Frigoglass Annual Report 2011

Balanced Growth

Overview

Business review

Management and governance

Who we are

Frigoglass is the leading player in the global Ice-Cold Merchandisers (Beverage Coolers) market and one of the largest glass bottle producers in West Africa and the Middle East. We serve some of the world's best known beverage companies offering them superior bespoke solutions in commercial refrigeration and complete packaging solutions through our Glass operations.

We are a global company with 12 production plants and 22 sales offices in five continents. Our key drivers are quality, innovation and sustainability and our aim is to offer our customers superior customized products and solutions.

History

1996
Frigoglass is established as a stand-alone company

1999
Frigoglass is listed on the Athens Exchange

Acquisition of Norcool

2001
Acquisition of Husky in South Africa

2007
Greenfield plant in Guangzhou, China

2008
Acquisition of SFA in Turkey

2009
Acquisition of Universal Nolin LLC in the USA

2011
Acquisition of Jebel Ali Container Glass in Dubai

Company snapshot

Our business

Cool Operations

81%

Glass Operations

19%

* of consolidated sales

Global player

12 production plants, 22 stand-alone sales offices and sales in more than 150 countries.

Blue chip customers

We serve the world's best-known beverage companies. Our customers include The Coca-Cola Company bottlers, major brewers (AB InBev, SAB Miller, Carlsberg, Heineken, Diageo, Efes and others), Pepsi bottlers and dairy companies (Nestle, Danone).

After sales service

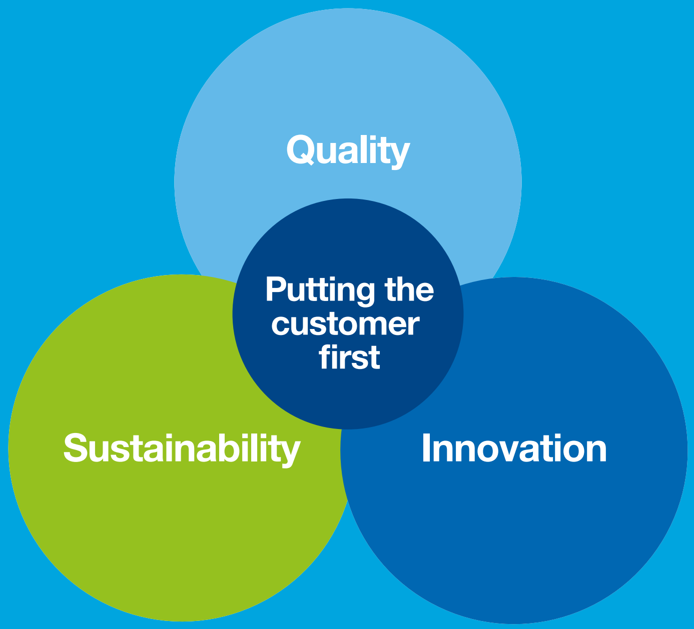
Through Frigoserve, we provide our customers a comprehensive and fully integrated service offering.

Competitive cost structure

We manufacture in low cost countries, generate economies of scale and have access to the world's most competitive supplier base.

Putting the customer first

We are committed to offering our customers superior bespoke solutions and we achieve this by building our business model around 3 pillars: **quality, innovation and sustainability**.



Financial highlights

2011

Sales

↑ 21.4%

Year	€m
2011	**555.2**
2010	457.2
2009	346.7
2008	500.7
2007	466.1

EBITDA

↑ 9.9%

Year	€m
2011	**81.6**
2010	74.2
2009	53.4
2008*	88.4
2007	90.6

* Comparable FY08 EBITDA excludes restructuring charges and capital gains (Reported FY08 EBITDA: € 85.5 million)

Net Profit

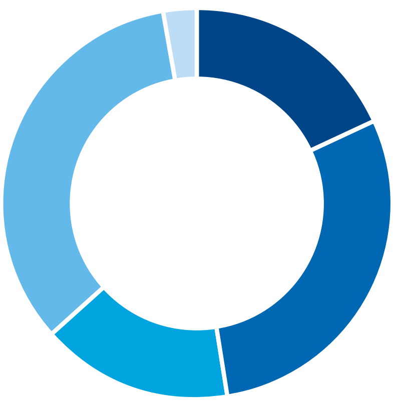
↓ 2.4%

Year	€m
2011	**20.1**
2010	20.5
2009*	8.5
2008**	37.0
2007	45.5

* Comparable FY09 net profit excludes one-off Special Contribution Tax (Reported FY09 net profit: € 3 million)
** Comparable FY08 net profit excludes restructuring charges (Reported FY08 net profit: € 19.5 million)

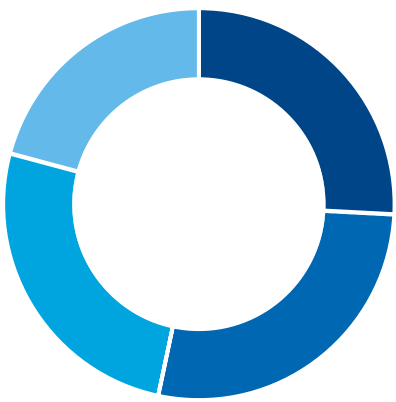
Consolidated revenue breakdown

By geography



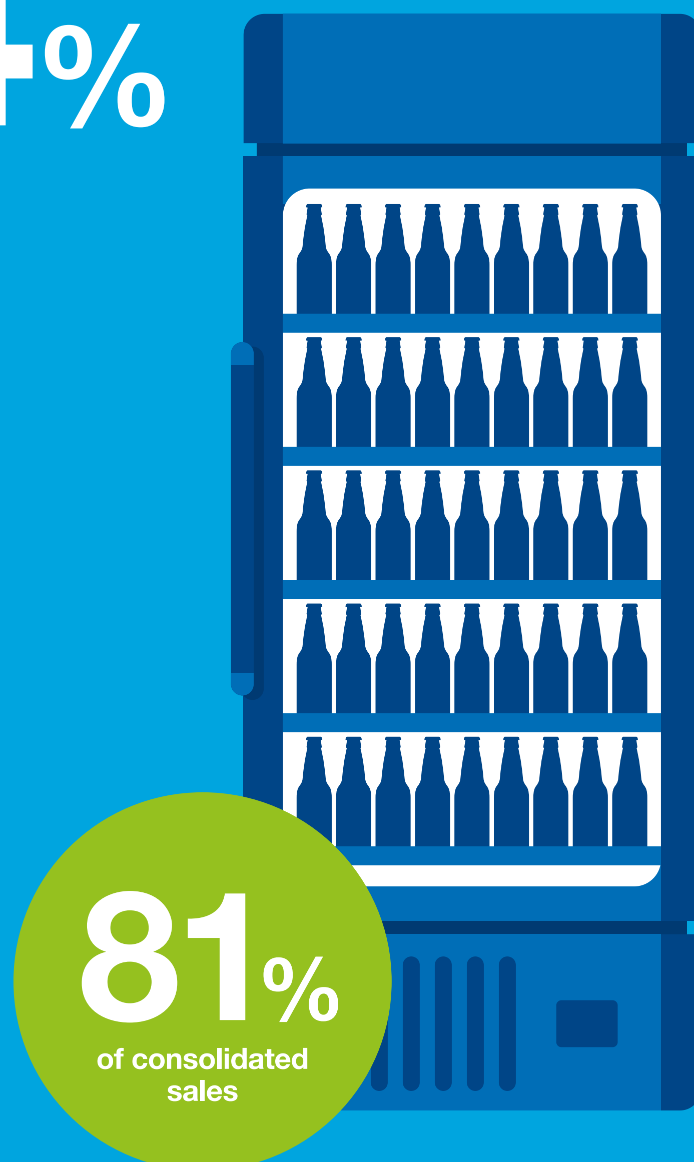
	2011 %
Western Europe	18.2
Eastern Europe	29.4
Asia / Oceania	16.0
Africa / Middle East	33.8
North America	2.6

By customer group



	2011 %
Coca-Cola bottlers	26.1
Coca-Cola Hellenic	27.4
Breweries	25.9
All other	20.6

ICM sales
20.4%



Cool Operations
Global presence

Ice-Cold Merchandisers (ICMs) stimulate the promotion and selling of ice-cold drinks. ICMs are an integral part of beverage companies' strategy towards on-trade drink consumption.

