance income.....	1.150	24	-	1.174
Finance costs.....	(2.755)	(565)	-	(3.320)
<b>Profits before tax.....</b>	<b>152</b>	<b>(1.127)</b>	<b>16</b>	<b>(959)</b>

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Consolidated and Company)**

**For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

Income tax expense.....	(127)	(43)	-	(170)
<b>Net profit.....</b>	<b>25</b>	<b>(1.170)</b>	<b>16</b>	<b>(1.129)</b>
Expenses for Fixed/ Intangible assets	143	7	-	150
Assets per sector	76.241	85.477	-	161.718
Liabilities per sector	79.817	46.312	-	126.129

The geographic results of the Groups sales are analyzed as follows:

	<b>Long Living Consumer Goods</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
<b>1/1 – 30/6/2015</b>				
Greece.....	12.928	5.703	-	<b>18.631</b>
Exports.....	28.130	-	-	<b>28.130</b>
<b>Total .....</b>	<b>41.058</b>	<b>5.703</b>	<b>-</b>	<b>46.761</b>

	<b>Long Living Consumer Goods</b>	<b>Energy</b>	<b>Other</b>	<b>Total</b>
<b>1/1 – 30/6/2014</b>				
Greece.....	9.385	3.213	260	<b>12.858</b>
Exports.....	28.575	-	-	<b>28.575</b>
<b>Total .....</b>	<b>37.960</b>	<b>3.213</b>	<b>260</b>	<b>41.433</b>

#### **4. Income**

Analysis of the Groups' income:

	<b>Consolidated</b>			
	<b>30/6/2015</b>	<b>1/4 -30/6/2015</b>	<b>30/6/2014</b>	<b>1/4 - 30/6/2015</b>
Sales of goods	40.935	22.505	38.163	24.885
Sales of goods (electric Energy)	5.703	2.228	3.213	1.862
Sales of services	123	66	57	38
<b>Total Sales</b>	<b>46.761</b>	<b>24.799</b>	<b>41.433</b>	<b>26.785</b>
Other income	153	110	132	98
<b>Total</b>	<b>46.914</b>	<b>24.909</b>	<b>41.565</b>	<b>26.883</b>
	<b>Company</b>			
	<b>30/6/2015</b>	<b>1/4 -30/6/2015</b>	<b>30/6/2014</b>	<b>1/4 -30/6/2015</b>
Sales of goods	43.053	22.572	41.939	28.661
Sales of services	123	66	57	38
<b>Total Sales</b>	<b>43.176</b>	<b>22.638</b>	<b>41.996</b>	<b>28.699</b>
Other income	98	71	63	34
<b>Total</b>	<b>43.274</b>	<b>22.709</b>	<b>42.059</b>	<b>28.733</b>

Total sales of F.G EUROPE S.A. for the six-month period ended June 30, 2015 amounted to € 43,176 against sales of €41,996 in the respective period of 2014, posted an increase of 2,8%. The increase of total sales is due to the increase of exports to Turkey and Balkan market

At Group level the revenues in the energy sector appear significantly increased by 77.5% compared to the same period of the previous year, firstly due to the better climatological conditions and secondly due to the existence of a credit note for € 1,138 in the first quarter of 2014, according to the provisions of the Law 4254/7.4.2014.

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Consolidated and Company)**

**For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

### **5. Finance income and expenses**

Finance income and expenses are analyzed as follows:

	<b>Consolidated</b>			
	<b>1/1- 30/6/2015</b>	<b>1/1- 30/6/2014</b>	<b>1/4- 30/6/2015</b>	<b>1/4- 30/6/2014</b>
<b>Finance costs:</b>				
Interest and similar expenses.....	(2.436)	(2.368)	(1.323)	(1.316)
Related interest expenses.....	(191)	(269)	-	(71)
Bank charges and commissions.....	(41)	(44)	(27)	(22)
Financial cost of provision of equipment removal.....	(99)	(48)	-	(2)
Foreign exchange differences.....	(1.680)	(580)	(93)	(436)
Valuation of derivatives.....	(52)	-	(52)	101
Devaluation of investments and securities.....	(470)	-	(47)	-
Prepaid interest of the actuarial research.....	(6)	(10)	(3)	(10)
Others.....	-	(1)	-	-
<b>Total Finance costs</b>	<b>(4.975)</b>	<b>(3.320)</b>	<b>(1.545)</b>	<b>(1.756)</b>
<b>Finance income:</b>				
Interest and similar income.....	29	169	15	120
Gains from sale of securities.....	1	160	2	160
Foreign exchange differences .....	2.062	813	918	417
Valuation of Derivatives.....	-	31	(522)	31
Valuation of investments and securities.....	-	1	-	(5)
<b>Total Finance income</b>	<b>2.092</b>	<b>1.174</b>	<b>413</b>	<b>723</b>
<b>Finance costs, net</b>	<b>(2.883)</b>	<b>(2.146)</b>	<b>(1.132)</b>	<b>(1.033)</b>
<b>Company</b>				
	<b>1/1- 30/6/2015</b>	<b>1/1- 30/6/2014</b>	<b>1/4- 30/6/2015</b>	<b>1/4- 30/6/2014</b>
<b>Finance costs:</b>				
Interest and similar expenses.....	(2.054)	(1.853)	(972)	(1.026)
Related interest expenses	(21)	(267)	(12)	(71)
Bank charges and commissions.....	(43)	(44)	(27)	(22)
Foreign exchange differences.....	(1.222)	(580)	37	(435)
Valuation of derivatives.....	(52)	-	(52)	101
Devaluation of investments and securities.....	(470)	-	(47)	-
Prepaid interest of the actuarial research.....	(6)	(10)	(3)	(10)
Others	-	(1)	-	(1)
<b>Total Finance costs</b>	<b>(3.868)</b>	<b>(2.755)</b>	<b>(1.076)</b>	<b>(1.464)</b>
<b>Finance income:</b>				
Interest and similar income.....	19	146	9	105
Gains from sale of securities.....	-	160	-	160
Foreign exchange differences .....	1.830	813	802	416
Valuation of Derivatives.....	-	31	(522)	31
Valuation of investments and securities.....	-	-	-	(4)
<b>Total Finance income</b>	<b>1.849</b>	<b>1.150</b>	<b>289</b>	<b>708</b>
<b>Finance costs, net</b>	<b>(2.019)</b>	<b>(1.605)</b>	<b>(787)</b>	<b>(756)</b>

### **6. Income taxes**

The parent company and its subsidiaries have not been audited by the tax authorities for the following fiscal years:

