GoingFORWARD

FRIGOGLASS

# *Condensed Interim Financial Statements*
# *1 January to 31 March 2014*

*These financial statements have been translated from the original version in Hellenic. In the event that differences exist between this translation and the original Hellenic language financial statements, the Hellenic language financial statements will prevail over this document.*

**FRIGOGLASS S.A.I.C**
**Commercial Refrigerators**
15, A. Metaxa Street
GR-145 64 Kifissia
Athens - Hellas

# FRIGOGLASS S.A.I.C.
## Commercial Refrigerators

**Interim Financial Statements for the period**
**1 January to 31 March 2014**

It is confirmed that the present Interim Financial Statements **(pages 2- 41)** are compiled according to the Law **3556/2007** and the decision **4/507/28.04.2009** of the Hellenic Capital Market Commission and are the ones approved by the Board of Directors of "Frigoglass S.A.I.C." on the **5th of May 2014.**

The present Interim Financial Statements of the period are available on the company's website www.frigoglass.com , where they will remain at the disposal of the investing public for at least 5 years from the date of its publication.

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It is asserted that for the preparation of the Financial Statements the following are responsible:

| | |
|---|---|
| **The Chairman of the Board** | **The Managing Director** |
| Haralambos David | Torsten Tuerling |
| **The Group Chief Financial Officer** | **The Head of Finance** |
| Nikolaos Mamoulis | Vasileios Stergiou |

**Financial Review**

Three Months Ended March 31, 2014

Net sales revenue decreased by 11.6% to €124.2 million for the three months ended March 31, 2014. The decline in net sales revenue primarily reflects weaker demand in ICM Operations and an unfavorable foreign currency translation effect.

Net sales revenue from ICM Operations decreased by 16% to €91.1 million for the three months ended March 31, 2014. This performance mainly reflects capital spending reductions by Coca-Cola bottlers following increased market volatility in emerging economies and persistent difficult conditions across Europe. Net sales revenue in Asia and Oceania declining by 39.7% to €24.1 million. This is driven by a sharp decline in orders, primarily from Coca-Cola bottlers in India and Indonesia, due to unfavorable market conditions and competitive intensity. Net sales revenue in Africa and the Middle East declined by 3.8% to €14.1 million, significantly improving on the last three quarters' trend. Sales in the region were largely driven by lower investments by Coca-Cola bottlers, partly offset by increased orders from the brewery segment. In Eastern Europe, net sales revenue was in line with the prior year at €34.4 million. Lower orders in Ukraine following the recent political challenges were balanced by higher orders in Romania from brewery and dairy customers. Sales in Russia were broadly unchanged year-on-year, compared to a weak quarter last year. In a challenging market environment, net sales revenue in Western Europe increased by 6.1% to €16.5 million on higher orders in Greece. Net sales revenue in North America decreased by 49.6% to €2.0 million, reflecting an expected short-term business interruption due to the discontinuation of manufacturing operations in Spartanburg, South Carolina.

Net sales revenue from Glass Operations increased by 3.1% to €33.1 million for the three months ended March 31, 2014, despite the strong performance in the first quarter of 2013. Currency movements had an adverse effect on growth of approximately 4%. This reflects solid sales growth in glass container business in Nigeria and Jebel Ali. This was partly offset by continued weakness in the metal crowns and plastic crates businesses.

Cost of goods sold decreased by 9.6% to €102.2 million for the three months ended March 31, 2014. This reflect lower volumes of sales and a less favourable raw material mix in the Jebel Ali glass business compared to last year's positive effect from the extensive use of available low-cost cullet in the production process. It also reflects an unfavorable product mix effect in Europe, lower cooler prices due to intensifying competition and low capacity absorption in Cool Operations. These factors more than offset the benefits of ongoing overhead cost reduction measures, productivity improvements and savings in raw material sourcing. As a result, cost of goods sold as a percentage of Group's net sales revenue increased to 82.3% in 2013 from 80.4% in the three months ended March 31, 2013.

Administrative expenses decreased by 2.7% to €7.4 million for the three months ended March 31, 2014. This primarily reflects lower third-party expenses and depreciation charges. The ratio of administrative expenses to net sales revenue increased to 5.9% from 5.4% in the three months ended March 31, 2013.

Selling, distribution and marketing expenses decreased by 21.7% to €6.1 million for the three months ended March 31, 2014. This decrease is primarily attributable to lower employee related expenses, warranty related expenses and warehousing. As a percentage of net sales revenue, selling, distribution and marketing expenses decreased to 4.9% in 2013 from 5.5% in the three months ended March 31, 2013.

Research and development expenses decreased by 5.0% to €1.0 million for the three months ended March 31, 2014. The decrease is primarily attributable to lower third-party expenses. As a percentage of net sales revenue, research and development expenses remained unchanged at 0.8%.

Other operating income decreased by 55.4% to €0.3 million for the three months ended March 31, 2014.

Finance costs increased by €4.8 million to €9.4 million for the three months ended March 31, 2014, primarily reflecting the timing of the corporate bond issuance (May 2013) and the amortization of banking related fees, resulting in a higher effective interest cost. Finance costs also reflect higher foreign exchange losses mainly due to the devaluation of the Russian ruble and South African rand.

Income tax expense decreased by 40.4% to €1.6 million for the three months ended March 31, 2014, primarily reflecting lower year-on-year operating profits.

Net losses attributable to shareholders amounted to €3.4 million for the three months ended March 31, 2014, compared to profits of €3.6 million the same period last year.

**Cash Flow**

<u>Net cash from/(used in) operating activities</u>

Net cash used in operating activities amounted to €32.0 million in the three months ended March 31, 2014, compared to €66.7 million in the three months ended March 31, 2013. This decrease is primarily attributable to an increase of €32.3 million in trade debtors, compared to an increase of €55.2 million in the three months ended March 31, 2013.

<u>Net cash from/(used in) investing activities</u>

Net cash used in investing activities amounted to €2.7 million in the three months ended March 31, 2014, compared to €2.4 million in the three months ended March 31, 2013. This decrease is primarily attributable to lower purchases of intangible assets in the three months ended March 31, 2014.

<u>Net cash from/(used in) financing activities</u>

Net cash from financing activities amounted to €10.2 million in the three months ended March 31, 2014, compared to €14.0 million in the three months ended March 31, 2013, primarily attributable to lower proceeds from bank loans.

**Net trade working capital**

Net trade working capital as of March 31, 2014 amounted to €192.2 million, compared to €216.9 million as of March 31, 2013. This decrease is mainly attributable to a decrease in inventory levels of €32.7 million as a result of efforts to further optimize working capital levels.

**Capital expenditures**

Capital expenditures amounted to €2.7 million in the three months ended March 31, 2014, of which €1.7 million related to the purchase of property, plant and equipment and €1.0 million related to the purchase of intangible assets, compared to €2.4 million in the three months ended March 31, 2014, of which €1.7 million related to the purchase of property, plant and equipment and €0.7 million related to the purchase of intangible assets.

**FRIGOGLASS S.A.I.C.**
**Commercial Refrigerators**

**Interim Financial Statements for the period**
**1 January to 31 March 2014**

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## Frigoglass S.A.I.C

## Balance Sheet

## in € 000's

| | Note | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| **Assets:** | | | | | |
| Property, Plant & Equipment | 6 | 199.831 | 205.277 | 6.299 | 6.403 |
| Intangible assets | 7 | 39.556 | 39.762 | 8.150 | 7.995 |
| Investments in subsidiaries | 14 | - | - | 58.045 | 58.045 |
| Deferred income tax assets | | 7.677 | 7.756 | 1.250 | 1.250 |
| Other long term assets | | 1.373 | 1.533 | 175 | 181 |
| **Total non current assets** | | **248.437** | **254.328** | **73.919** | **73.874** |
| Inventories | 8 | 123.693 | 118.736 | 5.505 | 4.314 |
| Trade receivables | 9 | 153.851 | 121.584 | 14.165 | 11.376 |
| Other receivables | 10 | 30.574 | 23.199 | 1.221 | 857 |
| Income tax advances | | 7.550 | 7.395 | 2.800 | 2.709 |
| Intergroup receivables | 20 | - | - | 36.463 | 36.782 |
| Cash & cash equivalents | 11 | 34.358 | 59.523 | 1.434 | 2.063 |
| Derivative financial instruments | 26 | 432 | 1.888 | 42 | 70 |
| **Total current assets** | | **350.458** | **332.325** | **61.630** | **58.171** |
| **Total assets** | | **598.895** | **586.653** | **135.549** | **132.045** |
| **Liabilities:** | | | | | |
| Long term borrowings | 13 | 245.069 | 248.402 | - | - |
| Deferred Income tax liabilities | | 12.121 | 11.432 | - | - |
| Retirement benefit obligations | | 16.136 | 15.750 | 3.679 | 3.597 |
| Intergroup bond loan | 20 | - | - | 61.650 | 61.650 |
| Provisions for other liabilities & charges | | 3.891 | 4.785 | - | - |
| Deferred income from government grants | | 39 | 41 | 39 | 41 |
| **Total non current liabilities** | | **277.256** | **280.410** | **65.368** | **65.288** |
| Trade payables | | 85.310 | 92.543 | 5.390 | 5.750 |
| Other payables | 12 | 48.049 | 42.010 | 3.756 | 3.967 |
| Current income tax liabilities | | 5.835 | 6.163 | - | - |
| Intergroup payables | 20 | - | - | 24.878 | 20.535 |
| Intergroup bond loan | 20 | - | - | 1.629 | 950 |
| Short term borrowings | 13 | 65.654 | 45.896 | - | - |
| Derivative financial instruments | 26 | 228 | 13 | - | - |
| **Total current liabilities** | | **205.076** | **186.625** | **35.653** | **31.202** |
| **Total liabilities** | | **482.332** | **467.035** | **101.021** | **96.490** |
| **Equity:** | | | | | |
| Share capital | 15 | 15.178 | 15.178 | 15.178 | 15.178 |
| Share premium | 15 | 2.755 | 2.755 | 2.755 | 2.755 |
| Other reserves | 16 | 4.659 | 4.559 | 17.131 | 17.131 |
| Retained earnings | | 60.317 | 63.721 | (536) | 491 |
| **Total Shareholders Equity** | | **82.909** | **86.213** | **34.528** | **35.555** |
| Non controlling interest | | 33.654 | 33.405 | - | - |
| **Total Equity** | | **116.563** | **119.618** | **34.528** | **35.555** |
| **Total Liabilities & Equity** | | **598.895** | **586.653** | **135.549** | **132.045** |