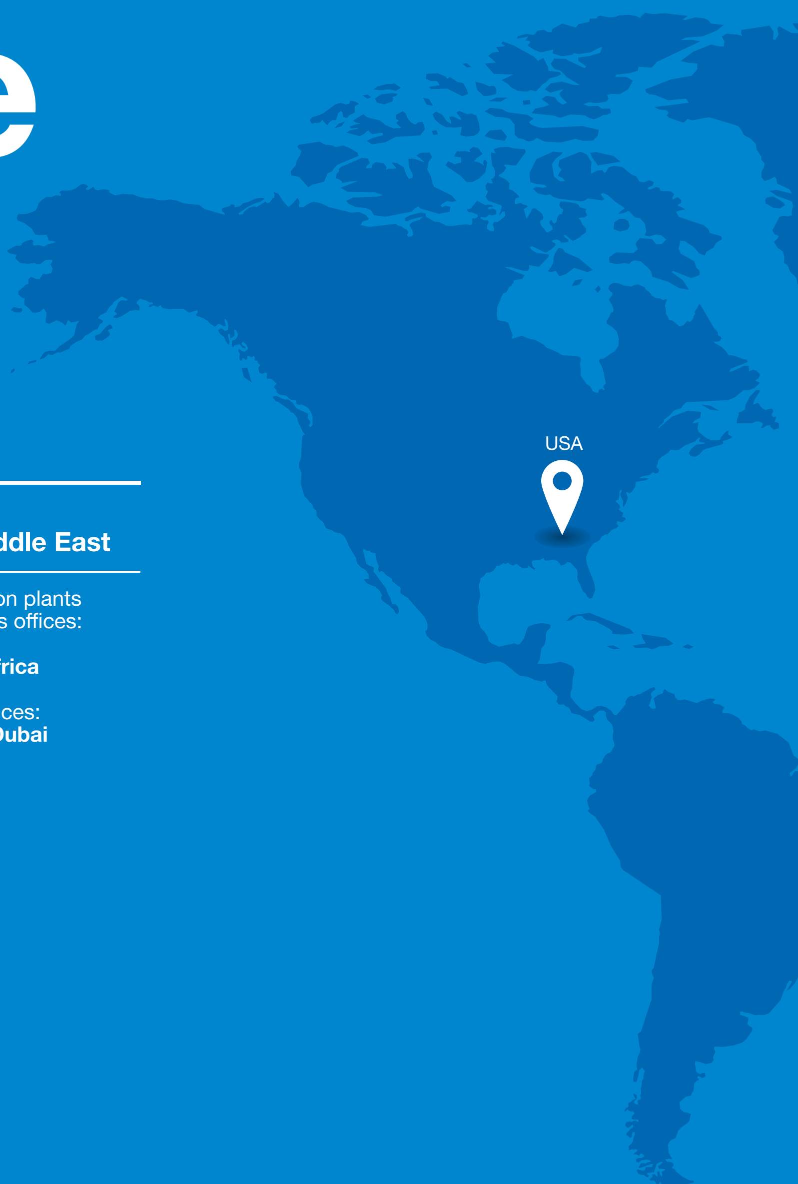
Glass sales

26.3%

Glass Operations
Africa/Middle East

We manufacture glass containers and jars for beverage, pharmaceutical and cosmetic companies. Metal crowns and plastic crates complement the glass packaging solution offering.

Global presence



Cool Operations

Western Europe

Production plants and Sales offices:
Greece

Sales offices:
France, Germany, UK/Ireland, Norway, Spain

Eastern Europe

Production plants and Sales offices:
Russia, Romania, Turkey

Sales offices:
Poland

Africa/Middle East

Production plants and Sales offices:
Nigeria, South Africa

Sales offices:
Kenya, Dubai

Asia/Oceania

Production plants and Sales offices:
India, Indonesia, China

Sales offices:
Malaysia, Australia, Kazakhstan

North America

Production plants and Sales offices:
USA

Glass Operations

Africa/Middle East

Production plants and Sales offices:
Nigeria, Dubai


Norway
UK/Ireland
Germany
France
Poland
Romania
Spain
Turkey
Greece
Kazakhstan
Russia
China
Dubai
India
Nigeria
Kenya
Malaysia
Indonesia
South Africa
Australia

Operational highlights

Cool Operations

Continued recovery in Europe and strong performance in Africa .

Strong double digit growth in Ecocool sales.

Glass Operations

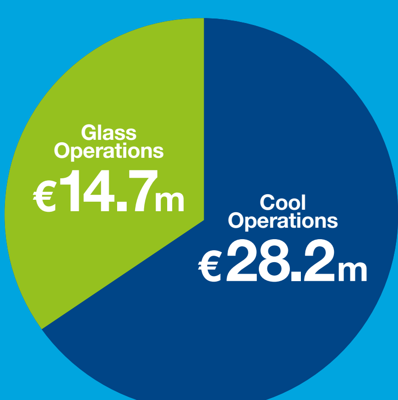
Glass operations achieved its strongest ever result in 2011.

In April 2011, Frigoglass acquired 80% of the Dubai-based glass bottle and jar manufacturer, Jebel Ali Container Glass Factory, allowing us to expand our glass operations in new geographies and markets.

2011 Capex

Consolidated Capex

€42.9m



Awards

We won the **"Gold Award for Best Supplier of the Year"** at the 2nd Coca-Cola Bottlers Philippines (CCBPI) Supplier Relationship Management Summit.

Frigoglass was named **"Best Supplier of the Year 2011"** by Britvic.

New products

23

New products launched in 2011.

Chairman's statement

I am pleased to report another year of continued progress for Frigoglass, despite the ongoing challenges posed by the macroeconomic environment. Against a difficult backdrop, we delivered strong growth in Africa and North America and continued our recovery in Europe, demonstrating the strength and resilience of our business.

The growth momentum we have developed over recent years continued into 2011, and during the year we recorded strong sales growth in both of our businesses. Our Cool Operations maintained its position as the leading player in the global market, delivering a sales increase of 20.4%. The division achieved growth across most of its markets, with particularly impressive growth in Europe.

2011 was the most successful year yet for our Glass Operations, during which we achieved a 26.3% growth in sales. We demonstrated our commitment to growing this increasingly important division through the acquisition of the Dubai-based Jebel Ali Glass. This acquisition strengthened our operations through additional technical expertise, customer relationships and enhanced market presence. The integration of Jebel Ali Glass into our business is progressing well and according to plan.

The strong performance in both Cool and Glass Operations is all the more encouraging considering that it was achieved during a period of rapidly increasing input costs. However, we maintained a keen focus on tightly controlling operating costs, enabling us to partially offset the impact of the volatile commodity environment. Cost control is a crucial discipline for us, and we are confident that by maintaining this focus we will be able to drive further efficiencies going forward.