<b>Company</b>	<b>Unaudited fiscal years</b>
• F.G. Europe S.A.	2008 to 2014
• R.F. Energy S.A.	2010 to 2014
• Hydroelectrical Ahaias S.A.	2010 to 2014
• City Elektrik S.A	2010 to 2014

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Consolidated and Company)**

#### **For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

- |  |                                 |
|--|---------------------------------|
| • Aioliki Kylindrias S.A.                                  | 2009 to 2014                    |
| • Kallisti Energiaki S.A.                                  | 2009 to 2014                    |
| • R.F. Energy Omalies S.A.                                 | 2010 to 2014                    |
| • Aioliki Aderes S.A..                                     | Unaudited from inception (2009) |
| • F.G. Europe Italia S.P.A.                                | Unaudited from inception (2014) |
| • F.G. Europe Klima Teknolojileri<br>Sanayive Ticaret A.S. | Unaudited from inception (2014) |

It is noted that the companies of the Group operating in Greece have been audited by tax authorities for the fiscal years 2011, 2012, 2013 in accordance with the compulsory audit of par. 5, article 82 of L.2238/1994, as amended by par. 3, article 17 of L3842/2010 and D. 1159/2011, for the purpose of Annual Tax Certificate, which they finally received without incurring substantial differences.

The above Annual Tax Certificate provided for societe anonymes and limited companies, which annual financial statements are scrutinized by legal auditors and issued after tax audit conducted by auditors who are registered in the public register of L.3693/2008.

Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a “tax Compliance Report” which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This “Tax Compliance Report” must be submitted to the Ministry of Finance, within ten days of the date of approval of the financial statements by the General Meeting of the Shareholders. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a “Tax Compliance Report” has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within the period of eighteen months from the date when the “Tax Compliance Report” was submitted to the Ministry of Finance.

The work of auditors for the issue of the Annual Tax Certificate for fiscal year 2014, is still in progress by Grant Thornton and has not been finished yet. Therefore, it is not expected that there will be any significant differences that will significantly affect the Company’s results.

It is noted also that according to the new tax law 4334/2015 passed on 16/07/2015, the income tax of legal persons based in Greece increased from 26% to 29% for the fiscal years beginning on or after January 1, 2015 onwards. This change is expected to result due to deferred taxation and offsetting losses of previous years, profit for the Group € 210 and for the Company € 463.

Income taxes as presented in the financial statements are analyzed as follows:

	<b>Consolidated</b>			
	<b>1/1- 30/6/2015</b>	<b>1/1- 30/6/2014</b>	<b>1/4- 30/6/2015</b>	<b>1/1- 30/6/2014</b>
Income tax (current period).....	(820)	(102)	(6)	(428)
Deferred tax.....	56	(68)	481	90
<b>Income taxes</b>	<b>(764)</b>	<b>(170)</b>	<b>475</b>	<b>(338)</b>
	<b>Company</b>			
	<b>1/1- 30/6/2015</b>	<b>1/1- 30/6/2014</b>	<b>1/4- 30/6/2015</b>	<b>1/1- 30/6/2014</b>
Income tax (current period).....	(700)	(82)	33	(490)
Deferred tax.....	398	(202)	446	236
<b>Income taxes</b>	<b>(302)</b>	<b>(284)</b>	<b>479</b>	<b>(254)</b>

The tax liabilities of the Company and its subsidiaries have not been audited by tax authorities for the above fiscal years, and therefore it is possible that additional taxes and penalties will

# F.G. EUROPE S.A.

## Notes to the interim Financial Statements (Consolidated and Company)

**For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

arise, when they are discussed and finalized. The amount of the provision made by the Group and the Company till 30/06/2014 in relation to this issue is €345 and €292 respectively.

### 7. Earnings per share

The basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

	Consolidated			
	1/1- 30/6/2015	1/1- 30/6/2014	1/1- 30/6/2015	1/1- 30/6/2014
Net profit attributable to shareholders	(287)	(510)	(1.879)	(143)
Weighted average number of shares outstanding.....	52.800.154	52.800.154	52.800.154	52.800.154
<b>Basic earnings per share (in €)</b>	<b>(0,0054)</b>	<b>(0,0097)</b>	<b>(0,0356)</b>	<b>(0,0027)</b>

  

	Company			
	1/1- 30/6/2015	1/1- 30/6/2014	1/1- 30/6/2015	1/1- 30/6/2014
Net profit attributable to shareholders	26	676	(1.208)	655
Weighted average number of shares outstanding.....	52.800.154	52.800.154	52.800.154	52.800.154
<b>Basic earnings per share (in €)</b>	<b>0,0005</b>	<b>0.0128</b>	<b>(0,0229)</b>	<b>0.0124</b>

### 8. Property, plant and equipment and intangible assets

Property, plant and equipment are analyzed as follows:

Consolidated	Fixed Assets						Total
	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	
<b>January 1, 2014</b>							
Value at cost.....	1.077	10.367	70.397	393	1.607	3.014	<b>86.855</b>
Accumulated depreciations.	-	(2.327)	(16.148)	(326)	(1.333)	-	<b>(20.134)</b>
<b>Net book value.....</b>	<b>1.077</b>	<b>8.040</b>	<b>54.249</b>	<b>67</b>	<b>274</b>	<b>3.014</b>	<b>66.721</b>
<b>January 1 to December 31, 2014</b>							
Additions.....	10	38	8	84	113	162	<b>415</b>
Impairments.....	-	-	-	-	-	(324)	<b>(324)</b>
Transfers.....	-	-	-	(15)	(4)	-	<b>(19)</b>
Disposals .....	-	-	-	(2)	-	-	<b>(2)</b>
Depreciations.....	-	(586)	(4.383)	(27)	(77)	-	<b>(5.073)</b>
Depreciations of disposals..	-	-	-	15	12	-	<b>27</b>
<b>December 31, 2014</b>							
Value at cost.....	1.087	10.405	70.405	460	1.716	2.582	<b>86.925</b>
Accumulated depreciations.	-	(2.913)	(20.531)	(337)	(1.398)	-	<b>(25.179)</b>
<b>Net book value.....</b>	<b>1.087</b>	<b>7.492</b>	<b>49.874</b>	<b>123</b>	<b>318</b>	<b>2.852</b>	<b>61.746</b>
<b>January 1 to June 30, 2015</b>							
Additions.....	-	(1)	269	110	126	165	<b>669</b>
Depreciations.....	-	(295)	(2.194)	(19)	(44)	-	<b>(2.552)</b>
<b>June 30, 2015</b>							
Value at cost.....	1.087	10.404	70.674	570	1.842	3.017	<b>87.594</b>
Accumulated depreciations.	-	(3.208)	(22.725)	(357)	(1.442)	-	<b>(22.732)</b>
<b>Net book value.....</b>	<b>1.087</b>	<b>7.196</b>	<b>47.949</b>	<b>213</b>	<b>400</b>	<b>3.017</b>	<b>59.862</b>