The notes on pages 14 to 41 are an integral part of the financial statements

**Frigoglass S.A.I.C**

**Income Statement**

**in € 000's**

| | Note | Consolidated Three months ended 31.03.2014 | Consolidated Three months ended 31.03.2013 | Parent Company Three months ended 31.03.2014 | Parent Company Three months ended 31.03.2013 |
|---|---|---|---|---|---|
| **Net sales revenue** | **5** | **124.247** | **140.619** | **6.621** | **5.588** |
| Cost of goods sold | | (102.199) | (113.076) | (6.295) | (5.317) |
| **Gross profit** | | **22.048** | **27.543** | **326** | **271** |
| Administrative expenses | | (7.353) | (7.553) | (4.047) | (4.437) |
| Selling, distribution & marketing expenses | | (6.057) | (7.734) | (798) | (1.186) |
| Research & development expenses | | (1.049) | (1.104) | (523) | (506) |
| Other operating income | **20** | 311 | 697 | 5.049 | 6.469 |
| Other <losses> / gains | | (9) | 4 | - | - |
| **Operating Profit / <Loss>** | | **7.891** | **11.853** | **7** | **611** |
| Finance <costs> / income | **17** | (9.356) | (4.543) | (830) | (1.405) |
| **Profit / <Loss> before income tax** | | **(1.465)** | **7.310** | **(823)** | **(794)** |
| Income tax expense | **18** | (1.615) | (2.712) | (204) | (205) |
| **Profit / <Loss> after income tax expenses** | | **(3.080)** | **4.598** | **(1.027)** | **(999)** |
| **Attributable to:** | | | | | |
| Non controlling interest | | 323 | 972 | - | - |
| **Shareholders** | | **(3.403)** | **3.626** | **(1.027)** | **(999)** |
| Depreciation | | 8.187 | 8.415 | 601 | 750 |
| **Earnings / <Loss> before interest, tax, depreciation, amortization (EBITDA)** | | **16.078** | **20.268** | **608** | **1.361** |

| | Note | Consolidated Amounts in € | | Parent Company Amounts in € | |
|---|---|---|---|---|---|
| **Earnings / <Loss> per share, after taxes** | | | | | |
| - Basic | **21** | (0,0673) | 0,0744 | (0,0203) | (0,0205) |
| - Diluted | **21** | (0,0671) | 0,0742 | (0,0202) | (0,0204) |

The notes on pages 14 to 41 are an integral part of the financial statements

**Frigoglass S.A.I.C**

**Statement of Comprehensive Income**

**in € 000's**

| | Consolidated | |
|---|---|---|
| | Three months ended | |
| | 31.03.2014 | 31.03.2013 |
| **Profit / <Loss> after income tax expenses (Income Statement)** | **(3.080)** | **4.598** |
| **Other Compehensive income:** | | |
| **Items that will be reclassified to Profit & Loss** | | |
| Currency translation difference | 108 | 2.409 |
| **Cash Flow Hedges:** | | |
| - Net changes in fair Value | (200) | (372) |
| - Income tax effect | 20 | 37 |
| - Transfer to net profit | 108 | (28) |
| - Income tax effect | (11) | 3 |
| **Items that will be reclassified to Profit & Loss** | **25** | **2.049** |
| **Other comprehensive income / <expenses> net of tax** | **25** | **2.049** |
| **Total comprehensive income / <expenses> for the period** | **(3.055)** | **6.647** |
| **Attributable to:** | | |
| - Non controlling interest | 249 | 1.967 |
| - Shareholders | (3.304) | 4.680 |
| | **(3.055)** | **6.647** |

| | Parent Company | |
|---|---|---|
| | Three months ended | |
| | 31.03.2014 | 31.03.2013 |
| **Profit / <Loss> after income tax expenses (Income Statement)** | **(1.027)** | **(999)** |
| **Other comprehensive income / <expenses> net of tax** | **-** | **-** |
| **Total comprehensive income / <expenses> for the period** | **(1.027)** | **(999)** |
| **Attributable to:** | | |
| - Non controlling interest | - | - |
| - Shareholders | (1.027) | (999) |
| | **(1.027)** | **(999)** |

The notes on pages 14 to 41 are an integral part of the financial statements

**Frigoglass S.A.I.C**

**Statement of Changes in Equity**

**in € 000's**

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share Capital | Share premium | Treasury Shares | Other reserves | Retained earnings | Total Shareholders Equity | Non Controlling Interest | Total Equity |
| **Balance at 01.01.2013** | **15.155** | **2.518** | **(7.949)** | **14.903** | **94.234** | **118.861** | **32.571** | **151.432** |
| Profit / <Loss> for the period | - | - | - | - | 3.626 | **3.626** | 972 | **4.598** |
| Other Comprehensive income / <expense> | - | - | - | 945 | 109 | **1.054** | 995 | **2.049** |
| **Total comprehensive income / <expense>, net of taxes** | **-** | **-** | **-** | **945** | **3.735** | **4.680** | **1.967** | **6.647** |
| **Balance at 31.03.2013** | **15.155** | **2.518** | **(7.949)** | **15.848** | **97.969** | **123.541** | **34.538** | **158.079** |
| | | | | | | | | |
| **Balance at 01.04.2013** | **15.155** | **2.518** | **(7.949)** | **15.848** | **97.969** | **123.541** | **34.538** | **158.079** |
| Profit / <Loss> for the period | - | - | - | - | (34.392) | **(34.392)** | 1.608 | **(32.784)** |
| Other Comprehensive income / <expense> | - | - | - | (11.264) | (723) | **(11.987)** | (2.371) | **(14.358)** |
| **Total comprehensive income / <expense>, net of taxes** | **-** | **-** | **-** | **(11.264)** | **(35.115)** | **(46.379)** | **(763)** | **(47.142)** |
| Dividends to non controlling interest | - | - | - | - | - | **-** | (370) | **(370)** |
| <Purchase>/ Sale of treasury shares | - | - | 7.949 | - | 867 | **8.816** | - | **8.816** |
| Shares issued to employees exercising share options | 23 | 237 | - | (25) | - | **235** | - | **235** |
| **Balance at 31.12.2013** | **15.178** | **2.755** | **-** | **4.559** | **63.721** | **86.213** | **33.405** | **119.618** |
| | | | | | | | | |
| **Balance at 01.01.2014** | **15.178** | **2.755** | **-** | **4.559** | **63.721** | **86.213** | **33.405** | **119.618** |
| Profit / <Loss> for the period | - | - | - | - | (3.403) | **(3.403)** | 323 | **(3.080)** |
| Other Comprehensive income / <expense> | - | - | - | 100 | (1) | **99** | (74) | **25** |
| **Total comprehensive income / <expense>, net of taxes** | **-** | **-** | **-** | **100** | **(3.404)** | **(3.304)** | **249** | **(3.055)** |
| **Balance at 31.03.2014** | **15.178** | **2.755** | **-** | **4.659** | **60.317** | **82.909** | **33.654** | **116.563** |

The notes on pages 14 to 41 are an integral part of the financial statements

## Frigoglass S.A.I.C

## Statement of Changes in Equity

## in € 000's

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | Share Capital | Share premium | Treasury Shares | Other reserves | Retained earnings | Total Equity |
| **Balance at 01.01.2013** | **15.155** | **2.518** | **(7.949)** | **17.156** | **5.178** | **32.058** |
| Profit / <Loss> for the period | - | - | - | - | (999) | **(999)** |
| Other Comprehensive income / <expense> | - | - | - | - | - | - |
| **Total comprehensive income / <expense>, net of taxes** | **-** | **-** | **-** | **-** | **(999)** | **(999)** |
| **Balance at 31.03.2013** | **15.155** | **2.518** | **(7.949)** | **17.156** | **4.179** | **31.059** |
| | | | | | | |
| **Balance at 01.04.2013** | **15.155** | **2.518** | **(7.949)** | **17.156** | **4.179** | **31.059** |
| Profit / <Loss> for the period | - | - | | - | (5.283) | **(5.283)** |
| Other Comprehensive income / <expense> | - | - | - | - | 728 | **728** |
| **Total comprehensive income / <expense>, net of taxes** | **-** | **-** | **-** | **-** | **(4.555)** | **(4.555)** |
| <Purchase>/ Sale of treasury shares | - | - | 7.949 | - | 867 | **8.816** |
| Shares issued to employees exercising share options | 23 | 237 | - | (25) | - | **235** |
| **Balance at 31.12.2013** | **15.178** | **2.755** | **-** | **17.131** | **491** | **35.555** |
| | | | | | | |
| **Balance at 01.01.2014** | **15.178** | **2.755** | **-** | **17.131** | **491** | **35.555** |
| Profit / <Loss> for the period | - | - | | - | (1.027) | **(1.027)** |
| Other Comprehensive income / <expense> | - | - | - | - | - | - |
| **Total comprehensive income / <expense>, net of taxes** | **-** | **-** | **-** | **-** | **(1.027)** | **(1.027)** |
| **Balance at 31.03.2014** | **15.178** | **2.755** | **-** | **17.131** | **(536)** | **34.528** |