The strength of our business reflects our unwavering commitment to our corporate priorities. Quality, innovation and sustainability are the three pillars at the core of our success and have formed the foundation for our strong customer relationships. Frigoglass Ecocool, the world's first comprehensive range of environmentally friendly Ice-Cold Merchandisers, is a perfect example of how we have combined our corporate priorities to achieve success. We recognised early on the importance of providing environmentally-friendly solutions to our customers which, like us, are committed to sustainability. We then focussed on developing a world-class, innovative product to address this need. Ecocool has become one of our most popular solutions, delivering double digit sales growth in 2011 and demonstrating the progress we can achieve through our focus on quality, innovation and sustainability.

Looking ahead, we anticipate that the macroeconomic environment will remain challenging, especially in Europe. However, we continue to benefit from the underlying strength of our business model, our geographic diversity and the momentum we have built over recent years – in spite of this challenging economic backdrop. We are particularly optimistic of continued strong performance in emerging markets, in line with our strategy for geographic expansion. We expect the momentum we have developed in Africa to continue, and we also expect to deliver significant growth in Asia, bringing us towards a more balanced geographic portfolio. We also expect that our Glass Operations, which performed so strongly during 2011, will demonstrate further progress in 2012.

Our financial priority for 2012 is to maximise free cash flow and to continue to improve our capital structure, increasing our ability to reinvest in the business through value accretive projects. Reinvestment is core to our future success and is crucial as we seek to maintain, and build on, our market-leading positions.

We are grateful to all of our stakeholders for their ongoing support. There are many exciting opportunities ahead for Frigoglass and we are extremely optimistic about our future. As always, the driving force behind our business is our commitment to delivering the best returns for our stakeholders, and ensuring that they benefit from the future value which we believe we can create. We are confident that, despite the challenges ahead, 2012 will be another successful year for our business.

Finally, I would like to extend my warmest thanks to the great team of people that make up the Frigoglass family and whose efforts and commitment define our company and enable us to achieve long-term growth.

Haralambos (Harry) G. David
Chairman

Each year we invest more than 10% of our operating profit in innovation


CO2
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5
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Frigoglass Jebel Ali

In April 2011, Frigoglass acquired 80% of Jebel Ali Glass in Dubai, a competitive player in the international market. Located in the Jebel Ali Free Zone, a major seaport of Dubai, this producer of glass bottles and jars for the food and beverage industry further extends Frigoglass' geographic footprint.

In addition to providing a significant Middle East presence, Frigoglass Jebel Ali (FJA) also complements our strong position in West Africa through its strong export business to South and East Africa. FJA's other export markets of Asia and Europe consolidate the company's market presence in these regions.

The acquisition provided a 68,000m^2 facility, housing state-of-the-art machinery and equipment including the Sorg end-fired twin-pass regenerative furnace, which was commissioned in 2009 and is highly energy efficient with a capacity exceeding 360 tons per day. Currently, FJA employs 340 people with strong technical experience.

This transaction highlights the importance of Glass operations to Frigoglass and increases our global market share in the fast growing sub-sector of packaging, whilst expanding our company's presence in high growth economies, further strengthening our customer relationships.

European Central Warehouse

One of our most significant projects in 2011 was the implementation and operation of our new European Central Warehouse (ECW).

The decision to integrate all European spare parts warehousing operations into one was taken with an aim to provide our customers with best-in-class service levels. Through the operation of ECW we are able to standardize procedures, optimize levels of inventory and increase productivity in our plants while reducing cost. At the same time, we are able to improve responsiveness through more accurate forecast, shorter lead times and greater flexibility, ultimately adding value to our customers.

The ECW became operational at the end of 2011 and is located in the Czech Republic, close to the border with Germany, providing immediate access to our customers and service network in Europe.

Towards sustainable development

Environmental innovation is our primary driver in product development. We continue expanding the Ecocool line-up, the world's first complete range of environmentally-friendlier ICMs, while we are also investing in innovative and sustainable refrigeration technologies.

Environmental innovation

Miracool

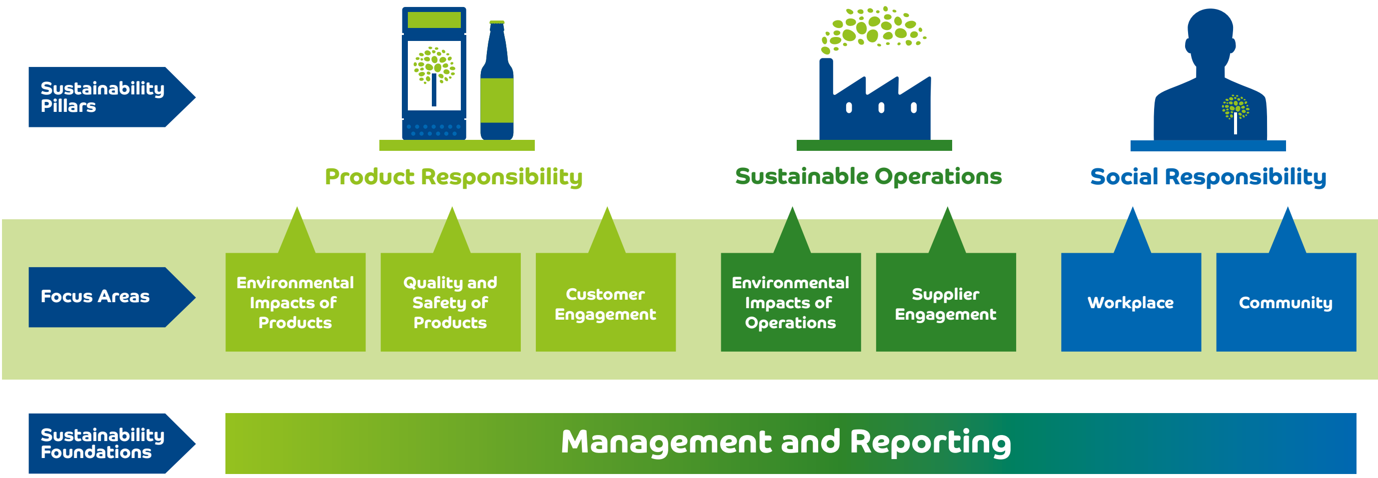
The first cooler range that can be adapted to function with three different refrigerant configurations. Using a technology-neutral cabin and a cartridge based refrigeration mechanism, the Miracool range can accommodate different refrigerants (R134a, HC, CO_2) in a variety of ICM types and sizes. Developed specifically for the US market, the Miracool line-up conforms successfully to all the individual environmental strategies of our US customers.

Solar ICM

Building on the innovative concepts of the EcoCantina and fuel cell technologies, the I&D (Innovation and Development) department continued exploring the use of alternative power sources. A direct result of these efforts is the Solar ICM, a unit powered by a single solar panel, an ideal solution for areas with limited or no power supply.

Sustainability strategy

During 2011, we updated our Sustainability strategy to reflect our core business and the main areas where our efforts are focused. The updated strategy formed the basis for the new three-year action plan which we began implementing in the second half of 2011.



Managing our carbon footprint

The responsible management of natural resources is something we take seriously. By establishing an annual procedure of assessing our greenhouse gas emissions we are laying the groundwork for the reduction of our carbon footprint. In 2011 we completed our first submission to the **Carbon Disclosure Project** and are now actively working on a climate change strategy through which we will identify opportunities for efficiency gains and energy savings.

Journey to the Future City

Staying true to our sustainability principle of contributing to the communities where we operate, we joined forces with **WWF Greece** in order to support **"Journey to the Future City"**, a unique environmental education workshop. The workshop, targeted at students of all ages, aims to present the consequences of climate change and the ways each household and each person can reduce energy consumption.

2011 Suppliers' Partnership Conference

Representatives from more than 50 different business partners participated at the second **Frigoglass Suppliers' Partnership Conference** held in Dubai. Key issues were discussed and several workshops were held aimed at improving the understanding and cooperation between all involved parties. The two-day conference closed with an award ceremony for the most valued Supplier-Partners.