## F.G. EUROPE S.A.

### Notes to the interim Financial Statements (Consolidated and Company)

#### For the Six-Months Period ended June 30, 2014

(All amounts in € thousands unless otherwise stated)

Consolidated	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
<b>January 1, 2014</b>						
Value at cost.....	42	247	289	7.113	1.324	8.437
Accumulated depreciations.	-	(29)	(29)	(575)	(291)	(866)
<b>Net book value.....</b>	<b>42</b>	<b>218</b>	<b>260</b>	<b>6.538</b>	<b>1.033</b>	<b>7.571</b>
<b>January 1 to December 31, 2014</b>						
Additions.....	-	-	-	-	2	2
Impairments.....	-	-	-	-	-	-
Transfers.....	-	-	-	-	-	-
Disposals .....	-	-	-	-	-	-
Depreciations.....	-	(4)	(4)	(199)	(84)	(283)
Depreciations of disposals..	-	-	-	-	-	-
<b>December 31, 2014</b>						
Value at cost.....	42	247	289	7.113	1.326	8.439
Accumulated depreciations.	-	(33)	(33)	(774)	(375)	(1.149)
<b>Net book value.....</b>	<b>42</b>	<b>214</b>	<b>256</b>	<b>6.339</b>	<b>951</b>	<b>7.290</b>
<b>January 1 to June 30, 2015</b>						
Additions.....	-	-	-	-	-	-
Depreciations.....	-	(1)	(1)	(100)	(42)	(142)
<b>June 30, 2015</b>						
Value at cost.....	42	247	289	7.113	1.326	8.439
Accumulated depreciations.	-	(34)	(34)	(874)	(417)	(1.291)
<b>Net book value.....</b>	<b>42</b>	<b>213</b>	<b>255</b>	<b>6.239</b>	<b>909</b>	<b>7.148</b>

  

Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	Total
<b>January 1, 2014</b>							
Value at cost.....	5	359	23	353	1.446	-	2.186
Accumulated depreciations.	-	(197)	(22)	(291)	(1.192)	-	(1.702)
<b>Net book value.....</b>	<b>5</b>	<b>162</b>	<b>1</b>	<b>62</b>	<b>254</b>	<b>-</b>	<b>484</b>
<b>January 1 to December 31, 2014</b>							
Additions.....	-	-	-	84	52	77	213
Impairments.....	-	-	-	10	(4)	-	6
Disposals / transfers.....	-	-	-	(2)	-	-	(2)
Depreciations.....	-	(12)	(1)	(27)	(65)	-	(105)
Transfers.....	-	-	-	(10)	4	-	(6)
Depreciations of disposals.	-	-	-	1	-	-	1
<b>December 31, 2014</b>							
Value at cost.....	5	359	23	445	1.494	77	2.403
Accumulated depreciations.	-	(209)	(23)	(327)	(1.253)	-	(1.812)
<b>Net book value.....</b>	<b>5</b>	<b>150</b>	<b>-</b>	<b>118</b>	<b>241</b>	<b>77</b>	<b>591</b>
<b>January 1 to June 30, 2015</b>							
Additions.....	-	-	253	110	2	156	521
Impairments.....	-	-	-	-	-	-	-
Depreciations.....	-	(7)	(4)	(18)	(30)	-	(59)
<b>June 30, 2015</b>							
Value at cost.....	5	359	276	555	1.496	233	2.924
Accumulated depreciations.	-	(216)	(27)	(345)	(1.283)	-	(1.871)
<b>Net book value.....</b>	<b>5</b>	<b>143</b>	<b>249</b>	<b>210</b>	<b>213</b>	<b>233</b>	<b>1.053</b>

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### **Notes to the interim Financial Statements (Consolidated and Company)**

**For the Six-Months Period ended June 30, 2014**

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<b>Company</b>	<b>Investments in real estate</b>			<b>Intangible assets</b>	
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>	<b>Licenses</b>	<b>Total</b>
<b>January 1, 2014</b>					
Value at cost.....	42	247	<b>289</b>	32	<b>32</b>
Accumulated depreciations..	-	(29)	<b>(29)</b>	(29)	<b>(29)</b>
<b>Net book value.....</b>	<b>42</b>	<b>218</b>	<b>260</b>	<b>3</b>	<b>3</b>
<b>January 1 to December 31, 2014</b>					
Additions.....	-	-	-	2	<b>2</b>
Impairments.....	-	-	-	-	-
Depreciations.....	-	(4)	<b>(4)</b>	-	-
Depreciations of disposals..	-	-	-	-	-
<b>December 31, 2014</b>					
Value at cost.....	42	247	<b>289</b>	34	<b>34</b>
Accumulated depreciations..	-	(33)	<b>(33)</b>	(29)	<b>(29)</b>
<b>Net book value.....</b>	<b>42</b>	<b>214</b>	<b>256</b>	<b>5</b>	<b>5</b>
<b>January 1 to June 30, 2015</b>					
Additions.....	-	-	-	-	-
Depreciations.....	-	(1)	<b>(1)</b>	(1)	<b>(1)</b>
<b>June 30, 2014</b>					
Value at cost.....	42	247	<b>289</b>	34	<b>34</b>
Accumulated depreciations..	-	(34)	<b>(34)</b>	(30)	<b>(30)</b>
<b>Net book value.....</b>	<b>42</b>	<b>213</b>	<b>255</b>	<b>4</b>	<b>4</b>

It is noted that fixed assets are not pledged.

It is also noted that Work in progress concerns the cost of wind park construction and hydroelectrical plant construction of the subsidiaries of the Group.

### **9. Inventories**

The Company's and group's inventory is analyzed as follow:

	<u>Consolidated</u>		<u>Company</u>	
	<u>30/6/2015</u>	<u>31/12/2014</u>	<u>30/6/2015</u>	<u>31/12/2014</u>
merchandise	52.534	45.575	48.674	43.790
Provision	(443)	(358)	(443)	(358)
<b>Total</b>	<b>52.091</b>	<b>45.217</b>	<b>48.231</b>	<b>43.432</b>

The noted increase in inventories on 30/6/2014 compared to those on 31/12/2014, is related to the settled policy of the Management to create enough amount of inventories, capable to meet any demand needs ahead of the summer season.

