

Frigoglass Annual Report 2012

Going Forward



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Who we are

Frigoglass is a strategic partner to beverage brands throughout the world. We are the global leader in the Ice Cold Merchandisers (ICM) market and the principal supplier of glass packaging in the high growth markets of West Africa.

Frigoglass has long-standing relationships with blue chip customers in the soft drinks and beverage industries. Our bespoke Ice Cold Merchandisers (beverage coolers) enhance our customers' beverage branding and trigger immediate beverage consumption. At the same time, our leading innovations in the field of green refrigeration enable beverage companies to meet their ambitious sustainability and carbon emissions reduction targets.

With a truly global footprint, Frigoglass is well established in the more mature European markets while it is evolving into an emerging markets champion. We efficiently support our customers around the world through manufacturing facilities in ten countries and an extensive network of sales and after-sales representatives in five continents.

In our glass bottle business, we are focused on the markets of Africa and the Middle East, which are a prime spot of investment for our customer base. We create value for our customers by building on our position as leading supplier of glass bottles and complementary packaging solutions in West Africa and the Middle East.

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

Letter from the Chairman

The continued economic weakness in many of the territories Frigoglass operates in, has affected all our stakeholders. In responding to this volatility, especially in Europe, we have directed our efforts and focus on what critical factors will drive our business forward.

The particular difficulties in our home country of Greece have not impacted us significantly, as we derive less than 2% of sales locally. What has presented a challenge is the caution with which our multinational customers have planned their investment for the year. In addition, we have seen our recent acquisitions and entries into new markets not yet performing to expectations. We have made upfront investments in future growth and need to face the consequences of temporarily dilutive results.

During the years prior to 2012, we successfully increased our global footprint, extending our operations to five continents and diversifying our business across mature economies as well as higher-growth developing markets. This expansion has secured our Company an enviable, long-term position in both the ICM and glass business. On this basis, we were able in 2012, to achieve an overall sales growth in the Group despite a recessionary business environment in Europe.

The increased global scope however, has raised significantly the complexity of our operations and also impacted our financial performance. The 'Going Forward' program that was developed

last year will address these issues and will support and strengthen our operating efficiencies as we move to the next phase of growth. Our main obligation remains unchanged and that is to provide our customers with competitive, high-quality, innovative products and services that will support their business and drive their sales.

Last year also marked a change in the leadership of Frigoglass. Following a short transition period, we were delighted to announce the appointment of Torsten Tuerling as our new CEO. His significant operational experience in international markets, as well as his more than a decade-long experience in the commercial refrigeration industry made him the ideal candidate to lead Frigoglass to its next level of profitable development. The Board continues to be excited about the opportunities that lie ahead of Frigoglass under the stewardship of Torsten.

At this point, I would like to thank Doros Constantinou for assuming the mantle of leadership and for bridging the gap before Torsten joined Frigoglass in May 2012.

As we have opened a new chapter in the evolution of our company, the core ingredients that will drive our future success remain the same, the commitment and skill of our people, the ongoing support of our shareholders and the continued loyalty of our customers, to all of whom I would like to extend our greatest appreciation.



Haralambos (Harry) G. David
Chairman

Statement from the CEO

I was honoured and delighted to be given the opportunity to head Frigoglass, a global market leader and one of Greece's most respected companies.

In my initial phase, I had the opportunity to meet with our people and customers throughout the world. I have to admit that I was deeply impressed by the passion and commitment of the people in Frigoglass, but also by the very close relationships to prestigious customers that Frigoglass has built over many years.

At the same time, it became apparent that the rapid growth and globalization of the past years had triggered some challenges. This includes the completion of integrating acquisitions and turning recent market entries into success. Furthermore, we see plenty of opportunities for improving our operations and increasing overall financial performance. As a company we strive for the highest level of professionalism in everything we do.

In a sequence of workshops with people across the Company we achieved alignment on our strategic priorities going forward and presented those to the entire Frigoglass team last autumn. Since then, we have taken course and started to build momentum. We embarked on a new organization that shall bring us closer to our customers, support our people in the execution of our priorities and give everyone room for personal growth.

Already in the first couple of months it became apparent what an aligned and determined organization can achieve. With a focused effort on improving our inventory levels, we have delivered in 2012 one of the best performances in cash flow generation in years.