The notes on pages 14 to 41 are an integral part of the financial statements

**Frigoglass S.A.I.C**

**Cash Flow Statement**

**in € 000's**

| | Note | Consolidated Three months ended 31.03.2014 | Consolidated Three months ended 31.03.2013 | Parent Company Three months ended 31.03.2014 | Parent Company Three months ended 31.03.2013 |
|---|---|---|---|---|---|
| **Cash Flow from operating activities** | | | | | |
| **Profit / <Loss> before tax** | | **(1.465)** | **7.310** | **(823)** | **(794)** |
| **Adjustments for:** | | | | | |
| Depreciation | | 8.187 | 8.415 | 601 | 750 |
| Finance costs, net | **17** | 9.356 | 4.543 | 830 | 1.405 |
| Provisions | | 391 | (297) | (128) | 812 |
| <Profit>/Loss from disposal of property, plant, equipment & intangible assets | | 9 | (4) | - | - |
| **Changes in Working Capital:** | | | | | |
| Decrease / (increase) of inventories | | (4.957) | (10.917) | (1.191) | 106 |
| Decrease / (increase) of trade receivables | | (32.267) | (55.195) | (2.789) | (2.216) |
| Decrease / (increase) of intergroup receivables | **20** | - | - | 319 | (2.759) |
| Decrease / (increase) of other receivables | | (7.476) | (2.134) | (465) | 806 |
| Decrease / (increase) of other long term receivables | | 160 | 34 | 6 | - |
| (Decrease) / increase of trade payables | | (7.233) | (13.511) | (360) | (2.612) |
| (Decrease) / increase of intergroup payables | **20** | - | - | 4.343 | (20.616) |
| (Decrease) / increase of other liabilities (excluding borrowing) | | 4.594 | (3.877) | (922) | (899) |
| **Less:** | | | | | |
| Income taxes paid | | (1.253) | (1.087) | - | - |
| **(a) Net cash generated from operating activities** | | **(31.954)** | **(66.720)** | **(579)** | **(26.017)** |
| **Cash Flow from investing activities** | | | | | |
| Purchase of property, plant and equipment | **6** | (1.703) | (1.686) | (97) | (32) |
| Purchase of intangible assets | **7** | (999) | (686) | (604) | (312) |
| Proceeds from disposal of property, plant, equipment and intangible assets | | 6 | 13 | - | - |
| **(b) Net cash generated from investing activities** | | **(2.696)** | **(2.359)** | **(701)** | **(344)** |
| **Net cash generated from operating and investing activities (a) + (b)** | | **(34.650)** | **(69.079)** | **(1.280)** | **(26.361)** |
| **Cash Flow from financing activities** | | | | | |
| Proceeds from bank loans | | 27.737 | 19.475 | - | - |
| <Repayments> of bank loans | | (16.079) | (1.024) | - | (373) |
| Proceeds from / <Repayments> of intergroup loans | | - | - | 679 | - |
| Interest paid | | (1.512) | (4.510) | - | (1.097) |
| Dividends paid to shareholders | | (28) | (12) | (28) | (12) |
| **(c) Net cash generated from financing activities** | | **10.118** | **13.929** | **651** | **(1.482)** |
| **Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)** | | **(24.532)** | **(55.150)** | **(629)** | **(27.843)** |
| **Cash and cash equivalents at the beginning of the year** | | **59.523** | **76.953** | **2.063** | **29.035** |
| Effects of changes in exchange rate | | (633) | 5.067 | - | - |
| **Cash and cash equivalents at the end of the period** | | **34.358** | **26.870** | **1.434** | **1.192** |

The notes on pages 14 to 41 are an integral part of the financial statements

## Notes to the financial statements

### 1. General Information

These financial statements include the financial statements of the Parent Company FRIGOGLASS S.A.I.C. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group"). The names of the subsidiaries are presented in **Note 14** of the financial statements.

Frigoglass S.A.I.C. and its subsidiaries are engaged in the manufacturing, trade and distribution of commercial refrigeration units and packaging materials for the beverage industry. The Group has manufacturing plants and sales offices in Europe, Asia, Africa and America.

The Company is a limited liability company incorporated and based in Kifissia, Attica. The Company's' shares are listed on the Athens Stock Exchange.

The address of its registered office is:

15, A. Metaxa Street, GR 145 64, Kifissia, Athens, Hellas

The company's web page is: **www.frigoglass.com**

The financial statements have been approved by the Board of Directors on **5 May 2014.**

## 2. Basis of Preparation

This condensed interim financial information for the **three** months ended **31 March 2014** has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and specifically in terms of IAS 34, 'Interim financial reporting.

The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended **31 December 2013** that is available on the company's web page www.frigoglass.com.

## 3. Principal accounting policies

The accounting policies adopted in preparing this condensed interim financial information are consistent with those described in the Company and Group annual financial statements for the year ended **31 December 2013.**

There have been no changes in the accounting policies used from those that were used for the preparation of the annual financial statements prepared by the Company and the Group for the year ended **31 December 2013.**

The financial statements have been prepared under the historical cost convention with the exception of derivative financial instruments that are measured at fair value.

The preparation of these interim financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Differences that may exist between the figures of the financial statement and those of the notes are due to rounding. Wherever it was necessary, the comparative figures have been reclassified in order to be comparable with the current year's presentation.

**New standards, amendments to standards and interpretations:**

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years.

Standards and Interpretations effective for the current financial year

None of the standards and interpretations issued is expected to have a significant effect on the consolidated financial statements.

Standards and Interpretations effective for subsequent financial periods

None of the standards and interpretations issued is expected to have a significant effect on the consolidated financial statements.

## 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.

### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year concern income tax.

#### 4.1.1 Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required by the Group Management in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. If the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax.

### 4.1.2 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6.1. of the annual financial statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see Note 7).

### 4.1.3. Estimated impairment of investments

The Group's investments in subsidiaries are tested for impairment when indications exist that its carrying value may not be recoverable. The recoverable amount of the investments in subsidiaries is determined on a value in use basis, which requires the use of assumptions as is further described in **note 14.**

### 4.1.4. Estimation of useful lives of fixed assets

The Group assesses on an annual basis, the useful lives of its property, plant and equipment and intangible assets. These estimates take into account the relevant operational facts and circumstances, the future plans of Management and the market conditions that exist as at the date of the assessment.

### 4.1.5. Provision for doubtful debts

The provision for doubtful debts has been based on the outstanding balances of specific debtors after taking into account their ageing and the agreed credit terms. This process has excluded receivables from subsidiaries as Management is of the view that these receivables are not likely to require an impairment provision. The analysis of the provision is presented in **note 9**.

### 4.1.6. Staff retirement benefit obligations

The present value of the retirement benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the relevant obligation comprises the discount rate, the expected return on plan assets, the rate of compensation increase, the rate of inflation and future estimated pension increases. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations. The Group determines the amount of the retirement benefit obligations using suitably qualified independent actuaries at each year-end's balance sheet date.

## 4.2 Critical judgements in applying the entity's accounting policies

There are no areas that Management required to make critical judgements in applying accounting policies.

in € 000's

## Note 5 - Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The operating segment information presented below is based on the information that the chief operating decision makers (i.e. the managing director and his executive committee) use to assess the performance of the Group's operating segments. Taking into account the above, the categorization of the Group's operations in business segments is the following:

- Ice Cold Merchandise ( ICM ) Operations
- Glass Operations

The consolidated Balance Sheet and the Income Statement per business segment are presented below:

**a) Analysis per business segment :**

**i) Income Statement**

| | Three months ended 31.03.2014 | | | Three months ended 31.03.2013 | | |
|---|---|---|---|---|---|---|
| | ICM | Glass | **Total** | ICM | Glass | **Total** |
| Net sales revenue | 91.122 | 33.125 | **124.247** | 108.494 | 32.125 | **140.619** |
| Operating Profit / <Loss> | 4.757 | 3.134 | **7.891** | 7.230 | 4.623 | **11.853** |
| Finance <costs> / income | (7.428) | (1.928) | **(9.356)** | (3.644) | (899) | **(4.543)** |
| Profit / <Loss> before income tax | (2.671) | 1.206 | **(1.465)** | 3.586 | 3.724 | **7.310** |
| Income tax expense | (759) | (856) | **(1.615)** | (1.594) | (1.118) | **(2.712)** |
| Profit / <Loss> after income tax | (3.430) | 350 | **(3.080)** | 1.992 | 2.606 | **4.598** |
| Profit / <Loss> after taxation attributable to the shareholders of the company | (3.463) | 60 | **(3.403)** | 1.943 | 1.683 | **3.626** |
| Depreciation | 4.427 | 3.760 | **8.187** | 4.532 | 3.883 | **8.415** |
| Earnings / <Loss> before interest, tax, depreciation & amortization (EBITDA) | 9.184 | 6.894 | **16.078** | 11.762 | 8.506 | **20.268** |
| Impairment of trade debtors | (56) | - | **(56)** | (3) | 9 | **6** |
| Impairment of inventory | 53 | - | **53** | (100) | - | **(100)** |

| | Y-o-Y % 31.03.2014 vs 31.03.2013 | | |
|---|---|---|---|
| | ICM | Glass | **Total** |
| Net sales revenue | -16% | 3% | **-12%** |
| Operating Profit / <Loss> | -34% | -32% | **-33%** |
| Earnings / <Loss> before interest, tax, depreciation & amortization (EBITDA) | -22% | -19% | **-21%** |

**ii) Balance Sheet**

| | Three months ended 31.03.2014 | | | Year ended 31.12.2013 | | |
|---|---|---|---|---|---|---|
| | ICM | Glass | **Total** | ICM | Glass | **Total** |
| Total assets | 425.289 | 173.606 | **598.895** | 400.896 | 185.757 | **586.653** |
| Total liabilities | 398.217 | 84.115 | **482.332** | 372.883 | 94.152 | **467.035** |
| Capital expenditure | 1.815 | 887 | **2.702** | 9.653 | 15.228 | **24.881** |
| | | | **Note 6&7** | | | |

in € 000's

## Note 5 - Segmental Information (continued)

**b) Net sales revenue analysis per geographical area (based on customer location)**

| | Consolidated | | | |
|---|---|---|---|---|
| | Three months ended | | | |
| | 31.03.2014 | 31.03.2013 | 31.03.2012 | 31.03.2011 |
| **Total Sales** | | | | |
| East Europe | 34.453 | 34.369 | 57.981 | 42.712 |
| West Europe | 16.917 | 15.589 | 22.827 | 26.712 |
| Africa / Middle East | 42.855 | 41.627 | 40.018 | 37.990 |
| Asia/Oceania | 28.055 | 45.129 | 33.873 | 24.536 |
| America | 1.967 | 3.905 | 4.418 | 2.876 |
| **Consolidated** | **124.247** | **140.619** | **159.117** | **134.826** |
| **ICM Operations** | | | | |
| East Europe | 34.453 | 34.369 | 57.770 | 42.712 |
| West Europe | 16.526 | 15.583 | 22.827 | 26.712 |
| Africa / Middle East | 14.067 | 14.626 | 15.378 | 12.975 |
| Asia/Oceania | 24.109 | 40.011 | 32.408 | 24.536 |
| America | 1.967 | 3.905 | 4.418 | 2.876 |
| **Total** | **91.122** | **108.494** | **132.801** | **109.811** |
| **Glass Operations** | | | | |
| East Europe | - | - | 211 | - |
| West Europe | 391 | 6 | - | - |
| Africa / Middle East | 28.788 | 27.001 | 24.640 | 25.015 |
| Asia/Oceania | 3.946 | 5.118 | 1.465 | - |
| America | - | - | - | - |
| **Total** | **33.125** | **32.125** | **26.316** | **25.015** |
| **Consolidated** | **124.247** | **140.619** | **159.117** | **134.826** |