The provision of the depreciated stocks is as follows

	<u>Consolidated</u>	<u>Company</u>
<b>Remaining stocks depreciated preview 01.01.2014</b>	<b>(287)</b>	<b>(287)</b>
Using predictive 01.01.-31.12.14	(71)	(71)
<b>Remaining stocks depreciated preview 31.12.2014</b>	<b>(358)</b>	<b>(358)</b>
Expense chargeable period 01.01.-30/06/2015	(85)	(85)
<b>Remaining stocks depreciated preview 30.06.2015</b>	<b>(443)</b>	<b>(443)</b>

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The value reduction of the company's stocks affects the "cost of sales" to the net realisable value.

The increase in the cost of sales, is mainly due to the aforementioned increase of sales, given that the rate of the gross sales remained in the same level with the respective period of 2014 (24.8 % in the first half of 2015 versus 23.6 % in the first half of 2014) .

#### **10. Receivables and prepayments**

The account of receivables and prepayments is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
Customers	31.258	20.554	30.553	17.083
Postdated customers' cheques	5.979	6.096	5.979	6.096
Customers' bills	2.999	3.216	90	108
Predictions of doubtful Customers	(5.062)	(3.122)	(5.062)	(3.122)
	<b>35.174</b>	<b>26.744</b>	<b>31.560</b>	<b>20.165</b>
Other debtors	8.586	8.345	5.424	4.967
<b>Total</b>	<b>43.760</b>	<b>35.089</b>	<b>36.984</b>	<b>25.132</b>

The balance of the account "Trade and other receivables" of the Group on 30/6/2015 is increased by 47% compared to the balance on 31/12/2014 and its main reason is the delayed collections of the Company's customer receivables due to the increase of the credit period, policy which applied to increase sales both in domestic market and abroad. Further, the nature of the Company's activities, governed by seasonal sales, contributes to larger open balances during the interim reporting period. The liquidation of the major part of trade requirements is expected to be completed soon in coming months and the remaining customers balance would be significantly reduced, recurring to normal.

	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
Greek state - requirement of taxes	3.363	4.195	1.713	2.519
Reserved bank deposits	1.322	1.142	-	-
Requirement for grants	11	12	-	-
Short-term requirements	-	-	480	-
Prepayments	678	504	28	72
Receivables from assigned securities	3.165	2.356	3.165	2.356
Other	47	136	38	20
<b>Σύνολο</b>	<b>8.586</b>	<b>8.345</b>	<b>5.424</b>	<b>4.967</b>

The provision of bad debts is as follows:

	<b>Consolidated</b>	<b>Company</b>
<b>Prediction's balance for insecure clients 01.01.2014</b>	<b>(2.726)</b>	<b>(2.726)</b>
Expense chargeable period 01.01.-31.12.2014	(396)	(396)
<b>Prediction's balance for insecure clients 31.12.2014</b>	<b>(3.122)</b>	<b>(3.122)</b>
Expense chargeable period 01.01.-30.06.2015	(1.940)	(1.940)
<b>Prediction's balance for insecure clients 30.06.2015</b>	<b>(5.062)</b>	<b>(5.062)</b>



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The predictions for the insecure clients of the company and of the group influenced the "distribution expenses"

### **11. Cash and cash equivalents**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
Cash on hand.....	384	451	36	447
Sight and time deposits.....	6.437	5.024	2.420	2.795
<b>Total</b>	<b>6.821</b>	<b>5.475</b>	<b>2.456</b>	<b>3.242</b>

Cash and cash equivalents comprise petty cash of the group and the company and short term bank deposits callable at first sight.

### **12. Borrowings**

The company's borrowings at 30/06/2014 analyzed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
<b><u>Long term borrowings:</u></b>				
Bonded loan.....	71.296	74.363	53.282	55.028
Long term debt payable within the next 12 months.....	(55.638)	(57.424)	(53.282)	(55.028)
<b>Total long term borrowings</b>	<b>15.658</b>	<b>16.939</b>	<b>-</b>	<b>-</b>
<b>Short term of long term borrowings</b>	55.638	57.424	53.282	55.028
<b>Short term borrowings</b>	5.300	4.379	2.299	2.967
	<b>60.938</b>	<b>61.803</b>	<b>55.581</b>	<b>57.995</b>

Within the 1st Semester of 2015, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 6% and received short-term financing from banks, pledging postdated checks from customers of €3,701.

According to the Decision of the BoD on 18/12/2013, the Company issued a Common Bond Loan of €65,000. On 19/12/2013, the Bond Purchase Agreement and Program were signed with the initial bondholder EFG EUROBANK ERGASIAS S.A., PIRAEUS BANK, ALPHA BANK and NBG, with participation stake 33.31%, 29.80%, 23.82% and 13.08% respectively (PIRAEUS absorption the participation stake 3.08% of GENIKI BANK) . The purpose of the loan is refinancing of the existing bank loan, long-term and short-term and meeting the needs of the Company in Working Capital. The duration of the loan is 5 years, renewable for two additional years. The repayment of the loan will be in 10 semi-annual installments, from which nine of €5,050.5 each and the tenth of € 19,545.5. The first 2 installments of the loan paid in time on 10/07/2014 and 10/01/2015 respectively. The interest rate of the Loan was agreed at Euribor plus a margin of 5.5%. The margin based on existing indices is ranging from 4% to 6%. Based on the contract covering the Common Bond Loan, the Company and the Group are required to keep the indices calculated in the annual and semi-annual financial statements. The loan was disbursed in January 2014. The loan is covered by the personal guarantee of Mr George Feidakis, by pledging receivables by 10% of the current balance of the Loan and securities of the Company's portfolio. According to the Decision of the General Assembly, the purpose of the loan is financing of the investment program of the Company. Due to not compliance with some covenants on 31/12/2014 and according to the par. 74 and 75 of IAS1 and the respective circular no. 4774/21.10.2011 of Hellenic Capital Market Commission, this loan was reclassified from "Long-term Loans" to "Short-term Loans". After the Company's request the initial bondholder banks on 27/3/2015 accepted its claim to have no effect for the company the not compliance with some covenants of the loan contract.

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The 100% subsidiary company KALLISTI ENERGIAKI S.A. proceeded to refinancing of its existing short-term loan by issuing a Common Bond Loan in the amount of €12,800, according to the decision of the Shareholders' Extraordinary General Assembly on 3/4/2009. The disbursement of the Bond Loan amounted to €12,800 and was used for both the long-term financing of the investing plan of the company of €6,065 (duration of 12 years and to be paid in 24 semi-annual installments with a fixed rate of 5.80% - the first 12 installments have already been paid till 30/6/2015) and the short-term financing against income from approved subsidy of €6,735. The purpose of the loan is financing of the investing plan of the company and has been partially been paid through income from approved public subsidy, cash and cash equivalents and refinancing. Within September 2010, KALLISTI refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €2,935, with duration of 11 years, to be paid in 22 semi-annual installments. In November, 2013, the Company proceeded to voluntary repayment of Tranche B Bonds amounting to €1,000, using own funds. The amount of prepayment paid Bonds in inverse order of maturity. In May, 2014, the Company proceeded to voluntary repayment of Tranche B Bonds amounting to €1,192, using own funds. For the conclusion of the above loan, securities were given, including company's bank deposits, its productive equipment and its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO). Furthermore, the loan agreement also includes a financial covenant, which should be followed by the company on a 6 month-basis, and if not fulfilled, it will lead to an event of default.