Strategy

In 2011 we achieved strong growth despite macroeconomic challenges while we remained committed to our corporate priorities. The acquisition of Jebel Ali was the strategic highlight of the year and marked our first ever inorganic growth initiative in the Glass business. Successfully integrating the new Glass Operations, optimizing cost structure and delivering further efficiencies were the key themes this year and something we will remain focused on throughout 2012.

	Strategy	Progress	Outlook
ICM Geographic Expansion	Geographic expansion remains a key strategic priorit. We continue to explore opportunities for enhancing our competitive position and increasing our global market share through geographic and customer diversification.	• We maintained our global leading position. • Focused on integrating and further optimizing our recent acquisitions as well as our operational structure.	• Continue enhancing our operational structure and processes. • Solidify our global leadership and explore opportunities in key high-growth markets in order to increase our market share.
Integration of Sustainability in corporate strategy	Sustainability has an integral role in our corporate strategy and we are committed to managing our impact on the environment and to supporting the communities where we operate.	• Following an in-depth assessment, we re-evaluated our Sustainability strategy in order to reflect our core business and the main areas where we focus our efforts. • We developed a new three-year action plan that runs across all functions and operations.	• Implement the 2012 Sustainability action plan. • Continue with the annual assessment of our GHG emissions and develop a climate change strategy.
Innovation	Innovation is a key driver of our business model and vital in our product development process. We continually work on expanding our existing line-up and each year more than 20% of our ICM sales is a result of new products.	• We launched 23 new products and worked on novel concepts such as the Solar ICM and the Impulse Chest cooler.	• Further expand the Ecocool line-up. • Continue investing in environmentally-friendlier technologies and innovative solutions.
Sustainable growth of Glass Operations	Glass Operations form a significant part of our business and complete our offering to beverage customers. Our aim is to further grow this part of the business beyond our traditional geographic markets, while optimizing our existing operations.	• 2011 was marked by the acquisition of Jebel Ali and our first ever move towards expanding the Glass business outside Nigeria/West Africa. • During the year, the integration of Frigoglass Jebel Ali progressed according to plan. • Record results were achieved in 2011.	• Fully integrate the Frigoglass Jebel Ali Operations. • Optimize operations and deliver expected synergies both from the expanded Glass Operations as well as a result of the common customer cluster with the ICM Operations.
Development of optimum platform for future growth	Frigoglass is focused on optimizing the cost structure and production efficiencies and creating a solid platform for ongoing growth.	• Optimized the cost structure in North America and the supplier base. • Enhanced quality processes and procedures and established a dedicated Quality function.	• Improve operational efficiencies. • Optimize product specification and range. • Maximize free cash flow and further strengthen our capital structure.

We have delivered over 5,000,000 ICMs worldwide since 1996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Cool Operations

In 2011, Cool Operations maintained the positive growth momentum and the leading global position in the ICM market. Sales in Cool Operations increased by 20.4%, versus the previous year, to €451.7 million, accounting for 81% of consolidated sales. The year was marked by a sustained recovery in Europe, as well as by a strong performance in Africa and North America.

Despite macroeconomic challenges in key markets, Europe experienced strong growth, particularly in the first half of the year, with the region accounting for approximately 58% of total ICM sales. In Eastern Europe, sales grew by 24.2%, driven by strong performances in Russia, Ukraine, Romania and Bulgaria. Western Europe recorded a 39.2% increase for the full year, principally reflecting strong incremental sales in Italy and Spain that more than offset reductions in other European countries.

In 2011, Asia/Oceania reported a 4.1% decline in sales with a strong performance in the fourth quarter that reflected increased ICM placements in India during the last months of the year.

Africa/Middle East demonstrated significant growth for the year, delivering an increase in sales of 17.2%, while new product launches and roll-outs enabled North America to achieve a 95.6% increase in sales.

Our commitment for developing innovative solutions to support our customers allowing them to meet their environmental goals remained strong and was demonstrated by further investment in Ecocool, the world's first complete range of environmentally-friendlier coolers. In 2011, Ecocool European sales delivered strong growth, with almost double sales compared to the prior year. In North America, we successfully launched a unique, environmentally friendly solution that combines a cartridge-based refrigeration system and technology neutral cabin. This allows our customers to select the technology that best suits their individual environmental strategies.

EBITDA increased by 9.3% to €53.5 million in 2011 delivering a margin of 11.8%. This represents a margin reduction of 120 basis points compared to the previous year due to increased raw material costs, the negative operating leverage in India and the sourcing of higher cost components during the first six months of the year owing to the stronger than anticipated level of overall demand in Europe. Net profit reached €13.1 million, in line with the prior year.

€28.2 million was invested in Cool Operations in 2011 for new products, efficiency and capacity expansion in China, India, Indonesia, Romania and Russia.

Sales

↑20.4%

€m

EBITDA

↑ 9.3%

€m

* Comparable FY08 EBITDA excludes restructuring charges (Reported FY08 EBITDA: €62.5m)

Net Profit

—

€m

* Comparable FY09 Net Profit excludes one-off Special Contribution Tax (Reported FY09 Net Profit: -€2.8m)
** Comparable FY08 Net Profit excludes restructuring charges (Reported FY08 Net Profit: €13.0m)

ICM sales by customer group
(in €m)

	2010	2011	% change
Coca-Cola Hellenic	62.6	**113.1**	**80.8**
Coca-Cola bottlers	132.5	**138.6**	**4.6**
Breweries	90.1	**109.9**	**22.0**
All other	90.0	**90.0**	**0.0**
Total	375.2	**451.7**	**20.4**

ICM sales by geography
(in €m)

	2010	2011	% change
Western Europe	72.3	**100.6**	**39.2**
Eastern Europe	131.4	**163.2**	**24.2**
Africa/Middle East	75.4	**88.4**	**17.2**
Asia/Oceania	88.8	**85.2**	**-4.1**
North America	7.3	**14.3**	**95.6**
Total	375.2	**451.7**	**20.4%**

Western Europe

Sales

↑ 39.2%

	€m
2011	**100.6**
2010	72.3
2009	65.9

Western Europe sales grew by 39.2%, reaching €100.6 million, driven mainly by Italy and Spain. The region accounted for 22.3% of total Cool sales.

The strong momentum that built during the second half of 2010 continued into 2011, particularly in the seasonally strong first half of the year. This significant growth, achieved in spite of challenging macroeconomic conditions, was a result of increased placements across all key customer segments. Sales to Coca-Cola bottlers increased by 50% while the brewery segment grew by 24.2%.

We remain focused on delivering customized ICM solutions that best serve our customers' commercial needs as well as their sustainability strategies. Our undisputed leadership in providing environmentally friendlier solutions continues to be a key factor in our success, with our Ecocool range accounting for the bulk of our sales in the region and an ongoing investment towards a broader Ecocool portfolio.

Meanwhile, in keeping true to our commitment towards a broader customer reach, we opened new sales offices in London and Paris, thereby strengthening our route to market in Western Europe. Finally, we expanded our service network and offering with the establishment of the European Central Warehouse.

Eastern Europe

Sales

↑24.2%

€m

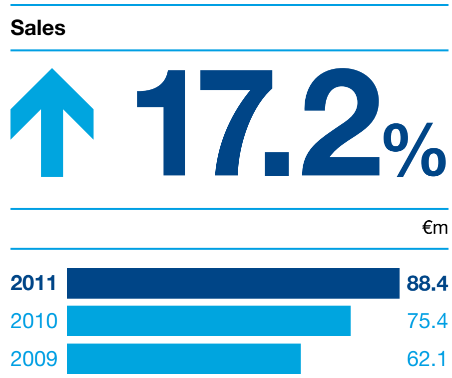
Sales in Eastern Europe increased by 24.2%, to €163.2 million and accounted for 36.1% of total Cool sales in 2011.