| | Parent Company | | | |
|---|---|---|---|---|
| | Three months ended | | | |
| **Net Sales revenue** | 31.03.2014 | 31.03.2013 | 31.03.2012 | 31.03.2011 |
| East Europe | 1.227 | 1.186 | 1.124 | 544 |
| West Europe | 4.275 | 2.728 | 9.481 | 16.717 |
| Africa / Middle East | 14 | 119 | 5.383 | 2.862 |
| Asia/Oceania | - | (110) | 98 | 253 |
| America | 118 | 1 | 101 | 94 |
| Intergroup sales revenue | 987 | 1.664 | 1.806 | 846 |
| **Total Parent Company** | **6.621** | **5.588** | **17.993** | **21.316** |

in € 000's

## Note 6 - Property, Plant & Equipment

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | Land | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures | Total |
| **Cost** | | | | | | |
| **Opening balance at 01.01.2014** | **9.668** | **90.095** | **327.723** | **6.005** | **14.222** | **447.713** |
| Additions | - | 83 | 901 | 171 | 104 | 1.259 |
| Construction in progress & advances | - | - | 444 | - | - | 444 |
| Disposals | - | - | (8) | - | - | (8) |
| Transfer to / from & reclassification | - | 43 | (80) | 39 | (2) | - |
| Exchange differences | 36 | (49) | (394) | (12) | (22) | (441) |
| **Closing balance at 31.03.2014** | **9.704** | **90.172** | **328.586** | **6.203** | **14.302** | **448.967** |
| | | | | | | |
| **Accumulated Depreciation** | | | | | | |
| **Opening balance at 01.01.2014** | **-** | **31.584** | **194.561** | **4.593** | **11.698** | **242.436** |
| Additions | - | 624 | 5.954 | 124 | 214 | 6.916 |
| Disposals | - | - | (8) | - | - | (8) |
| Exchange differences | - | 5 | (181) | (10) | (22) | (208) |
| **Closing balance at 31.03.2014** | **-** | **32.213** | **200.326** | **4.707** | **11.890** | **249.136** |
| | | | | | | |
| **Net book value at 31.03.2014** | **9.704** | **57.959** | **128.260** | **1.496** | **2.412** | **199.831** |

Construction in progress is always capitalised until the end of the forthcoming year. The amount of € 219 th. as at 31.03.2013 will be transferred to assets until the end of 2014 and the current year's contruction in progress equal to € 444 th. is expected to be capitalized in 2015.

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | Land | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures | Total |
| **Cost** | | | | | | |
| **Opening balance at 01.01.2013** | **10.006** | **91.250** | **324.777** | **6.131** | **15.949** | **448.113** |
| Additions | - | 46 | 1.260 | 45 | 116 | 1.467 |
| Construction in progress & advances | - | 39 | 180 | - | - | 219 |
| Disposals | - | - | (11) | (85) | (1) | (97) |
| Transfer to / from & reclassification | - | 2 | (57) | - | 55 | - |
| Exchange differences | 157 | 1.158 | 6.392 | 128 | 154 | 7.989 |
| **Closing balance as at 31.03.2013** | **10.163** | **92.495** | **332.541** | **6.219** | **16.273** | **457.691** |
| | | | | | | |
| **Accumulated Depreciation** | | | | | | |
| **Opening balance at 01.01.2013** | **-** | **29.798** | **176.652** | **4.437** | **13.290** | **224.177** |
| Additions | - | 617 | 6.102 | 149 | 247 | 7.115 |
| Disposals | - | - | (11) | (79) | - | (90) |
| Exchange differences | - | 380 | 3.387 | 95 | 124 | 3.986 |
| **Closing balance as at 31.03.2013** | **-** | **30.795** | **186.130** | **4.602** | **13.661** | **235.188** |
| | | | | | | |
| **Net book value at 31.03.2013** | **10.163** | **61.700** | **146.411** | **1.617** | **2.612** | **222.503** |

There are no pledged assets for the Group as at 31.03.2014 and 31.12.2013.

**in € 000's**

## Note 6 - Property, Plant & Equipment (continued)

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | Land | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures | Total |
| **Cost** | | | | | | |
| **Opening balance at 01.01.2014** | **303** | **8.988** | **15.860** | **289** | **2.348** | **27.788** |
| Additions | - | - | 91 | - | 6 | 97 |
| Disposals | - | - | - | - | - | - |
| **Closing balance at 31.03.2014** | **303** | **8.988** | **15.951** | **289** | **2.354** | **27.885** |
| | | | | | | |
| **Accumulated Depreciation** | | | | | | |
| **Opening balance at 01.01.2014** | **-** | **3.976** | **14.969** | **262** | **2.178** | **21.385** |
| Additions | - | 104 | 72 | 1 | 24 | 201 |
| Disposals | - | - | - | - | - | - |
| **Closing balance at 31.03.2014** | **-** | **4.080** | **15.041** | **263** | **2.202** | **21.586** |
| | | | | | | |
| **Net book value at 31.03.2014** | **303** | **4.908** | **910** | **26** | **152** | **6.299** |

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | Land | Building & technical works | Machinery technical installation | Motor vehicles | Furniture & fixtures | Total |
| **Cost** | | | | | | |
| **Opening balance at 01.01.2013** | **303** | **8.998** | **15.647** | **318** | **3.972** | **29.238** |
| Additions | - | - | 27 | - | 5 | 32 |
| Disposals | - | - | (10) | - | - | (10) |
| **Closing balance as at 31.03.2013** | **303** | **8.998** | **15.664** | **318** | **3.977** | **29.260** |
| | | | | | | |
| **Accumulated Depreciation** | | | | | | |
| **Opening balance at 01.01.2013** | **-** | **3.599** | **14.657** | **284** | **3.724** | **22.264** |
| Additions | - | 104 | 81 | 2 | 36 | 223 |
| Disposals | - | - | (10) | - | - | (10) |
| **Closing balance as at 31.03.2013** | **-** | **3.703** | **14.728** | **286** | **3.760** | **22.477** |
| | | | | | | |
| **Net book value at 31.03.2013** | **303** | **5.295** | **936** | **32** | **217** | **6.783** |

There are no pledged assets for the Parent Company as at 31.03.2014 and 31.12.2013.

The Parent Company has proceeded to test for impairment its manufacturing operations in Hellas as at **31.12.2013.**

The recoverable amount of this operation is determined by calculating its value in use that is based on cash flow projections derived from the operation's financial budgets that have been approved by management and which cover a five year forecast period.

Following the completion of the value in use calculation, the Parent Company's management concluded that no impairment is necessary as at 31 December 2013. The key assumptions for the value in use calculations are as follows: Discount rate (pre-tax): 14%, Gross margin: 6%-14% , Perpetuity growth rate: 2%

in € 000's

## Note 7 - Intangible assets

| | Consolidated | | | | |
|---|---|---|---|---|---|
| | Goodwill | Development costs | Patterns & trade marks | Software & other intangible assets | Total |
| **Cost** | | | | | |
| **Opening balance at 01.01.2014** | **17.941** | **27.498** | **9.309** | **21.309** | **76.057** |
| Additions | - | 647 | - | 84 | 731 |
| Construction in progress & advances | - | 16 | - | 252 | 268 |
| Disposals | - | - | - | (15) | (15) |
| Exchange differences | - | (10) | 2 | (24) | (32) |
| **Closing balance at 31.03.2014** | **17.941** | **28.151** | **9.311** | **21.606** | **77.009** |
| | | | | | |
| **Accumulated Depreciation** | | | | | |
| **Opening balance at 01.01.2014** | **-** | **19.094** | **3.766** | **13.435** | **36.295** |
| Additions | - | 597 | 160 | 400 | 1.157 |
| Exchange differences | - | 6 | 1 | (6) | 1 |
| **Closing balance at 31.03.2014** | - | **19.697** | **3.927** | **13.829** | **37.453** |
| | | | | | |
| **Net book value at 31.03.2014** | **17.941** | **8.454** | **5.384** | **7.777** | **39.556** |

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. At each balance sheet date the Group performs an analysis to assess whether the carrying amount of goodwill is recoverable. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is performed on the cash-generating units that are expected to benefit from the acquisition from which goodwill was derived.

The existing goodwill, which resulted from the business combination of Frigoglass Turkey Soğutma Sanayi İç ve Dış Ticaret Anonim Şirketi (Istanbul, Turkey) and Frigoglass Jebel Ali FZCO (Dubai), has been allocated to cash generating units related to the Group's operations in Turkey and Dubai for the respective subsidiaries.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on cash flow projections, prepared as at **31 December 2013**, which require the use of estimates approved by Management and covering a five year period.

The key assumptions used for the Value-in-use calculation are as follows:

Discount rate (pre-tax): 8%-12%, Gross margins: 1%-15% , Perpetuity growth rate: 2%

As at **31 December 2013**, if any of the assumptions used were 10% lower or higher, the Group would not need to reduce the carrying value of goodwill.

The additions, advances and constructions in progress of Software and other intangible, € 0.3 mil. is related to other Intangible assets. More specifically additions of the year in other intangibles concern the execution of the strategic priority projects which are inventory management, product optimization project and lean manufacturing project.

Construction in progress is always capitalised until the end of the forthcoming year. The amount of € 268 th. as at 31.03.2014 is expected to be capitalized until the end of 2015.

| | Consolidated | | | | |
|---|---|---|---|---|---|
| | Goodwill | Development costs | Patterns & trade marks | Software & other intangible assets | Total |
| **Cost** | | | | | |
| **Opening balance at 01.01.2013** | **21.144** | **26.370** | **9.633** | **19.555** | **76.702** |
| Additions | - | 615 | - | 71 | 686 |
| Disposals | - | (2) | - | - | (2) |
| Exchange differences | - | 39 | (5) | 81 | 115 |
| **Closing balance as at 31.03.2013** | **21.144** | **27.022** | **9.628** | **19.707** | **77.501** |
| | | | | | |
| **Accumulated Depreciation** | | | | | |
| **Opening balance at 01.01.2013** | **-** | **17.335** | **3.430** | **13.081** | **33.846** |
| Additions | - | 586 | 161 | 553 | 1.300 |
| Exchange differences | - | (14) | (1) | 38 | 23 |
| **Closing balance as at 31.03.2013** | **-** | **17.907** | **3.590** | **13.672** | **35.169** |
| | | | | | |
| **Net book value at 31.03.2013** | **21.144** | **9.115** | **6.038** | **6.035** | **42.332** |

in € 000's

## Note 7 - Intangible assets (continued)

| | Parent Company | | | |
|---|---|---|---|---|
| | Development costs | Patterns & trade marks | Software & other intangible assets | Total |
| **Cost** | | | | |
| **Opening balance at 01.01.2014** | **15.521** | **35** | **13.284** | **28.840** |
| Additions | 318 | - | 34 | 352 |
| Construction in progress & advances | - | - | 252 | 252 |
| **Closing balance at 31.03.2014** | **15.839** | **35** | **13.570** | **29.444** |
| | | | | |
| **Accumulated Depreciation** | | | | |
| **Opening balance at 01.01.2014** | **11.841** | **35** | **8.969** | **20.845** |
| Additions | 238 | - | 211 | 449 |
| **Closing balance at 31.03.2014** | **12.079** | **35** | **9.180** | **21.294** |
| | | | | |
| **Net book value at 31.03.2014** | **3.760** | **-** | **4.390** | **8.150** |