The 100% subsidiary company AIOLIKI KYLINDRIAS S.A., maintains a Common Bond Loan of initial amount of €5,934 with a duration of 14 years and floating rate Euribor plus fixed margin 2.30%. For the purpose of this loan, collateral have been used including company's future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and the pledge on the shares of the issuer, as well. The loan will be paid in 28 semi-annual installments, of which up to 30/6/2015 eleven (11) have already been paid.

The 100% subsidiary company Aioliki Aderes S.A., signed bond agreement up to an amount of € 35,246, for 11.5 years with a grace period of 12 and 24 months by case and floating rate Euribor plus a fixed margin of 3.80% and 4.00% by case, depending on the case and its subject of financing is: a) long-term financing of investment cost for the construction of three wind farms, b) short-term financing against subsidies and c) the medium-term financing to cover the VAT of investment cost of the three wind farms. The Bond series relating to the long-term financing of the investment cost for the construction of the 3 wind farms of the Company will be paid in 21 equal installments, of which up to 30/6/2015 six (6) have been paid. In the previous fiscal year, the Company received approved subsidies for the aforementioned wind farms and proceeded to immediate repayment of corresponding financing received against these subsidies, amounting to €15,866. Moreover, the Company requested and received a VAT refund of investment expenditure for the years 2010 and 2011, amounting to €1,545, totally and proceeded directly to the complete repayment of the loan taken against the VAT on capital expenditure, amounting to €840. For the purpose of this loan, collateral have been used and the sole shareholder of Aioliki Aderes, RF Energy, has provided full and unconditional guarantee. Additionally, according to the term of the loan, the company has pledged its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and on insurance policies and contracts that has to maintain and on approved subsidies relating to investing plans, as well.

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On 04/07/2013 and 05/15/2013, the 100% subsidiary company HYDROELECTRIKI ACHAIAS S.A. concluded two medium-term loans amounted to € 400 for each one, with National Bank of Greece with duration of 2.5 and 3 years respectively, starting from the date of disbursement. The purpose of the loan was the financing of its working capital, due to continued delays in paying the invoices for energy sales. To receive this loan, HYDROELECTRIKI ACHAIAS S.A. has assigned its claims arising from power purchase agreements with L.A.G.I.E S.A. (ex HTSO) for two small hydroelectrical stations with total power of 3,615MW, operating the region of Aigio, Achaïas. Moreover, the parent company RF ENERGY S.A. provided corporate guarantee for that loan.

The fair value of these loans approximates their nominal value and the effective interest rate for the remaining short-term loans was around 6.00%.

### ***13. Available for sale Financial Instruments elated party transactions***

The available for sale securities contain shares of Athens Exchange and NASDAQ listed companies that were valued with closing prices of June 30, 2015 (1st level) as well as companies, not listed, that were valued at cost and examined for impairment through the statement of income due to the fact that fair value cannot be specified in a reliable manner. During the first Semester 2015, there has not been any change in the classification of available for sale financial assets.

#### **Fair value of financial assets**

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets through valuation techniques.

Level 1: Investments are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Investments are valued at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based (either directly or indirectly) on observable market data.

Level 3: Investments are valued at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based on observable market data.

The following table reflects the financial assets valued at fair value on 30/6/2015 for the Group and the Company:

<b>Group</b>			
<b>Financial assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Available for Sale Financial Instruments – ASE Listed Companies	514	-	<b>514</b>
<b>Total</b>	<b>514</b>	-	<b>514</b>
<b>Shareholders' equity</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Derivatives	-	208	<b>208</b>
<b>Total</b>	-	<b>208</b>	<b>208</b>

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## Notes to the interim Financial Statements (Consolidated and Company)

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(All amounts in € thousands unless otherwise stated)

Company			
Financial assets	Level 1	Level 2	Total
Available for Sale Financial Instruments – ASE Listed Companies	514	-	<b>514</b>
<b>Total</b>	<b>514</b>	<b>-</b>	<b>514</b>
Shareholders' equity			
	Level 1	Level 2	Total
Derivatives		208	<b>208</b>
<b>Total</b>	<b>-</b>	<b>208</b>	<b>208</b>

	Group		Company	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
ASE Listed companies	25	35	25	35
Companies listed on foreign stock exchanges	489	949	489	949
ASE non-listed internal companies	32	32	32	32
ASE non-listed foreign companies	3	3	3	3
<b>Total</b>	<b>549</b>	<b>1.019</b>	<b>549</b>	<b>1.019</b>

	Group		Company	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
<b>Balance at 01/01/2015</b>	<b>1.019</b>	<b>1.467</b>	<b>1.019</b>	<b>1.467</b>
Additions	-	1.760	-	1.760
Sales	-	(1.760)	-	(1.760)
Change of fair value through the reserve	-	1.274	-	1.274
Change of fair value through the results	(470)	(448)	(470)	(448)
Reclassification to the results	-	(1.274)	-	(1.274)
<b>Balance at 30/6/2015</b>	<b>549</b>	<b>1.019</b>	<b>549</b>	<b>1.019</b>

### 14. Trade and other payables

Trade and other payables are analyzed as follows:

	Group		Company	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
Suppliers.....	28.262	10.317	28.134	10.149
Cheques payables postdated.....	512	391	512	227
Accrued expenses.....	2.947	786	2.817	721
Accrued Interest.....	1.185	1.909	1.105	1.821
Derivatives.....	208	-	208	-
Prepayments.....	1.137	3.642	484	863
Tax provision about unaudited periods.....	345	340	292	292
Amount for the acquisition of shareholdings...	-	-	-	100
Payable dividends	35	49	35	49
Obligations to related parties.....	4.000	5.238	5.000	5.238
Other short term obligations.....	491	535	203	319
<b>Total</b>	<b>39.123</b>	<b>23.207</b>	<b>38.790</b>	<b>19.779</b>

The Group sometimes uses derivative financial products (buy foreign exchange - level 2) to hedge exposure to changes in foreign exchange rates which arises from its commercial transactions. Changes in exchange rates for these derivative products, which are not designated as

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hedging instruments, have a direct impact at the recognition of “Other Liabilities” in the Statement of Financial Position.

The amount for the acquisition of shareholdings concerns cash facilitation from related companies.