The region's performance was predominantly driven by strong growth in Russia, Ukraine and Bulgaria, through increased placements of both Coca-Cola bottlers and major breweries.

Eastern Europe continues to develop at a rapid pace, with environmental awareness increasing along with a greater need for brand awareness. To further capitalize on these trends we initiated a strategic alignment with customers to develop bespoke solutions that allow them to leverage brand equity, penetrate new channels and increase market share.

This dynamic region continues to offer exciting potential and our commitment to the East European market was further illustrated by capacity and efficiency investments in our plants in Romania and Russia. Additionally, we opened a new sales office in Kazakhstan and enhanced our service offering through the establishment of the European Central Warehouse.

Africa / Middle East



Sales in the Africa/Middle East region reached €88.4 million, representing an increase of 17.2% and contributing 19.6% of total Cool sales. Our positive momentum in the region was mainly driven by South Africa, Saudi Arabia, Tanzania and Nigeria.

In Africa, sales to the soft drinks sector realized across the region with significant growth in South Africa, Zimbabwe, Kenya and Morocco, while strong demand from breweries was evident in East and Central Africa. The successful launch of a market-specific ICM range, complemented by an enhancement of our service offering, strengthened our significant competitive advantage in the region

In 2011, we expanded our presence in the Middle East by attracting new major customers and achieving notable success in the dairy and juice segments. To further support expansion in the Middle East, a new sales office was established in Dubai.

Asia / Oceania

Sales

↓ 4.1%

€m

Asia/Oceania contributed €85.2 million accounting for 18.9% of total Cool sales and representing a decline of 4.1%.

After several years of continuous growth in the region, in 2011 we experienced a slight reduction in sales, primarily affected by low ICM placements in India during the first half but rebounding strongly in the second semester. Sales to the Philippines, Indonesia and Turkey posted solid performances.

In China we maintained our market share and consolidated our position with the Coca-Cola bottlers. Additionally, we introduced environmentally-friendly ICMs and customized solutions for the tea category that helped us penetrate new customer segments and increase our sales.

During the year, we entered the Japanese market for the first time and also developed and launched a new cassette range for the Oceania market.

We are very excited about this region and our commitment is reflected in our additional investments in China, India and Indonesia towards plants, buildings and capacity optimization.

North America

Sales

↑95.6%

€m

North America is one of our newest regions, currently contributing 3.2% of total Cool sales. Momentum is strong with a sales growth of 95.6% in 2011 to €14.3 million, enabling Frigoglass to gain market share and move towards its medium term targets.

The driving force of our success is our commitment to innovation and close cooperation with our customers to create bespoke solutions that meet and exceed their needs. 2011 was marked by significant roll-outs of new models, with environmentally-friendly solutions at the forefront, using either Hydrocarbon (HC) or Carbon Dioxide (CO_2) refrigerants depending on the customers' requirements.

To facilitate the increased demand for "green" solutions, whilst enabling the use of either HC or CO_2 in units of varying size, Frigoglass invested in its manufacturing process during the year. This enabled the development of the Miracool range with a cartridge-based refrigeration mechanism and a technology-neutral cabin that accommodates customers' chosen refrigerant, depending on their individual environmental strategy. Following the current trends in the market and the increased awareness of key customers in achieving their environmental targets, we expect the Miracool range to play a major role in shaping the beverage industry going forward.

Meanwhile, the integration of Frigoglass North America continues in line with our original plans, with appropriate structures in place and processes successfully implemented in all functions.


Coca-Cola
Rs.25
Rs 23

Number of glass bottles produced in 2011: 827,221,909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Glass Operations

2011 was a milestone year for our Glass Operations. It began with the Jebel Ali acquisition and ended with record full year results.

In 2011, Glass Operations achieved its strongest ever result, with sales increasing 26.3% in 2011 to €103.5 million. This performance comprises 7.9% organic growth, led by the Brewery sector, with seven months of Jebel Ali contributing €15.1 million of sales. Sales within the Metal Crowns and Plastic Crates businesses increased by 12% to €28.4 million in 2011, with both businesses recording solid growth in sales.

EBITDA increased by 10.9% to €28.1 million in the full year, delivering a margin of 27.1% compared to 30.9% in the prior year. Excluding Frigoglass Jebel Ali, the EBITDA margin was 28.6% for the full year.

Operating Profit (EBIT) increased by 4.8% to €16.4 million for the full year, equating to an EBIT margin of 15.8% which compares to 19.1% in the prior year. The decline in margin is, in part, attributable to the integration phase of Frigoglass Jebel Ali. Net profit declined by 6.4% to €7 million for the full year compared to €7.4 million in the prior year, impacted by higher net financial expenses related to the Frigoglass Jebel Ali acquisition.

The acquisition of Jebel Ali represented an important strategic achievement for Frigoglass. Not only did it consolidate our existing strong position in the manufacturing of glass bottles and jars, it also provided a complementary position in the East and South Africa markets as well as an opportunity to expand to the Middle East and Asia where demand for glass containers has consistently outstripped supply in recent years. The integration of Jebel Ali is progressing in line with expectations.

Glass Operations sales

(in €m)

	2010	**2011**	**% change**
Glass	56.6	**75.1 ***	**32.7**
Metal crowns	11.6	**12.2**	**5.2**
Plastic crates	13.8	**16.2**	**17.8**
Total	82.0	**103.5**	**26.3**

* includes the impact from the acquisition of Frigoglass Jebel Ali for a seven-month period

Sales

↑26.3%

€m	
2011	103.5
2010	82.0
2009	72.7
2008	71.1
2007	59.4

EBITDA

↑10.9%

€m	
2011	28.1
2010	25.3
2009	22.2
2008*	20.9
2007	15.3

* Comparable FY08 EBITDA excludes capital gains (Reported FY08 EBITDA: €23.1m)

Net Profit

↓6.4%

€m	
2011	7.0
2010	7.4
2009	5.9
2008*	5.8
2007	2.5

* Comparable FY08 Net Profit excludes capital gains (Reported FY08 Net Profit: €6.5m)

Financial risks

Frigoglass' global business activities expose the company to a variety of financial risks including foreign exchange, raw materials, credit, liquidity and interest rate risks. The objective of our risk management programme is to curtail potential adverse impacts on the Company's financial performance.

Risk management is the responsibility of the Treasury department, which aims to effectively manage the financial risks of Frigoglass and all its subsidiaries, according to the policies approved by the Board of Directors. Treasury identifies, evaluates, monitors and hedges financial risks alongside the Company's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange, interest rate and credit risks, use of financial instruments and investment of excess liquidity. Treasury refrains from speculative transactions or transactions that are not related to the Company's operations.

The Company's financial instruments consist mainly of bank deposits, trade receivables and payables, bank overdrafts, loans to/from subsidiaries, equity investments, dividends payable and leasing obligations. The Company may use derivative financial instruments in order to hedge certain risks.

1. Market risk

a. Foreign exchange risk

The Company operates globally and is exposed to foreign exchange risks. Fluctuations in exchange rates, particularly in the US Dollar, Nigerian Naira, South African Rand, Indian Rupee, Norwegian Krone, Russian Rouble and Chinese Yuan against the Euro may have an adverse impact on our financial performance.

Our subsidiaries with functional currencies other than the reporting currency (Euro) use natural hedging to limit their exposure to foreign currency risk. Natural currency hedging can be achieved by matching, to the possible maximum extent, revenue and expense cash flows in the same currency in order to limit the impact of currency exchange rate movements. When natural hedging cannot be achieved, the Company makes use of derivatives.