The additions, advances and constructions in progress of Software and other intangible, € 0.3 mil. is related to other Intangible assets. More specifically additions of the year in other intangibles concern the execution of the strategic priority projects which are inventory management, product optimization project and lean manufacturing project.
Construction in progress is always capitalized until the end of the forthcoming year. The current year's contruction in progress equal to € 252 th. is expected to be capitalized until the end of 2015.

| | Parent Company | | | |
|---|---|---|---|---|
| | Development costs | Patterns & trade marks | Software & other intangible assets | Total |
| **Cost** | | | | |
| **Opening balance at 01.01.2013** | **14.360** | **35** | **10.604** | **24.999** |
| Additions | 280 | - | 32 | 312 |
| Construction in progress & advances | - | - | - | - |
| **Closing balance as at 31.03.2013** | **14.640** | **35** | **10.636** | **25.311** |
| | | | | |
| **Accumulated Depreciation** | | | | |
| **Opening balance at 01.01.2013** | **10.797** | **35** | **7.891** | **18.723** |
| Additions | 255 | - | 278 | 533 |
| **Closing balance as at 31.03.2013** | **11.052** | **35** | **8.169** | **19.256** |
| | | | | |
| **Net book value at 31.03.2013** | **3.588** | **-** | **2.467** | **6.055** |

**in € 000's**

## Note 8 - Inventories

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Raw materials | 77.053 | 75.648 | 2.978 | 2.511 |
| Work in progress | 4.552 | 3.707 | 208 | 216 |
| Finished goods | 51.833 | 50.116 | 3.111 | 2.379 |
| **Less:** Provisions | (9.745) | (10.735) | (792) | (792) |
| **Total** | **123.693** | **118.736** | **5.505** | **4.314** |

## Note 9 - Trade Receivables

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Trade receivables | 155.113 | 122.919 | 14.443 | 11.654 |
| **Less:** Provisions | (1.262) | (1.335) | (278) | (278) |
| **Total** | **153.851** | **121.584** | **14.165** | **11.376** |

The fair value of trade debtors closely approximates their carrying value. The Group and the Company have a significant concentration of credit risk with specific customers which comprise large international groups like Coca - Cola HBC, Coca - Cola Amatil, Coca Cola India, other Coca - Cola bottlers, Diageo - Guinness, Heineken , Efes Group.
The Group does not require its customers to provide any pledges or collaterals given the high calibre and international reputation of its customer portfolio.
Management does not expect any losses from non performance of trade receivables, other than provides for as at **31.03.2014**.

| **Analysis of provisions for trade receivables:** | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| **Opening balance at 01/01** | **1.335** | **1.965** | **278** | **278** |
| Additions during the period | 6 | 122 | - | - |
| Unused amounts reversed | (70) | (33) | - | - |
| **Total charges to income statement** | **(64)** | **89** | **-** | **-** |
| Realized during the period | (10) | (683) | - | - |
| Exchange differences | 1 | (36) | - | - |
| **Closing Balance** | **1.262** | **1.335** | **278** | **278** |

in € 000's

## Note 10 - Other receivables

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| V.A.T receivable | 10.187 | 6.856 | 332 | 326 |
| Grants for exports receivable | 8.838 | 8.684 | - | - |
| Prepaid expenses | 5.879 | 3.365 | 710 | 303 |
| Other taxes receivable | 2.003 | 1.497 | - | - |
| Factoring | - | - | - | - |
| Advances to employees | 802 | 902 | 88 | 51 |
| Other receivables | 2.865 | 1.895 | 91 | 177 |
| **Total** | **30.574** | **23.199** | **1.221** | **857** |

Grants for Exports are granted by the Nigerian Government on exports of goods produced in the country and are recognized at fair value.

Other receivables comprise various prepayments, govenement grants and accrued income not invoiced.
The fair value of other receivables closely approximates their carrying value.

## Note 11 - Cash & cash equivalents

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Cash on hand | 42 | 29 | 2 | 2 |
| Short term bank deposits | 34.316 | 59.494 | 1.432 | 2.061 |
| **Total** | **34.358** | **59.523** | **1.434** | **2.063** |

The effective interest rate on short term bank deposits for **March 2014 is 1.77%** (December 2013: **3.12%** )

## Note 12 - Other liabilities

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Taxes and duties payable | 3.438 | 4.291 | 668 | 514 |
| VAT payable | 1.086 | 2.053 | - | - |
| Social security insurance | 1.330 | 1.303 | 339 | 553 |
| Dividends payable to company' s shareholders | 3 | 31 | 3 | 31 |
| Customers' advances | 559 | 623 | 34 | 24 |
| Other taxes payable | 736 | 725 | - | - |
| Accrued discounts on sales | 4.116 | 3.688 | 115 | 90 |
| Accrued fees & costs payable to third parties | 9.341 | 9.299 | 751 | 941 |
| Accrued payroll expenses | 6.526 | 4.045 | 1.432 | 793 |
| Other accrued expenses | 13.465 | 7.657 | 181 | 121 |
| Expenses for restructuring activities | 3.322 | 4.129 | - | 557 |
| Other payables | 4.127 | 4.166 | 233 | 343 |
| **Total** | **48.049** | **42.010** | **3.756** | **3.967** |

The fair value of other creditors closely approximates their carrying value.

in € 000's

## Note 13 - Non current & current borrowings

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Bank loans | 1.349 | 4.991 | - | - |
| Intergroup Bond Loan | - | - | 61.650 | 61.650 |
| Bond Loan | 243.720 | 243.411 | - | - |
| **Total non current borrowings** | **245.069** | **248.402** | **61.650** | **61.650** |

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Bank overdrafts | 10 | 73 | - | - |
| Bank loans | 59.689 | 32.240 | - | - |
| Intergroup Bond Loan | - | - | 1.629 | 950 |
| Current portion of non current borrowings | 5.955 | 13.583 | - | - |
| **Total current borrowings** | **65.654** | **45.896** | **1.629** | **950** |
| **Total borrowings** | **310.723** | **294.298** | **63.279** | **62.600** |

**Maturity of non current borrowings**

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Between 1 & 2 years | 1.188 | 4.710 | - | - |
| Between 2 & 5 years | 243.881 | 243.692 | 61.650 | 61.650 |
| Over 5 years | - | - | - | - |
| **Total** | **245.069** | **248.402** | **61.650** | **61.650** |

**Effective interest rates**

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Bond loan | 8,98% | 8,98% | 9,13% | 9,13% |
| Non current borrowings | 8,84% | 8,62% | - | - |
| Bank overdrafts | 5,69% | 6,82% | - | - |
| Current borrowings | 5,52% | 5,83% | - | - |

**Net Debt / Total capital**

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.12.2013 | 31.03.2014 | 31.12.2013 |
| Total borrowings | 310.723 | 294.298 | 63.279 | 62.600 |
| Cash & cash equivalents | (34.358) | (59.523) | (1.434) | (2.063) |
| **Net debt (A)** | **276.365** | **234.775** | **61.845** | **60.537** |
| Total equity **(B)** | 116.563 | 119.618 | 34.528 | 35.555 |
| Total capital **(C) = (A) + (B)** | 392.928 | 354.393 | 96.373 | 96.092 |
| **Net debt / Total capital (A) / (C)** | **70,3%** | **66,2%** | **64,2%** | **63,0%** |

**in € 000's**

**Note 13 - Non current & current borrowings (continued)**

The foreign Currency exposure of borrowings is as follows:

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 31.03.2014 | | | 31.12.2013 | | |
| | Current borrowings | Non current borrowings | Total | Current borrowings | Non current borrowings | Total |
| - EURO | 47.208 | 245.048 | **292.256** | 29.960 | 245.087 | **275.047** |
| - USD | 8.703 | - | **8.703** | 11.136 | 3.292 | **14.428** |
| - AED | 3.217 | 21 | **3.238** | 2.613 | 23 | **2.636** |
| - CNY | 4.665 | - | **4.665** | 2.187 | - | **2.187** |
| - NAIRA | 22 | - | **22** | - | - | **-** |
| - INR | 1.839 | - | **1.839** | - | - | **-** |
| - PHP | - | - | **-** | - | - | **-** |
| **Total** | **65.654** | **245.069** | **310.723** | **45.896** | **248.402** | **294.298** |

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | 31.03.2014 | | | 31.12.2013 | | |
| | Current borrowings | Non current borrowings | Total | Current borrowings | Non current borrowings | Total |
| - EURO | 1.629 | 61.650 | **63.279** | 950 | 61.650 | **62.600** |
| **Total** | **1.629** | **61.650** | **63.279** | **950** | **61.650** | **62.600** |

The Group's principal sources of liquidity are cash flow generated from operating activities, local overdraft facilities, short- and long-term local bank borrowing facilities, Notes, two bilateral revolving credit facilities and other forms of indebtedness.
In May 2013, the Company announced that its subsidiary Frigoglass Finance B.V. issued € 250,000,000 Senior Notes due on May 15, 2018 (the "Notes"), at a fixed coupon of 8.25% per annum and at an issue price of 100%. The issue was finalized on May 20, 2013. The proceeds from the issue were used to refinance existing Group facilities and pay the fees and expenses related to the offering and sale of the Notes.
This landmark transaction has given Frigoglass access to the international debt capital market as it diversifies the Group's sources of funding, extends its debt maturity profile and provides the Group with financial stability that will allow it to focus on operational improvements in its business.
In addition, Frigoglass Finance B.V. has signed two bilateral credit revolving facilities of a total amount of €50 million with a three year maturity.