### ***15. Related party transactions***

According to IAS 24, related parties are subsidiaries companies, companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Sales of company’s products to related parties concern primarily sales of merchandise. The sale prices are at cost plus a low profit margin.

The compensation of the members of the Board of Directors concern paid Board’s of Directors compensation to Non-executive and independent members.

The compensation of Directors concern compensation regular payment according to employment contracts

The table below presents the receivables and obligations that arose from transactions with related parties as defined by IAS 24:

<b><u>Subsidiaries</u></b>	<b><u>Company</u></b>	
<b>Receivables from:</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER	5.026	3.776
F.G. ITALIA SPA	481	-
R.F. ENERGY S.A.	-	1
	<b>5.507</b>	<b>3.777</b>

  

	<b><u>Company</u></b>	
<b>Obligation to:</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
<b>FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER</b>	8	310
R.F. ENERGY S.A.	-	1
	<b>8</b>	<b>311</b>

  

	<b><u>Company</u></b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>
Inventories.....	5.459	3.777
Expenses and purchases of goods.....	197	-
Others.....	8	-
	<b>205</b>	<b>-</b>

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<b>Companies with common shareholding structure</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
<b>Receivables from:</b>				
Cyberonica S.A.....	<b>576</b>	<b>576</b>	<b>555</b>	<b>555</b>
	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
<b>Obligation to:</b>				
Cyberonica S.A.....	-	2	-	2
Aioliki Aderes S.A.....	1.000	-	1.000	-
Firment trading LTD.....	4.000	-	4.000	-
	<b>5.000</b>	<b>2</b>	<b>5.000</b>	<b>2</b>
	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
<b>Purchases of goods and services:</b>				
Cyberonica S.A.....	(1.637)	(1.637)	(1.581)	(1.582)

The compensation and the transactions of the members of the Board of Directors and the Directors analyzed as follows:

<b>Available for sale investments</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
GLOBUS MARITIME LTD	489	1.227	489	1.227
	<b>Consolidated</b>		<b>Company</b>	
	<b>30/6/2015</b>	<b>31/12/2014</b>	<b>30/6/2015</b>	<b>31/12/2014</b>
<b>Receivables from:</b>				
Members of the Board and Directors.....	17	12	17	12
<b>Obligations to:</b>				
Members of the Board and Directors.....	-	5.238	-	5.238
	<b>Consolidated</b>		<b>Company</b>	
	<b>1/1-30/6/2015</b>	<b>1/1-30/6/2014</b>	<b>1/1-30/6/2015</b>	<b>1/1-30/6/2014</b>
<b>Compensation:</b>				
Personnel expenses.....	(947)	(806)	(661)	(717)
Provision for staff leaving indemnity.....	(6)	(7)	(6)	(7)
<b>Total</b>	<b>(953)</b>	<b>(813)</b>	<b>(667)</b>	<b>(724)</b>

#### **16. Employee benefits: pension obligations**

According to the Greek labour legislation employees are entitled to termination benefits in case of dismissal or retirement dependent on their current remuneration, the length of service and the reason for leaving (dismissal or retirement). Employees who leave or are dismissed with cause are not entitled to termination benefits.

##### 1) Contract termination due to retirement

Employees covered by any pension sector of any insurance organizations, as long as they meet the requirements for full retirement, if they are craftsmen, they are able to retire and if they are employees, they can retire or be dismissed by the employer. In these cases, they are entitled to 50% of the statutory compensation if they do not have supplementary insurance or 40 if they do. Employees, with-fixed term contract, who are made redundant or leave before its end to retire, are also entitled to this reduced compensation. It is noted that the employer cannot fire

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Consolidated and Company)**

#### **For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

technicians who meets the requirements of full retirement age, with a reduced payment of compensation. He has this option only in case of employees.

With 15 years of service:

Employees associated with permanent work contracts and have completed 15 years of service with the same employer or the age limit laid down by the concerned Insurance Organization and if the limit of 65 years of their age does not exist, then they can leave their work with their employer's consent and as a result they are entitled to receive 50% of legal compensation.

The provision for employee termination benefits is based on an independent actuarial study calculated as of December 31, 2014, using the Projected Unit Credit method.

The obligation for employee termination benefits amounts to € 614 for the Group and € 544 for the Company as of June 30, 2015 (31/12/2014 : €618 and €567 for the Group and the Company respectively). The amount charged to the income statement for the six-month period ended June 30, 2015 is €35 for the Group and €18 for the Company. The amount charged to the income statement for the six-month period ended June 30, 2014 was € 35 for the Group and € 21 for the Company and influenced the "Administrative expenses".

#### ***17. Contingencies***

In 2008 Company's subsidiaries filed applications to RAE and the Ministry of Development for the issuance of Production Licenses for Wind Power Energy Production Plants, located at various sites in Evia Prefecture, and with 387MW capacity in total. Subsequently meteorological masts were erected in said site locations in order to measure wind potential while parent Company R.F. ENERGY S.A. provides to its subsidiaries administrative, development and management services on this project. Moreover Company's subsidiaries have taken actions to receive approval from competent authorities to develop this project.

During 2010, subsidiaries of the Group submitted to RAE and the Ministry of Energy and Climate Change (Y.P.E.K.A.) completed files with applications for relevant production licenses from wind stations in the southern Evia, with total capacity of 144MW. Therefore, the group of wind farms being developed by subsidiaries of the Group in the southern Evia has total capacity of 531MW. Said Production Licenses have not been granted as of the date of issuance of the document at hand.

Within 2011, subsidiaries of the Group submitted to RAE and the Ministry of Energy and Climate Change (Y.P.E.K.A.) completed files with applications for relevant production licenses from wind stations in the southern Evia, with total capacity of 57MW, while an application for production license from wind farm of 9MW was withdrawn. Therefore, the group of wind farms being developed by subsidiaries of the Group in the southern Evia has total capacity of 579MW

Within fiscal year 2011 Production Licenses of total 294MW were granted to 14 wind farms of the group, while all of these 14 farms have been granted with Temporary Connection Terms by HTSO. Finally, in December 2011, Study of Environmental Impact of the wind farms with total capacity of 282 MW was submitted, so that Approval of Environmental Terms could be granted.

Within fiscal year 2009 several Production Licenses were granted to unrelated companies for Wind Power Energy Production Plants located at sites which are at close proximity to Company owned projects, for which Company's subsidiaries have applied for Production Licenses. Due to this fact, in December 2009 the Company proceeded to legal action against

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Consolidated and Company)**

#### **For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

Decisions by the Ministry of Energy and Environment, RAE, and the Special Committee for the Environment. Action was filed to the Council of State, requesting annulment of said Production Licenses which were issued in favor of unrelated companies, on the basis of impingement of the Company's subsidiaries' lawful rights (as Company's subsidiaries have also filed applications for Production Licenses for Wind Power Energy Production Plants located in the area, and no decision has been reached yet), and material breach of substantial legal and statutory provisions. As of the date of issuance of the document at hand the Council of State has not convened on the case matter.