Frigoglass has investments in subsidiaries which operate in various countries. Their net financial positions are exposed to foreign translation exchange risk during the consolidation to the Company's financial statements. The Company is not substantially exposed to this type of risk since most of its subsidiaries use the Euro as their functional currency, with the exception of operations in Nigeria, India, Indonesia, Kenya, South Africa and China.

The Treasury department may use forward exchange contracts in a variety of currencies that mature within one year to mitigate foreign exchange risk, if required.

b. Price risk

The Company is exposed to fluctuations in raw material prices. This risk is offset in various ways, including increased productivity, higher sales volume leading to a positive operating leverage effect and higher selling prices. We also hedge our exposure to price risks associated with the purchase of raw materials by using commodity futures, option contracts and purchase agreements with suppliers.

2. Credit risk

Credit risk arises from cash and cash equivalents as well as from credit exposure to customers, which includes outstanding receivables and committed transactions.

The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms. All subsidiaries monitor the creditworthiness of their debtors on an ongoing basis with a quarterly central review. Appropriate provision for impairment losses is made for specific credit risks. At the year end, Frigoglass considered that there were no material credit risks that had not been covered by doubtful debt provisions.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties.

3. Liquidity risk

Liquidity risk is managed by maintaining sufficient cash reserves and the availability of funds through adequate credit facilities.

Due to the dynamic nature of the underlying businesses, our Treasury function aims to retain flexibility in funding by having committed credit lines.

The Company manages liquidity risk by effective working capital and cash flow management. Frigoglass monitors expected cash flows and ensures that adequate banking facilities and reserve borrowing facilities are maintained. Overall, the Company has sufficient borrowing facilities that could be utilised to fund any potential shortfall in cash resources.

4. Interest rate risk

The Company's income and operating cash flows are not dependent on interest rate fluctuations since we do not hold any interest-bearing assets other than short-term time deposits. Exposure to interest rate risk on liabilities is limited to cash flow risk from changes in floating rates.

The Company continuously reviews interest rate trends and financing needs. Consequently, all short- and long-term borrowings are entered into floating rates with re-evaluation dates of less than six months.

Capital risk management

The objective in managing capital is to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders as well as maintaining an optimal capital structure.

In order to sustain or amend the capital structure, Frigoglass may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued or debt raised.

Board of Directors

Haralambos (Harry) G. David
Chairman (non-executive)

Haralambos (Harry) David was elected Chairman of the Board of Directors in November 2006. He has been a Member of the Board of Directors of Frigoglass since 1999.

His career began as a certified investment advisor with Credit Suisse in New York. He then served in several executive positions within Leventis Group Companies in Nigeria and Europe. Today he holds a position on the Boards of Nutriart S.A., A.G Leventis (Nigeria) P.L.C., the Nigerian Bottling Company P.L.C., Cummins West Africa, Beta Glass (Nigeria) PLC, Ideal Group and Emporiki Bank (Credit Agricole).

He is also a member of the General Council of the Greek Industries Federation (ΣΕΒ), member of the organizing committee of the Athens Classic Marathon as well as an executive member of the International Directors Council, of the Guggenheim Museum, New York.

Ioannis K. Androutsopoulos
Vice-Chairman (independent non-executive)

John Androutsopoulos was appointed to the Board of Directors in July 1996.

His long career in the bottling and manufacturing sectors has included positions as Technical Manager of the Hellenic Bottling Company (1969-1985), General Manager of the Industrial Division of the 3E Company of companies (1986-1994), Chairman of the Board of Directors of Frigorex (1995), member of the Board of Directors of 3E Company (1995) and Managing Director of Frigoglass Company (1996-2001). He holds a degree in Electrical Engineering from Aachen Polytechnic where he also completed additional studies in Economics.

Loucas D. Komis
Member and Secretary (non-executive)

Loucas Komis was appointed to the Board of Directors in July 1996.

Currently, he is also Chairman of the Board of IDEAL GROUP S.A. and of the Board of Hellenic Recovery Recycling Corporation (HE.R.R.Co), Vice-Chairman of the Federation of Hellenic Food Industries (SEVT) and Member of the Board of LARGO Limited (LARGO). In his long career, in the electrical appliances manufacturing sector, he has held top management positions with IZOLA S.A. and the Coca-Cola Hellenic Bottling Company S.A. (CCHBC), where he also served as an Executive Board Member and remains an Advisor to the Chairman. He holds degrees from Athens University (BSc Physics), the University of Ottawa (MSc Electrical Engineering) and McMaster University, Ontario (MBA).

Christo Leventis
Member (non-executive)

Christo Leventis was appointed to the Board of Directors in October 2002 and resigned in October 2011.

Mr. Leventis until the date of his resignation was a director of a family investment office in London. Prior to this he worked as an equity research analyst at JP Morgan and Credit Suisse.

Doros Constantinou
Member (executive)

Doros Constantinou was appointed Executive Director in October 2011.

Mr. Constantinou graduated from the University of Piraeus in 1974 and holds a degree in Business Administration. Mr. Constantinou started his career in auditing with PricewaterhouseCoopers, where he worked for ten years. In 1985, Mr. Constantinou joined Hellenic Bottling Company, where he held several senior financial positions. In 1996, he was appointed to the position of Chief Financial Officer and remained in that position until August 2000. He was a key member of the management team that led the merger of Hellenic Bottling Company and Coca-Cola Beverages. In 2001, Mr. Constantinou became Managing Director of Frigoglass until August 2003 when he moved to Coca-Cola Hellenic as Chief Executive Officer until his departure in July 2011.

Petros Diamantides
Managing Director (executive)

Petros Diamantides was appointed Managing Director in June 2007 from his previous position of Director of Corporate Development and Strategy, a position he has held since 2005.

He joined Frigoglass in 1998 as General Manager of the Indonesia plant and in 2001 was promoted to Regional Manager Asia and Africa. In 2003 he was appointed Engineering Director of the Cool Division and during 2004 served as the Nigerian Operations Director. Petros started his career in 1991 working for Procter & Gamble in the United Kingdom. Petros Diamantides holds a BSc (Hons) in Electrical Engineering & Electronics from UMIST (UK) and an MBA from the Manchester Business School.

Evangelos Kaloussis
Member (independent non-executive)

Evangelos Kaloussis was appointed to the Board of Directors in June 2006.

He is Chairman of Nestlé Hellas. He is also Chairman of the Federation of Hellenic Food Industries and a member of the Board of Directors of Alpha Bank. During his professional career he assumed top management positions at the Nestlé Headquarters in Switzerland, France, Nigeria and South Africa. He holds a Master's Degree in Electrical Engineering from the Federal Institute of Technology in Lausanne (CH) and in Business Administration from the University of Lausanne as well as a graduate degree from IMD.

Vassilis Fourlis
Member (independent non-executive)

Vassilis Fourlis was appointed to the Board of Directors in October 2002.

He is Executive Chairman of Fourlis Holdings SA. He also serves on the Board of Directors of Piraeus Bank SA, of Hellenic Organization of Telecommunications SA and of Cement Titan SA. He holds a Master's Degree in Economic Development and Regional Planning from the University of California/Berkeley and a Master's Degree in International Business from Boston University/Brussels.

Victor Pisante
Member (independent non-executive)

Victor Pisante was appointed to the Board of Directors in November 2006.