Both the Notes and the credit revolving facilities are fully and unconditionally guaranteed on a senior unsecured basis by Frigoglass S.A.I.C., Frigoinvest Holdings B.V. (the direct parent company of the Issuer) and by the following subsidiaries of Frigoinvest Holdings B.V.: Beta Glass Plc, Frigoglass Eurasia LLC, PT Frigoglass Indonesia, Frigoglass Industries (Nigeria) Ltd, Frigoglass Jebel Ali FZCO, Frigoglass North America Ltd. Co., Frigoglass Turkey Soğutma Sanayi İç ve Dıs Ticaret A.Ş., Frigoglass South Africa Ltd and Frigoglass Romania SRL.
The fair value of current and non-current borrowings closely approximates their carrying value. With the exception of the Notes, the Group borrows at floating interest rates, which are renegotiated in periods shorter than six months. With regards to the Notes, despite the fact that were issued at a fixed annual coupon of 8.25%, at the balance sheet date their market return is close to the the fixed annual interest coupon.
There are no pledged assets for the Group as at **31.03.2014** and **31.12.2013**.
There are no pledged assets for the Parent Company as at **31.03.2014** and **31.12.2013**.
The Notes are subject to restrictive covenants while for the revolving credit facilities, the Group is required to comply with financial covenants relating to its solvency, profitability and liquidity as described below:
a) Net debt to EBITDA b) EBITDA to net interest c) Amount of capital expenditure

in € 000's

## Note 14 - Investments in subsidiaries

| | Parent Company | |
|---|---|---|
| | 31.03.2014 | 31.12.2013 |
| | Net book value | Net book value |
| Frigoinvest Holdings B.V (The Netherlands) | 58.045 | 58.045 |
| **Total** | **58.045** | **58.045** |

In March 2013, the Parent Company participated 100% in the share capital increase of Frigoinvest Holdings B.V. by contributing its whole shareholding in its subsidiaries Frigorex Cyprus Limited and Coolinvest Holdings Limited.

In its separate financial statements, the Parent Company accounts for investments in subsidiaries at historic cost less any impairment losses.

Following on from the impairment tests that the Group has performed as at **31 December 2013** on its operating activities in Hellas (see note 6) and its operating activities in Turkey and Dubai (see note 7), the Group has also tested for impairment its participation in the company Frigoglass (Guangzhou) Ice Cold Equipment Co. Ltd. which represents the Group's activities in China.

The recoverable amount of this operation is determined by calculating its value in use that is based on cash flow projections derived from the operation's financial business plans that have been approved by management and which cover a five year forecast period.

Following the completion of the value in use calculation, the Parent Company's management concluded that no impairment is necessary as at **31 December 2013**. The key assumptions for the value in use calculations of Frigoglass (Guangzhou) Ice Cold Equipment Co. Ltd. are as follows:
Discount rate (pre-tax): 12%, Gross margin: 4%-18%, Perpetuity growth rate: 2%

in € 000's

## Note 14 - Investments in subsidiaries (continued)

The subsidiaries of the Group, the country of incorporation and their shareholding status as at **31.03.2014** are

| Company name & business segment | Country of incorporation | Consolidation method | % Shareholding |
|---|---|---|---|
| **ICM Operations** | | | |
| Frigoglass S.A.I.C. | Hellas | **Parent Company** | |
| SC. Frigoglass Romania SRL | Romania | Full | 100% |
| PT Frigoglass Indonesia | Indonesia | Full | 100% |
| Frigoglass South Africa Ltd | South Africa | Full | 100% |
| Frigoglass Eurasia LLC | Russia | Full | 100% |
| Frigoglass (Guangzhou) Ice Cold Equipment Co. ,Ltd. | China | Full | 100% |
| Scandinavian Appliances A.S | Norway | Full | 100% |
| Frigoglass Ltd. | Ireland | Full | 100% |
| Frigoglass Iberica SL | Spain | Full | 100% |
| Frigoglass Sp zo.o | Poland | Full | 100% |
| Frigoglass India PVT.Ltd. | India | Full | 100% |
| Frigoglass Turkey Soğutma Sanayi İç ve Dış Ticaret Anonim Şirketi | Turkey | Full | 99,60% |
| Frigoglass İstanbul Sogutma Sistemleri İc ve Dis Ticaret A.S. | Turkey | Full | 99,60% |
| Frigoglass North America Ltd. Co | USA | Full | 100% |
| Frigoglass Philippines Inc. | Philippines | Full | 100% |
| Frigorex East Africa Ltd. | Kenya | Full | 100% |
| Frigoglass GmbH | Germany | Full | 100% |
| Frigoglass Nordic AS | Norway | Full | 100% |
| Frigoglass France SA | France | Full | 100% |
| Frigoglass Industries (NIG) Ltd | Nigeria | Full | 76,03% |
| Frigorex Cyprus Limited | Cyprus | Full | 100% |
| Norcool Holding A.S | Norway | Full | 100% |
| Frigoinvest Holdings B.V | The Netherlands | Full | 100% |
| Frigoglass Finance B.V | The Netherlands | Full | 100% |
| Frigoglass Oceania Pty Limited | Australia | Full | 100% |
| Frigoglass MENA FZE | Dubai | Full | 100% |
| 3P Frigoglass Romania SRL | Romania | Full | 100% |
| **Glass Operations** | | | |
| Frigoglass Jebel Ali FZCO | Dubai | Full | 80,00% |
| Beta Glass Plc. | Nigeria | Full | 55,21% |
| Frigoglass Industries (NIG.) Ltd | Nigeria | Full | 76,03% |

in € 000's

## Note 15 - Share capital, treasury shares, dividends & share options

**a) Share capital:**

The share capital of the company comprises of **50,593,832** fully paid up ordinary shares of **€ 0.30** each.

The share premium accounts represents the difference between the issue of shares (in cash) and their par value.
On the 1st of April 2013, FRIGOGLASS' s Board of Directors resolved to increase the share capital of the Company by 75,121 ordinary shares, following the exercise of share options by option holders pursuant to the Company's share option plan. The proceeds from the share capital increase amounted to € 231 thousand.

On the 1st of October 2013, FRIGOGLASS' s Board of Directors resolved to increase the share capital of the Company by 1,459 ordinary shares, following the exercise of share options by option holders pursuant to the Company's share option plan. The proceeds from the share capital increase amounted to € 4 thousand.

| | Number of shares | Share capital -000' Euro- | Share premium -000' Euro- |
|---|---|---|---|
| **Balance at 01.01.2013** | **50.517.252** | **15.155** | **2.518** |
| Shares issued to employees exercising stock options / Proceeds from the issue of shares | 76.580 | 23 | 212 |
| Transfer from share option reserve ( Note 16 ) | - | - | 25 |
| **Balance at 31.12.2013** | **50.593.832** | **15.178** | **2.755** |
| | | | |
| **Balance at 01.01.2014** | **50.593.832** | **15.178** | **2.755** |
| **Balance at 31.03.2014** | **50.593.832** | **15.178** | **2.755** |

**in € 000's**

## Note 15 - Share capital, treasury shares, dividends & share options (continued)

**b) Treasury shares:**

The Extraordinary General Meeting of the shareholders on the 5th of September 2008 approved a share buy back scheme, in terms of article 16 of Codified Law 2190/1920, for a maximum number of shares that equals to 10% of the Company's share capital (at that time 40,200,610 shares) and which could be acquired for a period of 24 months from September 5, 2008, i.e. until September 5, 2010, with minimum purchase price Euro 1 and maximum purchase price Euro 25 per share. The share buy back that could be undertaken according to the above scheme, was under the responsibility of the Board of Directors and entailed shares paid in full.

In June 2013, the Company sold 1,800,785 of its treasury shares amounting to € 7.949 thousands and realizing a profit of € 867 thousands which has been recognized directly in the Equity of the Parent Company and the Group.

| | Number of shares | Treasury shares -000' Euro- |
|---|---|---|
| **Balance at 01.01.2013** | **(1.800.785)** | **(7.949)** |
| Treasury shares sold | 1.800.785 | 7.949 |
| **Balance at 31.12.2013** | - | - |
| | | |
| **Balance at 01.01.2014** | - | - |
| | | |
| **Balance at 31.03.2014** | - | - |

**c) Dividends**

Dividends are recorded in the financial statements, as a liability, in the period in which they are approved by the Shareholders Meeting.

**d) Share options:**

**i)** The Annual General Assembly of June 8, 2007 approved a share option plan with beneficiaries members of the Company's BoD, employees of the Company and employees of the Company's affiliates in replacement of the previous Phantom option plan.
According to the above General Assembly resolution, a maximum of 428,870 share options were approved, each corresponding to one (1) ordinary share of the Company.

**ii)** The Annual General Assembly of June 5, 2009 approved a share option plan with beneficiaries members of the Company's BoD, employees of the Company and employees of the Company's affiliates.
According to the above General Assembly resolution, a maximum of 500,000 share options were approved, each corresponding to one (1) ordinary share of the Company.

**iii)** The Annual General Assembly of May 14, 2010 approved a share option plan with beneficiaries members of the Company's BoD, employees of the Company and employees of the Company's affiliates.

According to the above General Assembly resolution, a maximum of 600,000 share options were approved, each corresponding to one (1) ordinary share of the Company.

**iv)** On 14/12/2011 Frigoglass Board of Directors resolved to adjust of the approved share options price for option holders pursuant to the Company's share option plan, following the decision of the Annual General Meeting at 31/5/2011 to modify the company's share capital.

According to the aforementioned decision, the Board of Directors also decided the increase of the stock option rights by 25%, in line with the bonus share issue of one new share for every four existing shares.