### ***18. Commitments***

#### ***18.1 Capital Commitments***

The group has no uncompleted purchasing commitments with its suppliers as of June 30, 2015. The future aggregate minimum lease payments arising from building lease agreements until year 2023 are estimated to amount to €19,576 for the Group and €18,553 for the Company. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2017 are estimated to amount to € 108 approximately for the Group and the Company.

#### ***18.2 Guarantees***

To cover the bond loan of € 65.000 received on 10/1/2014, the Company pledged receivables and securities of Company's portfolio by 10% of the current balance of the loan and its 50% participation stake in the subsidiary company RF ENERGY S.A..

Moreover, on June 30, 2015, the subsidiary company R.F. ENERGY S.A. has guaranteed loans of its subsidiaries of total balance of €14,897 (31/12/2014: €16,053), which have been paid off gradually by 2023.

Moreover, shares of the subsidiaries of the Group, KALLISTI ENERGIAKI S.A., AIOLIKI ADERES S.A. and AIOLIKI KYLINDRIAS S.A. have been pledged to secure loans.

Under the loan agreement from 6/4/2009, productive equipment of the subsidiary KALLISTI ENERGIAKI S.A. of €17,091 has been pledged.(balance €7,409 on 30/06/2015)

Moreover the group has contingent liabilities in relation to banks, other guarantees and other issues that arise from the ordinary course of the business. No material impact is expected to arise from contingent liabilities. The amount of issued letters of guarantees on 30/6/2015 is €29,654 (€10,850 on 31/12/2014).

### ***19. Post Balance Sheet Events***

Apart of the events which are mentioned at note (6), there are no other significant post balance sheet events having occurred after June 30, 2015 concerning the Company that should have been disclosed



## **F.G. EUROPE S.A.**

**Notes to the interim Financial Statements (Consolidated and Company)**

**For the Six-Months Period ended June 30, 2014**

(All amounts in € thousands unless otherwise stated)

*These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on August 31, 2015 and are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>.*

Chairman of the Board  
of Directors

Managing Director

Finance Manager

Accounting Supervisor

Georgios Fidakis  
ΑΔΤ ΑΚ 723945

Joannis Pantousis  
ΑΔΤ Ξ 168490

Michalis Poulis  
ΑΜ ΟΕΕ 016921

Athanasios Harbis  
ΑΜ ΟΕΕ 0002386



**F.G. EUROPE**  
**SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES**  
**G.E.MI 125776001000 (P.C.S.A. Register Number 13413/06/B/86/111)**

Municipality of Glyfada, 128, Vouliagmenis Ave., Post Code 166 74

**FIGURES AND INFORMATION FOR THE PERIOD OF 1 JANUARY UNTIL 30 JUNE 2015**  
*(In compliance with the stipulations of decision 4/507/28.04.2009 of the Capital Market Commission)*

The financial information provided below aims to provide general information about the financial position and results of FG EUROPE S.A. (the Company) and the Group. Before any investment decision is made or other transactions are entered into we recommend that the reader visit the website of the Company and refer to the Financial Statements which are prepared in accordance with International Financial Reporting Standards and the accompanying review opinion of our auditors.

Company's website address: <http://www.fgeurope.gr>  
 Date of approval of the interim financial statements by the Board of Directors: August 31, 2015  
 Auditor: Manolis Michalios (SOEL Reg. No. 25131)  
 Audit Firm: Grant Thornton S.A. (SOEL Reg. No.127 )  
 Type of Review Report: Unqualified review report

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
*(consolidated and not consolidated) amounts in € thousands*

	GROUP		COMPANY	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
<b>ASSETS</b>				
Tangible assets	59.862	61.746	1.053	591
Investments in Property	255	256	255	256
Intangible assets	7.148	7.290	4	5
Other non current assets	6.155	6.645	36.245	35.970
Inventories	52.091	45.217	48.231	43.432
Trade receivables	43.760	35.089	36.984	25.132
Other current assets	6.821	5.475	2.456	3.242
<b>TOTAL ASSETS</b>	<b>176.092</b>	<b>161.718</b>	<b>125.228</b>	<b>108.628</b>
<b>NET EQUITY AND LIABILITIES</b>				
Share Capital	15.840	15.840	15.840	15.840
Other elements of net equity	984	1.269	14.473	14.447
<b>Total equity attributable to the owners of parent company (a)</b>	<b>16.824</b>	<b>17.109</b>	<b>30.313</b>	<b>30.287</b>
Minority interests (b)	19.570	18.480	-	-
<b>Total equity (c)=(a) + (b)</b>	<b>36.394</b>	<b>35.589</b>	<b>30.313</b>	<b>30.287</b>
Long term borrowings	15.658	16.939	-	-
Provisions / Other long-term liabilities	23.855	24.015	544	567
Short term borrowings	60.938	61.803	55.581	57.995
Other short term liabilities	39.247	23.372	38.790	19.779
<b>Total liabilities (d)</b>	<b>139.698</b>	<b>126.129</b>	<b>94.915</b>	<b>78.341</b>
<b>TOTAL NET EQUITY AND LIABILITIES (e)=(c)+(d)</b>	<b>176.092</b>	<b>161.718</b>	<b>125.228</b>	<b>108.628</b>

**CONDENSED STATEMENT OF CHANGES IN NET EQUITY**  
*(consolidated and not consolidated) amounts in € thousands*

	GROUP		COMPANY	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
Equity balance at the beginning of the period (1/1/2015 and 1/1/2014 respectively)	35.589	49.370	30.287	41.771
Total comprehensive income after taxes	(67)	(1.276)	26	521
Share capital increase/(decrease)	-	(10.560)	-	(10.560)
Participation to subsidiaries	872	339	-	-
<b>Equity at the end of the period (30/6/2015 and 30/6/2014 respectively)</b>	<b>36.394</b>	<b>37.873</b>	<b>30.313</b>	<b>31.732</b>