In 2005 Victor Pisante founded Bluehouse Capital, a real estate private equity firm focusing on real estate and infrastructure investments in south-eastern Europe. Prior to that, Mr. Pisante was a Founder and Managing Partner of the Telesis Group of companies, a leading investment banking, asset management and brokerage company in Greece that merged in 2001 with EFG Eurobank Ergasias S.A. Following the merger, Mr. Pisante was appointed Chief Executive Officer of EFG Telesis Finance S.A. and General Manager of EFG Eurobank Ergasias S.A. and was elected member of EFG's Executive Committee until 2004. Prior to founding Telesis, he worked as an associate in the M&A and Internal Finance departments of Bear Stearns in New York. A graduate of Athens College, Mr. Pisante holds a B.A. degree (magna cum laude) in Economics and International Relations from Brown University and a MBA degree, with concentration in Finance, from the N.Y.U. Graduate School of Business Administration. Mr. Pisante serves as a non-executive Board member for Yalco SA and Aegean Airlines SA.

Alexandra Papalexopoulou
Member (independent non-executive)

Alexandra Papalexopoulou was appointed to the Board of Directors in April 2003.

She is the Strategic Planning Director of the Titan Cement Group and serves on the Board of Directors of Titan Cement SA and of the Pavlos and Alexandra Kanelopoullou Foundation. She is also a member of the Board of Directors of the National Bank of Greece.

Her professional career has included positions with the OECD (analyst) and Booz Allen Hamilton. She holds a BA degree in Economics from Swarthmore College and an MBA from INSEAD.

Remuneration and compensation

Salary

The salary structure is determined by an internal grading system, reflecting market pay practices. Salary ranges are determined by a number of factors, including level of accountability, know-how and professional experience.

Management short-term incentive plan

The management short-term incentive plan is based on the Management by Objectives principle. The incentive plan links individual performance with company results, aiming to increase employee commitment, thus in turn encouraging exceptional performance.

All managerial level positions are eligible for year-end bonuses. Employee performance is appraised and compensated annually according to objectives achievement. Targets are set to reflect the Company's annual strategy and the plan's breakdown varies according to the individual's position within the Company. Bonus payout is calculated on personal objectives achievement, as well as on the Company, function, region or operating unit operational targets.

Stock options

Members of the Executive Committee and senior management are eligible to participate in Frigoglass's stock option plan. Options are viewed as part of the total remuneration package.

Options have been granted at a price equal to the average value of the Company's share mid-price at close of trading on the Stock Exchange over the last 60 calendar days prior to the date at which the options were granted. There are also other stock option plans with a pre-determined exercise price.

Options vest in one-third increments each year and can be exercised for up to ten years from the date they were granted. The terms of each plan must be approved at the Annual General Meeting.

Pension scheme

Employees participate in the Company's pension scheme in countries where it is applicable, thereby providing a savings and incentive tool.

Other benefits

Fringe benefits are offered to employees in their home countries according to grade level. These benefits range from company car, fuel allowance, private health care, meal allowance, mobile phone, kindergarten allowance, sports and cultural activities and others according to local market practices.

Corporate governance

Governance framework

The Board is responsible for dealing with the Company's affairs exclusively in the interests of the Company and its shareholders within the existing regulatory framework. The Board's key responsibilities are:
- Setting the Company's long-term goals
- Making all strategic decisions
- Making available all required resources for the achievement of the strategic goals
- Appointing senior executive management

The Board is appointed by the shareholders and consists of nine members, seven of whom are non-executive and five of whom are independent. The members of the Board are elected by the General Assembly of Shareholders and serve for a three (3) year term. The only executive member is the Managing Director. The Board meets on a regular basis to resolve on issues including corporate policy, internal strategy and budget approval.

The experience of the members of the Board encompasses diverse professional backgrounds, representing a high level of business, international and financial knowledge which is core to the setting of achievement, ultimately leading to the success of the Company. The Board is very well balanced between the number of independent and non-independent Directors and between executive and non-executive directors, and the Company has reviewed the size of the Board and feels that the size is appropriate. The independent, non-executive Directors are able to provide the Board of Directors with independent unbiased views and advice in its decision making, to ensure that the interest of the Company, shareholders and employees are protected, whereas the Executive Director is responsible to ensure the implementation of the strategies and policies as resolved by the Board.

Following the resignation of the Company's Managing Director, Petros Diamantides effective as of 31/12/2011, the Board decided to appoint Doros Constantinou as Executive Director of the Company to oversee and to support the transition process until the appointment of a new Managing Director.

Audit Committee

The Audit Committee ensures that the internal and external audits within the Company comply with statutory requirements and are effective and independent. The Audit Committee also serves to facilitate good communication between the auditors and the Board of Directors. The Audit Committee oversees the annual statutory audit and the half-year statutory review as well as the ongoing audit work that is performed by the internal audit function of the Company. It ensures that all recommendations of external and internal audits are implemented by the Company's management.

The Audit Committee evaluates the internal audit reports and the availability of human resources and equipment of the internal audit department.

The Audit Committee also evaluates the appropriateness of the system of internal control, computer system and security, as well as the reports of the external auditors concerning the financial statements. It also follows the procedure of financial information and the efficient operation of the risk management system. Finally, it is burdened with the task of providing its opinion to the Board in order for it to propose to the General Meeting the appointment of the external auditors.

The members of the Audit Committee have been appointed by the General Meeting as per the provisions of the law 3693/2008 and are the following:

Chairman: Ioannis Androutsopoulos – non-executive/ independent

Member: Loucas Komis – non-executive

Member: Christo Leventis – non-executive (resigned in Oct 2011)

Member: Victor Pisante – non-executive/independent

Members have past employment experience in either finance or accounting roles or comparable experience in corporate activities. Especially Mr Pisante, being the independent non-executive member of the Committee fulfils the prerequisites of article 37 of law 3693/2008 by having proven adequate knowledge of accounting and auditing.

All other members bring long business experience and adequate financial knowledge to the Audit Committee's work as well.

The Audit Committee met five times in 2011.

Corporate governance

Internal audit

The internal audit department is an independent function that ensures that all operations are executing their duties in accordance with the corporate objectives, policies and procedures. In particular, internal audit seeks to ensure that internal financial control systems across the Company remain robust and consistent.

The internal auditor acts according to the International Standards for the Professional Practice of Internal Auditing and the policies and procedures of the Company, and reports directly to the Audit Committee of the Board.

Human Resources and Remuneration Committee

The role of the Human Resources and Remuneration Committee is to establish the principles governing the Company's human resources policies which guide management decision-making and action. More specifically, its duties are to:

- Oversee succession planning policy
- Establish the principles governing the Company's internal citizenship policies
- Establish the compensation strategy
- Submit to the Board proposals for executive Board members' remuneration

The Human Resources and Remuneration Committee, which is appointed by the Board, comprised of the following three non-executive Board members in 2011:

Chairman: Loucas Komis – non-executive

Member: Haralambos (Harry) G. David –non-executive

Member: Evangelos Kaloussis – non-executive/ Independent

The Managing Director and Chief People Officer shall normally attend meetings, except when discussions are conducted concerning matters affecting them personally.

The Human Resources and Remuneration Committee met twice in 2011.

Investment Committee

The duties of the Investment Committee are to recommend to the Board the Company's corporate development and strategy and to evaluate and suggest to the Board new proposals for investments and/ or Company expansion according to the defined strategy. Moreover, the Investment Committee is also responsible for evaluating and suggesting to the Board opportunities for business development and expansion through acquisitions and/or strategic partnerships. The Investment Committee is appointed by the Board of Frigoglass and shall consist of four members, two of them non-executive Directors.

The Investment Committee, which is appointed by the Board, in 2011 comprised of the following four members, two of which are non-executive:

Chairman: Haralambos (Harry) G. David – non-executive

Member: Petros Diamantides (MD) – executive (resignation effective as of 31.12.2011)

Member: Loucas Komis – non-executive

Member: Panos Tabourlos (CFO)

The Investment Committee met twice in 2011.