**v)** The Annual General Assembly of May 29, 2012 approved a share option plan with beneficiaries members of the Company's BoD, employees of the Company and employees of the Company's affiliates.
According to the above General Assembly resolution, a maximum of 600,000 share options were approved, each corresponding to one (1) ordinary share of the Company.

in € 000's

## Note 15 - Share capital, treasury shares, dividends & share options (continued)

The following table summarizes information for share option plan:

| Program of options | Start of exercise period | Expiry date | Number of options issued | Number of options exercised/ cancelled | Number of outstanding options |
|---|---|---|---|---|---|
| **Program approved by BoD on 02.08.2007** | | | | | |
| Exercise price at 13.15 Euro per share | 8/6/2007 | 17/12/2016 | 34.589 | 34.589 | - |
| Exercise price at 13.15 Euro per share | 1/1/2008 | 17/12/2016 | 34.589 | 4.955 | 29.634 |
| Exercise price at 13.15 Euro per share | 1/1/2009 | 17/12/2016 | 34.586 | 4.955 | 29.631 |
| | | **Total** | **103.764** | **44.499** | **59.265** |
| **Program approved by BoD on 14.05.2008** | | | | | |
| Exercise price at 15.83 Euro per share | 14/05/2008 | 17/12/2017 | 33.083 | - | 33.083 |
| Exercise price at 15.83 Euro per share | 14/05/2009 | 17/12/2017 | 33.083 | - | 33.083 |
| Exercise price at 15.83 Euro per share | 14/05/2010 | 17/12/2017 | 33.088 | - | 33.088 |
| | | **Total** | **99.253** | **-** | **99.253** |
| **Program approved by BoD on 19.06.2009** | | | | | |
| Exercise price at 3.07 Euro per share | 19/06/2009 | 31/12/2018 | 204.673 | 104.832 | 99.841 |
| Exercise price at 3.07 Euro per share | 01/01/2010 | 31/12/2018 | 204.673 | 104.851 | 99.821 |
| Exercise price at 3.07 Euro per share | 01/01/2011 | 31/12/2018 | 204.671 | 100.477 | 104.194 |
| | | **Total** | **614.016** | **310.161** | **303.856** |
| **Program approved by BoD on 11.12.2009** | | | | | |
| Exercise price at 3.07 Euro per share | 11/12/2009 | 31/12/2018 | 3.541 | - | 3.541 |
| Exercise price at 3.07 Euro per share | 01/01/2010 | 31/12/2018 | 3.541 | - | 3.541 |
| Exercise price at 3.07 Euro per share | 01/01/2011 | 31/12/2018 | 3.543 | - | 3.543 |
| | | **Total** | **10.625** | **-** | **10.625** |
| **Program approved by BoD on 17.11.2010** | | | | | |
| Exercise price at 5.54 Euro per share | 17/11/2010 | 31/12/2019 | 74.699 | 15.828 | 58.871 |
| Exercise price at 5.54 Euro per share | 01/01/2011 | 31/12/2019 | 74.729 | 8.543 | 66.186 |
| Exercise price at 5.54 Euro per share | 01/01/2012 | 31/12/2019 | 74.735 | - | 74.735 |
| | | **Total** | **224.163** | **24.370** | **199.793** |
| **Program approved by BoD on 03.01.2011** | | | | | |
| Exercise price at 5.54 Euro per share | 03/01/2011 | 31/12/2020 | 80.326 | 8.539 | 71.788 |
| Exercise price at 5.54 Euro per share | 03/01/2012 | 31/12/2020 | 80.354 | - | 80.354 |
| Exercise price at 5.54 Euro per share | 03/01/2013 | 31/12/2020 | 80.364 | - | 80.364 |
| | | **Total** | **241.044** | **8.539** | **232.505** |
| **Program approved by BoD on 15.06.2012** | | | | | |
| Exercise price at 3.55 Euro per share | 01/12/2013 | 31/12/2022 | 10.000 | - | 10.000 |
| Exercise price at 3.55 Euro per share | 01/12/2014 | 31/12/2022 | 10.000 | - | 10.000 |
| Exercise price at 3.55 Euro per share | 01/12/2015 | 31/12/2022 | 10.000 | - | 10.000 |
| | | **Total** | **30.000** | **-** | **30.000** |
| **Program approved by BoD on 10.12.2012** | | | | | |
| Exercise price at 5.54 Euro per share | 10/12/2012 | 31/12/2021 | 79.707 | - | 79.707 |
| Exercise price at 5.54 Euro per share | 01/01/2013 | 31/12/2021 | 79.720 | - | 79.720 |
| Exercise price at 5.54 Euro per share | 01/01/2014 | 31/12/2021 | 79.743 | - | 79.743 |
| | | **Total** | **239.170** | **-** | **239.170** |
| **Program approved by BoD on 23.10.2013** | | | | | |
| Exercise price at 5.59 Euro per share | 01/12/2013 | 31/12/2022 | 90.503 | - | 90.503 |
| Exercise price at 5.59 Euro per share | 01/12/2014 | 31/12/2022 | 90.503 | - | 90.503 |
| Exercise price at 5.59 Euro per share | 01/12/2015 | 31/12/2022 | 90.494 | - | 90.494 |
| | | **Total** | **271.500** | **-** | **271.500** |
| | | **Grand Total** | **1.833.534** | **387.568** | **1.445.966** |

in € 000's

## Note 16 - Other reserves

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | Statutory reserves | Share option reserve | Extraordinary reserves | Cash flow hedge reserve | Tax free reserves | Currency translation reserve | Total |
| **Balance at 01.01.2013** | **4.177** | **1.129** | **9.542** | **137** | **6.833** | **(6.915)** | **14.903** |
| Additions for the year | - | - | - | (701) | - | - | (701) |
| Shares issued to employees | - | (25) | - | - | - | - | (25) |
| Transfer from/<to> | | | | | | | |
| Retained Earnings | - | - | - | 583 | - | - | 583 |
| Exchange differences | - | - | (153) | - | - | (10.048) | (10.201) |
| **Balance at 31.12.2013** | **4.177** | **1.104** | **9.389** | **19** | **6.833** | **(16.963)** | **4.559** |
| | | | | | | | |
| **Balance at 01.01.2014** | **4.177** | **1.104** | **9.389** | **19** | **6.833** | **(16.963)** | **4.559** |
| Additions for the period | - | - | - | (180) | - | - | (180) |
| Shares issued to employees | - | - | - | - | - | - | - |
| Transfer from/<to> | | | | | | | |
| Retained Earnings | - | - | - | 97 | - | - | 97 |
| Exchange differences | - | - | (7) | - | - | 190 | 183 |
| **Balance at 31.03.2014** | **4.177** | **1.104** | **9.382** | **(64)** | **6.833** | **(16.773)** | **4.659** |

| | Parent Company | | | | |
|---|---|---|---|---|---|
| | Statutory reserves | Share option reserve | Extraordinary reserves | Tax free reserves | Total |
| **Balance at 01.01.2013** | **4.019** | **1.129** | **5.175** | **6.833** | **17.156** |
| Additions for the year | - | - | - | - | - |
| Shares issued to employees | - | (25) | - | - | (25) |
| **Balance at 31.12.2013** | **4.019** | **1.104** | **5.175** | **6.833** | **17.131** |
| | | | | | |
| **Balance at 01.01.2014** | **4.019** | **1.104** | **5.175** | **6.833** | **17.131** |
| Additions for the period | - | - | - | - | - |
| Shares issued to employees | - | - | - | - | - |
| **Balance at 31.03.2014** | **4.019** | **1.104** | **5.175** | **6.833** | **17.131** |

A statutory reserve is created under the provisions of Hellenic law (Law 2190/20) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to this reserve until it reaches one third of the paid up share capital. The statutory reserve can not be distributed to the shareholders of the Company except for the case of liquidation.

The share option reserve refers to a share option program with beneficiaries the Company's BoD and employees and is analyzed in Note **15** of the annual financial statements.

The Company has created tax free reserves, taking advances off various Hellenic Taxation laws, during the years, in order to achieve tax deductions, either
a) by postponing the tax liability till the reserves are distributed to the shareholders, or
b) by eliminating any future income tax payment by issuing new shares for the shareholders of the company.
Should the reserves be distributed to the shareholders as dividends, the distributed profits will be taxed with the rate that will be in effect at the time of the profits distributions.
No provision has been created in regard to the possible income tax liability in the case of such a future distribution of the reserves the shareholders of the company as such liabilities are recognized simultaneously with the dividends distribution.

in € 000's

## Note 17 - Financial Expenses

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.03.2013 | 31.03.2014 | 31.03.2013 |
| Interest expense | 6.670 | 4.553 | 754 | 1.224 |
| Interest income | (218) | (391) | (1) | (141) |
| **Net interest expense / <income>** | **6.452** | **4.162** | **753** | **1.083** |
| Exchange loss / (gain) & Other Financial Costs | 2.905 | (1.326) | 62 | (96) |
| Loss / <Gain> on derivative financial instruments | (1) | 1.707 | 15 | 418 |
| **Net finance cost / <income>** | **9.356** | **4.543** | **830** | **1.405** |

## Note 18 - Income Tax

The income tax rates in the countries where the Group operates are between **0%** and **38.3%**.
Some of non deductible expenses and the different tax rates in the countries that the Group operates, create an effective tax rate for the Group of **110,24**% (Hellenic taxation rate is 26%)

**Unaudited tax years**

The Parent Company has not been audited by tax authorities for the 2010 financial year.
The tax returns of the Parent Company and the Group's subsidiaries have not been assessed by the tax authorities for different periods.

Until the tax audit assessment for the companies described in the table above are finalized, the tax liability can not be reliably measured for those years. The Group provides additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

**in € 000's**

## Note 18 - Income Tax (continued)

**Note:** For some countries the tax audit is not obligated and is taken place under specific requirements.

| Company | Country | Unaudited tax years | Line of Business |
|---|---|---|---|
| Frigoglass S.A.I.C. - Parent Company | Hellas | 2010 & | Ice Cold Merchandisers |
| SC. Frigoglass Romania SRL | Romania | 2010-2013 | Ice Cold Merchandisers |
| PT Frigoglass Indonesia | Indonesia | 2009-2013 | Ice Cold Merchandisers |
| Frigoglass South Africa Ltd | S. Africa | 2006-2013 | Ice Cold Merchandisers |
| Frigoglass Eurasia LLC | Russia | 2011-2013 | Ice Cold Merchandisers |
| Frigoglass (Guangzhou) Ice Cold Equipment Co. ,Ltd. | China | 2006-2013 | Ice Cold Merchandisers |
| Scandinavian Appliances A.S | Norway | 2003-2013 | Ice Cold Merchandisers |
| Frigoglass Ltd. | Ireland | 2002-2013 | Ice Cold Merchandisers |
| Frigoglass Iberica SL | Spain | 2004-2013 | Ice Cold Merchandisers |
| Frigoglass Sp zo.o | Poland | 2009-2013 | Ice Cold Merchandisers |
| Frigoglass India PVT.Ltd. | India | 2009-2013 | Ice Cold Merchandisers |
| Frigoglass Turkey Soğutma Sanayi İç ve Dış Ticaret Anonim Şirketi | Turkey | 2010-2013 | Ice Cold Merchandisers |
| Frigoglass İstanbul Sogutma Sistemleri İc ve Dis Ticaret A.S. | Turkey | 2010-2013 | Sales Office |
| Frigoglass North America Ltd. Co | USA | 2008-2013 | Ice Cold Merchandisers |
| Frigoglass Philippines Inc. | Philippines | 2012-2013 | Sales Office |
| Frigoglass Jebel Ali FZCO | Dubai | - | Glass Operation |
| Frigoglass MENA FZE | Dubai | - | Sales Office |
| Beta Glass Plc. | Nigeria | 2011-2013 | Glass Operation |
| Frigoglass Industries (NIG.) Ltd | Nigeria | 2011-2013 | Crowns, Plastics, ICMs |
| Frigoglass Oceania Pty Limited | Australia | 2012-2013 | Sales Agent |
| 3P Frigoglass Romania SRL | Romania | 2008-2013 | Plastics |
| Frigorex East Africa Ltd. | Kenya | 2008-2013 | Sales Office |
| Frigoglass GmbH | Germany | 2011-2013 | Sales Office |
| Frigoglass Nordic AS | Norway | 2003-2013 | Sales Office |
| Frigoglass France SA | France | 2004-2013 | Sales Office |
| Frigorex Cyprus Limited | Cyprus | 2011-2013 | Holding Company |
| Frigoinvest Holdings B.V | Netherland | 2008-2013 | Holding Company |
| Frigoglass Finance B.V | Netherland | - | Financial Services |
| Norcool Holding A.S | Norway | 1999-2013 | Holding Company |

**in € 000's**

## Note 19 - Commitments

### Capital commitments

The capital commitments contracted for but not yet incurred at the balance sheet date **31.03.2014** for the Group amounted to € 206 thousands (**31.12.2013:** € 271 thousands).