**CONDENSED CASH FLOW STATEMENT**  
*(consolidated and not consolidated) amounts in € thousands*

	GROUP		COMPANY	
	1/1-30/6/2015	1/1-30/6/2014	1/1-30/6/2015	1/1-30/6/2014
<b>Indirect method</b>				
<b>Operating Activities</b>				
Earnings / (losses) before taxes	692	(959)	327	960
Add / (less) adjustments for:				
Depreciation and amortization	1.808	1.781	61	61
Provisions	2.064	322	2.045	176
Exchange rate differences	(562)	(198)	(562)	(198)
Result of investment activity	446	(319)	458	(296)
Interest and similar expenses	2.767	2.731	2.116	2.166
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(6.959)	(11.182)	(4.884)	(8.167)
Increase / (decrease) in receivables	(10.726)	(5.718)	(13.779)	(11.235)
(Decrease) / increase in liabilities (other than banks)	16.662	16.402	19.751	16.712
Less:				
Interest and similar expenses paid	(2.831)	(766)	(2.234)	(262)
Taxes paid	-	(610)	-	(518)
<b>Total inflow / (outflow) from operating activities (a)</b>	<b>3.361</b>	<b>1.484</b>	<b>3.299</b>	<b>(601)</b>
<b>Investing Activities</b>				
Acquisition of subsidiaries and other investments	-	(1.674)	(1.066)	(2.115)
Proceeds from sale of available for sale financial assets	-	1.920	-	1.920
Purchase of tangible and intangible assets	(669)	(150)	(521)	(103)
Interest income	37	198	25	175
<b>Total inflow / (outflow) from investing activities (b)</b>	<b>(632)</b>	<b>294</b>	<b>(1.562)</b>	<b>(123)</b>
<b>Financing Activities</b>				
Proceeds from capital increase	872	-	-	-
Borrowings from banks	1.666	64.191	-	64.191
Payments of borrowings	(3.914)	(59.797)	(2.516)	(57.336)
<b>Total inflow / (outflow) from financing activities (c)</b>	<b>(1.376)</b>	<b>4.394</b>	<b>(2.516)</b>	<b>6.855</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)</b>	<b>1.353</b>	<b>6.172</b>	<b>(779)</b>	<b>6.131</b>
Exchange rate differences	(7)	62	(7)	62
<b>Cash and cash equivalents at beginning of the year</b>	<b>5.475</b>	<b>12.144</b>	<b>3.242</b>	<b>10.711</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6.821</b>	<b>18.378</b>	<b>2.456</b>	<b>16.904</b>

**CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME**  
*(consolidated and not consolidated) amounts in € thousands*

	GROUP				COMPANY			
	1/1-	1/1-	1/4-	1/4-	1/1-	1/1-	1/4-	1/4-
	30/6/2015	30/6/2014	30/6/2015	30/6/2014	30/6/2015	30/6/2014	30/6/2015	30/6/2014
Turnover	46.761	41.433	24.799	26.785	43.176	41.996	22.638	28.699
Gross profit	13.857	9.306	5.102	5.202	10.693	9.930	4.266	5.581
Earnings / (losses) before taxes, financing and investing activities	3.958	1.420	(623)	999	2.954	2.798	(61)	1.646
Earnings / (losses) before taxes	693	(959)	(2.580)	(15)	328	960	(1.687)	909
<b>Earnings / (losses) after taxes (A)</b>	<b>(71)</b>	<b>(1.129)</b>	<b>(2.105)</b>	<b>(353)</b>	<b>26</b>	<b>676</b>	<b>(1.208)</b>	<b>655</b>
<b>Attributable to:</b>								
Equity holders of the parent company	(287)	(510)	(1.879)	(143)	-	-	-	-
Minority interest	216	(619)	(226)	(210)	-	-	-	-
<b>Other comprehensive income after tax (B)</b>	<b>4</b>	<b>(147)</b>	<b>164</b>	<b>(199)</b>	<b>-</b>	<b>(155)</b>	<b>-</b>	<b>(201)</b>
<b>Total comprehensive income after tax (A) + (B)</b>	<b>(67)</b>	<b>(1.276)</b>	<b>(1.941)</b>	<b>(552)</b>	<b>26</b>	<b>521</b>	<b>(1.208)</b>	<b>454</b>
<b>Attributable to:</b>								
Equity holders of the parent company	(285)	(661)	(1.789)	(346)	-	-	-	-
Minority interest	218	(615)	(152)	(206)	-	-	-	-
Earnings / (losses) per share – basic (in Euro)	(0,0054)	(0,0097)	(0,0356)	(0,0027)	0,0005	0,0128	(0,0229)	0,0124
Earnings / (losses) before interest, depreciation, amortization and taxes	5.766	3.201	292	1.873	3.015	2.859	(27)	1.672

**ADDITIONAL DATA AND INFORMATION**

- The Group companies which are included in the consolidated financial statements are presented in note (1) of the interim financial statements including their location, percentage of Group participation and consolidation method.
- There are no companies which are included in the consolidated financial statements of the period 1/1-30/6/2015 and which are being consolidated for the first time. There are no companies which are not included in the consolidated financial statements of the period 1/1-30/6/2015 and which had been consolidated in the corresponding period of 2014. Also there are no companies which have not been included in the consolidated financial statements. The consolidation method is the same as that applied in the previous periods.
- "Other comprehensive income after tax" represents gains of € 4 thousands for the Group due to difference in exchange of foreign currency at the consolidation of Group Companies.
- There are no own shares which are held by the Company or by its subsidiaries for the period ending June 30, 2015.
- There are no litigations or arbitrations which have been finalized or which are in progress and would have a significant effect on the financial statements of the Group or the Company.
- The income tax returns of the companies of the Group have not been examined by the tax authorities and the possibility exists that additional taxes and penalties will be imposed upon examination. The Group and the Company have made provisions for additional taxes and penalties amounting to € 345 thousands and € 292 thousands respectively. The fiscal years which have not been audited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note (6) in the interim financial statements.
- The Group and the Company have not made "General provisions" on June 30, 2015.
- The number of employees as of June 30, 2015 was : Group 117 , Company 88 persons.  
June 30, 2014 was : Group 103 , Company 91 persons.
- The transactions and balances in € thousands for the period ending June 30, 2015 with related parties as defined by IAS 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	-	5.459
b) Purchases of goods and services	1.637	1.376
c) Receivables from related parties	576	6.062
d) Payables to related parties	5.000	5.008
e) Key management personnel compensations	953	667
f) Receivables from key management personnel	17	17
g) Payables to key management personnel	-	-

- There are no significant events subsequent to June 30, 2015 concerning the Group or the Company, that would require adjustment to or additional disclosure in the published financial statements in accordance with IAS 10 principles, apart of those which are presented in detail in note (6).

CHAIRMAN OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR

FINANCIAL DIRECTOR

CHIEF ACCOUNTING OFFICER

GEORGIOS FIDAKIS  
Id. No AK 723945

IOANNIS PANTOUSIS  
Id. No Ε 168490

MIHALIS POULIS  
R.G. 016921

ATHANASIOS HARBIS  
R.G. 0002386