Communication with shareholders

Frigoglass recognises the importance of effective timely communication with shareholders and the wider investment community. After the announcement of the quarterly and year-end results, further details together with the consolidated financial reports and other announcements can be accessed via the Company's website **www.frigoglass.com**

The Company maintains an Investor Relations section on its website where shareholders and potential investors can find a description of the Company's corporate governance, as well as the management and shareholder structure, financial results and press releases. Frigoglass also communicates with the investment community through its participation in a number of conferences and roadshows (in Greece and abroad) and through scheduled conference calls.

The Board of Directors

Haralambos (Harry) G. David,
Chairman, non-executive member

Ioannis Androutsopoulos,
Vice-Chairman, non-executive member/ independent

Petros Diamantides,
Managing Director, executive member

Doros Constantinou,
Executive member (appointed 20/10/2011)

Vassilis Fourlis,
Non-executive, independent member

Evangelos Kaloussis,
Non-executive, independent member

Loucas Komis,
Member and secretary, non-executive member

Christo Leventis,
Non-executive member (resigned 20/10/2011)

Alexandra Papalexopoulou,
Non-executive, independent member

Victor Pisante,
Non-executive, independent member

Management

Petros Diamantides,
Managing Director

Tom Aas,
Chief Operating Officer, ICM

Kris Amiralis,
Chief People Officer

Dimitris Bostanis,
Supply Chain Executive Director

Panos Giannopoulos,
Frigoserve, Consumer Appliances and New Business Executive Director

Panos Tabourlos,
Chief Financial Officer

Gerasimos Varvias,
Glass Operations Executive Director

Certified auditors

PricewaterhouseCoopers
268 Kifissias Avenue,
152 32 Halandri, Athens, Greece

Legal advisors

Kyriakides-Georgopoulos, Law Firm
Leonidas Georgopoulos

Shareholder information

Share capital

50,453,294 shares outstanding as at 31st December 2011 at a €0.30 nominal value

Market of share listing

Athens Stock Exchange (ATHEX)

Reuters

FRIr.AT

Bloomberg

FRIGO GA

Free float

56%

Annual General Meeting

Tuesday, 29 May 2012

Dividend history (€ per share)

Full year	Amount[1]	AGM date	Ex-dividend date	Payment date
2001	0.048	31 May 2002	3 Jun 2002	20 Jun 2002
2002	0.064	18 Jun 2003	22 Jul 2003	1 Aug 2003
2003	0.080	21 Jun 2004	22 Jun 2004	14 Jul 2004
2004	0.112	10 Jun 2005	10 Jun 2005	12 Jul 2005
2005	0.160	9 Jun 2006	14 Jun 2006	21 Jun 2006
2006	0.256	8 Jun 2007	13 Jun 2007	20 Jun 2007
2007	0.304	6 Jun 2008	10 Jun 2008	18 Jun 2008
2008	0.480*	5 Sep 2008**	5 Dec 2008	15 Dec 2008
2009	0.080	14 May 2010	7 July 2010	14 July 2010

* Interim dividend ** Extraordinary General Meeting

Capital return (€ per share)

Full year	Amount[1]	AGM date	Ex-dividend date	Payment date
2008	0.72	5 Sep 2008	30 Oct 2008	7 Nov 2008
2011	0.13	31 May 2011	6 Sep 2011	14 Sep 2011

Notes: 1 Adjusted for the issuance of 10,090,659 new bonus shares (one bonus share for every four existing shares) implemented in September 2011.

2011 share price (€ per share)

Quarter ended	High	Low	Close
30 Dec	3.61	3.57	3.61
30 Sep	5.40	5.07	5.39
29 Jun	7.76	7.07	7.76
31 Mar	9.05	8.80	9.04

Share price

Share price at 30 December 2011:
€3.61

Market capitalisation

Market capitalisation at 30 December 2011:
€182.1 million

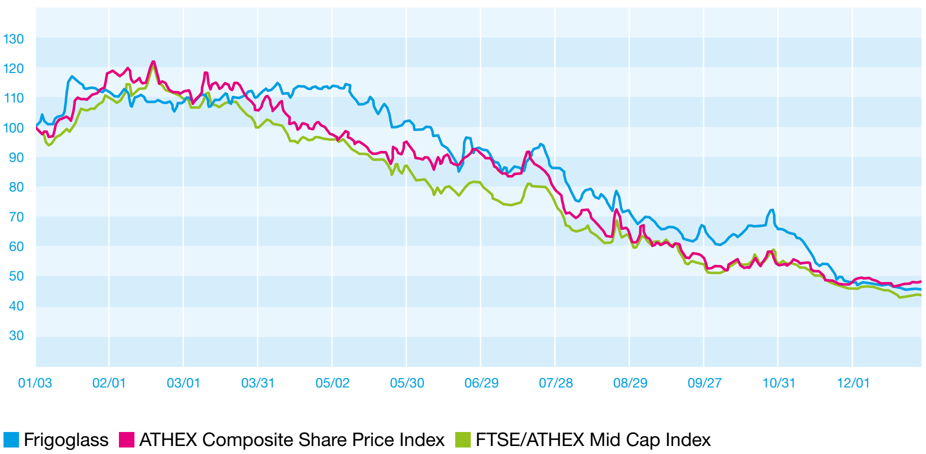
Trading Volume

Average daily trading volume in 2011:
38,000 shares

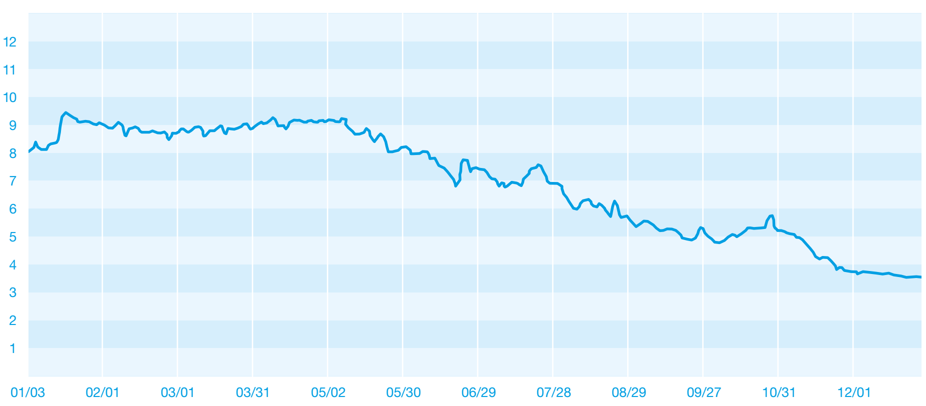
Analyst coverage

Institution	Analyst
Alpha Finance	Nikos Katsenos
Citi	Lambros Papadopoulos
Eurobank Equities	Katerina Zaharopoulou
Euroxx Securities	Yiannis Sinapis
HSBC	Paris Mantzavras
Investment Bank of Greece	Vassilis Roumantzis
National P&K	Victor Labate
Piraeus Securities	George Doukas
Proton Bank	Vassilis Gouzios

Frigoglass stock price vs ATHEX Composite Share Price Index & ATHEX Mid Cap



Frigoglass stock price performance 2011



Contact

Contact information

Frigoglass Head Office
15, A. Metaxa Street
145 64 Kifissia
Athens, Greece

T +30 210 6165700
F +30 210 6199097

www.frigoglass.com

Investor Relations Manager

John Stamatakos

T +30 210 6165767
Email jstamatakos@frigoglass.com

Corporate Communications & Sustainability Manager

Venia Zafolia

T +30 210 6165736
Email vzafolia@frigoglass.com

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www.frigoglass.com