## Note 20 - Related party transactions (based on IAS 24 & Article 42e of L 2190/20)

The Parent Company's shareholders as at **31.03.2014** are:

| | |
|---|---|
| Truad Verwaltungs A.G. | 44,42% |
| The Capital Group Companies Inc. | 9,25% |
| Montanaro Group | 6,12% |
| Wellington Management Company, LLP | 5,39% |
| Institutional Investors | 18,70% |
| Other Investors | 16,12% |

Truad Verwaltungs A.G. has a 23.2% stake in Coca-Cola HBC AG share capital.
The Coca-Cola HBC AG is a non alcoholic beverage company listed in stock exchanges of Athens, New York & London.

Except from the common share capital involvement of Truad Verwaltungs A.G. at 23.2% with Coca-Cola HBC AG, Frigoglass is the major shareholder in Frigoglass Industries Limited based on Nigeria, where Coca-Cola HBC AG also owns a 23.9% equity interest.

**Coca-Cola HBC AG Agreement:**

Based on a contract that has been renewed until 31.12.2018 the Coca-Cola HBC AG purchases ICM's from the Frigoglass Group at yearly negotiated prices.

**A.G. Leventis Lease Agreement:**

Frigoglass Industries Nigeria is party to an agreement with A.G. Leventis Nigeria plc for the lease of office space in Lagos, Nigeria.
A.G. Leventis Nigeria plc is the holding company for the Leventis Group Companies and is controlled through Truad Verwaltungs AG. The lease agreement is renewed annually.

The related party transactions are in an arms length basis and are based on a global transfer pricing documentation

in € 000's

## Note 20 - Related party transactions (continued)

**a)** The amounts of related party transactions were:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.03.2013 | 31.03.2014 | 31.03.2013 |
| Sales | 16.299 | 32.669 | 2.358 | 1.180 |
| Purchases | 77 | 79 | - | - |
| Receivables / <Payables> | 19.723 | 30.890 | 1.673 | 1.277 |

**b)** The intercompany transactions of the Parent company with the Group's subsidiaries were:

| | Parent Company | |
|---|---|---|
| | 31.03.2014 | 31.03.2013 |
| Sales of goods | 859 | 1.507 |
| Sales of services | 128 | 157 |
| Purchases of goods / expenses | 4.890 | 3.090 |
| Interest expense | 754 | - |
| Receivables | 36.463 | 47.267 |
| Payables | 24.878 | 27.727 |
| Loans Payables | 63.279 | - |

The above transactions are executed at arm's length.

**c)** Other operating income ( transactions of the Parent company with the Group's subsidiaries )

| | Parent Company | |
|---|---|---|
| | 31.03.2014 | 31.03.2013 |
| Management services income | 5.045 | 6.460 |
| Other operating income | 4 | 9 |
| **Total other operating income** | **5.049** | **6.469** |

The majority portion of other operating income refers to management services charged to the Group's subsidiaries.

**d)** The fees to members of the Board of Directors and Management compensation include wages, stock option, indemnities and other employee benefits and the amounts are:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 31.03.2014 | 31.03.2013 | 31.03.2014 | 31.03.2013 |
| Fees for Board of Directors | 39 | 39 | 39 | 39 |
| Management compensation | 690 | 1.001 | 623 | 845 |

## Note 21 - Earnings per share

**Basic & Diluted earnings per share**

Basic and Diluted earnings per share are calculated by dividing the profit attributable to shareholders, by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company (treasury shares).

The diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to net profit (numerator).

| | **Consolidated** | | **Parent Company** | |
|---|---|---|---|---|
| **in 000's Euro** | **Three months ended** | | **Three months ended** | |
| **(apart from per share earning and number of shares)** | **31.03.2014** | **31.03.2013** | **31.03.2014** | **31.03.2013** |
| Profit attributable to shareholders of the Company | (3.403) | 3.626 | (1.027) | (999) |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 50.593.832 | 48.716.467 | 50.593.832 | 48.716.467 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 50.719.992 | 48.892.761 | 50.719.992 | 48.892.761 |
| **Basic earnings / <losses> per share** | **(0,0673)** | **0,0744** | **(0,0203)** | **(0,0205)** |
| **Diluted earnings / <losses> per share** | **(0,0671)** | **0,0742** | **(0,0202)** | **(0,0204)** |

## Note 22 - Contingent liabilities

The Parent company has contingent liabilities in respect of bank guarantees on behalf of its subsidiaries arising from the ordinary course of business as follows:

The Parent Company's bank guarantees on behalf of its subsidiaries were:

| | **Consolidated** | | **Parent Company** | |
|---|---|---|---|---|
| | **31.03.2014** | **31.12.2013** | **31.03.2014** | **31.12.2013** |
| Guarantees | 502.539 | 506.091 | 115.013 | 118.864 |

As shown in Note 13 the issue of the Notes and the revolving credit facilities are fully and unconditionally guaranteed on a senior unsecured basis.

The tax returns for the Parent Company and for the Group subsidiaries have not been assessed by the tax authorities for different periods. **(see Note 18).** In addition the Group's subsidiaries receive additional claims from various tax authorities from time to time, which Management assesses and takes legal action as required. management of the Group believes that no significant additional taxes other than those recognized in the financial statements will be assessed. Finally, the Group has significant litigations relating to compensation for land on which the factory of some subsidiaries is situated. Management believes that even if the subsidiaries pay those compensations requested, the relevant amounts will be capitalised.

There are no other pending litigations, legal proceedings, or claims which are likely to affect the financial statements or the operations of the Group and the Parent company.

in € 000's

## Note 23 - Seasonality of Operations

**Net sales revenue**

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Quarter** | **2011** | | **2012** | | **2013** | | **2014** | |
| Q1 | 134.826 | 24% | 159.117 | 27% | 140.619 | 27% | 124.247 | 100% |
| Q2 | 187.655 | 34% | 179.088 | 31% | 172.378 | 33% | - | 0% |
| Q3 | 116.085 | 21% | 100.689 | 17% | 82.674 | 16% | - | 0% |
| Q4 | 116.647 | 21% | 142.356 | 24% | 126.837 | 24% | - | 0% |
| **Total Year** | **555.213** | **100%** | **581.250** | **100%** | **522.508** | **100%** | **124.247** | **100%** |

As shown above the Group's operations exhibit seasonality and therefore interim period sales should not be used for forecasting annual sales. Consequently the level of the working capital required for certain months of the year may vary.

## Note 24 - Post balance sheet events

On April 19, 2014, Frigoglass announced that a fire incident occurred on April 6, at the Group's Ice-Cold Merchandiser manufacturing facility in the Gurgaon region of India. The fire primarily caused damage to the manufacturing facility's warehouses and has to a lesser extent affected the production area. The fire incident has, however, resulted in the temporary suspension of the production process at the facility.
Management expects that the fire incident will adversely affect its commercial operations in India in the short term. Nevertheless, following certain repairs to the facility and after reinstating quality procedures, production is expected to resume shortly.
The Group maintains insurance policies, with first class global insurance companies, which cover both Property Damage and Business Interruption. Frigoglass is currently in advanced talks with its insurance companies to assess the overall damage and will soon submit the related reimbursement claims. The Group has already received advance insurance compensation in anticipation of the submission and ultimate settlement of the reimbursement claims.

## Note 25 - Average number of personnel

The average number of personnel per operation for the Group & for the Parent company are listed below:

| | Consolidated | |
|---|---|---|
| **Operations** | **31.03.2014** | **31.03.2013** |
| ICM Operations | 4.277 | 4.851 |
| Glass Operations | 1.595 | 1.628 |
| **Total** | **5.872** | **6.479** |

| | Parent Company | |
|---|---|---|
| | **31.03.2014** | **31.03.2013** |
| Average number of personnel | **213** | **230** |

in € 000's

## Note 26 - Derivative Financial Instruments

| | Consolidated | | | | Parent Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2014 | | 31.12.2013 | | 31.03.2014 | | 31.12.2013 | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| **Held for trading** | | | | | | | | |
| Forward foreign exchange contracts | 432 | 157 | 1.867 | 13 | 42 | - | 70 | - |
| **Cash flow hedges** | | | | | | | | |
| Commodity forward contracts | - | 71 | 21 | - | - | - | - | - |
| **Total financial derivatives instruments** | **432** | **228** | **1.888** | **13** | **42** | **-** | **70** | **-** |
| **Current portion of financial derivatives instruments** | **432** | **228** | **1.888** | **13** | **42** | **-** | **70** | **-** |

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

**For 2014**, there was no ineffective portion arising from cash flow hedges.

Gains and losses relating to the effective portion of the hedge are recognized in the hedging reserve in the Statement of Comprehensive Income. Subsequently these amounts are recognized in the income statement in the period or periods during which the hedged forecast transaction affects the income statement unless the gain or loss is included in the initial amount recognized for the purchase of inventory or fixed assets. These amounts are ultimately recognized in cost of goods sold in case of inventory or in depreciation in the case of fixed assets.

In terms of an amendment to IFRS 7, for **2014**, the Company and the Group must disclose the basis of determining the fair value of financial instruments that are presented in the Balance Sheet. The only financial instruments at fair value presented in the balance sheet are the derivative financial instruments that are detailed in the tables above. These derivative financial instruments are measured in terms of the "Level 2" fair value hierarchy, that is described in IFRS 7. The "Level 2" fair value hierarchy refers to fair value measurements that are based on inputs that are directly or indirectly observed in an active market.