As we move on, we target to strengthen our position as a strategic partner of global beverage brands, enhance the robustness of our business model, and improve profit margins and cash flow generation. This will solidify the fundament for our journey of long term, value-creating growth. For this to happen, the engagement of our people will be the key to our success.

Staying hungry to drive innovation and continuous improvement for our customers, is our way towards sustained global market leadership. I feel privileged to be part of this exciting journey.



Torsten Tuerling
CEO

Financial highlights

2012

Sales
+4.7%
 vs 2011



Year	€m
2012	581.3
2011	555.2
2010	457.2
2009	346.7

EBITDA
-16.9%
 vs 2011



Year	€m
2012	67.8
2011	81.6
2010	74.2
2009	53.4

Net Profit

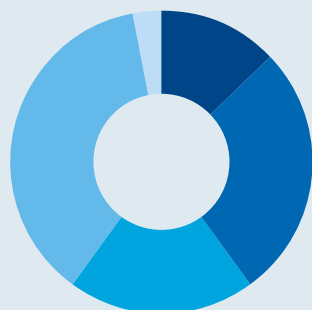


Year	€m
2012	0*
2011	20.1
2010	20.5
2009	8.5**

* Comparable FY 2012 Net Profit excludes restructuring charges of €15 million
 ** Comparable FY 2009 excludes one-off Special Contribution Tax (Reported FY 2009 Net Profit: €3 million)

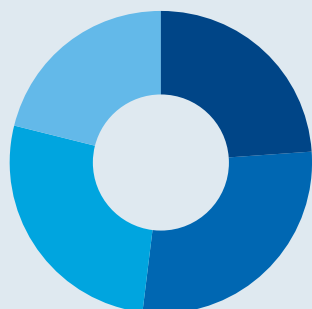
2012 Consolidated revenue breakdown

By geography



	€m	%
Western Europe	75,7	13
Eastern Europe	155,3	27
Asia / Oceania	114,7	20
Africa / Middle East	216,3	37
North America	19,3	3

By customer group



	€m	%
Coca-Cola Hellenic	137,1	24
Coca-Cola bottlers	164,7	28
Breweries	154,8	27
All other	124,6	21

Global presence



Cool Operations

Europe & North America

- Production plants and sales offices
Greece, Russia, Romania, Turkey, USA
- Sales offices
France, Germany, Norway, Poland, Spain, UK/Ireland

Asia & Africa / Middle East

- Production plants and sales offices
China, India, Indonesia, Nigeria, South Africa
- Sales offices
Australia, Kenya, Malaysia, UAE (Dubai)

Glass Operations

- Production plants and sales offices
Nigeria, UAE (Dubai)





Going forward

To further strengthen our position as strategic partner of global beverage brands, enhance our financial performance and build long-term value for our shareholders, we have initiated four strategic priority projects and have put in place the necessary operating structure for successful execution.



Megatrends

In working towards our goals and strategy going forward, we are uniquely positioned to take advantage of two fundamental megatrends driving our business today:

Global beverage brands are expanding in emerging and developing markets

A growing middle class across Africa, Asia and other emerging markets is changing consumption patterns. Global beverage brands are investing in those markets aiming to build their brands and capture rising consumption. In this process, our ICMs are used as branded retail points, helping our customers grow their sales. With a strong presence in Africa and Asia, we are well positioned to make a significant contribution to the changing consumer landscape and facilitate our customers' market penetration.

Sustainability is a growing trend among global beverage brands

Our customers are increasingly committed to ambitious sustainability targets. Cold drink equipment in turn, represents the single largest source of our customers' indirect emissions and as such is a large part of this equation. In addition, rising energy costs have prompted our customers to seek solutions that consume significantly less electricity. As a technology and innovation leader in our sector, with research and development hubs in Europe, Asia and the US, we are best positioned to provide global beverage companies with the most advanced product range to reduce their carbon footprint and address the rapidly rising energy costs.

Strategic priority projects

Fundamentally, we target to continue to grow with our global beverage clients. This growth is underpinned by our innovation leadership that allows our customers to meet their very ambitious sustainability and carbon reduction targets. Furthermore, we continue building an infrastructure to support our customers' global expansion, primarily in emerging markets, and help them to grow sales.

In order to further strengthen our long term competitiveness and value creating performance, we have engaged in four strategic priority projects:

Turnaround of recently entered markets

Over the last years we have made significant investments in entering the ICM market in the US and China as well as, the glass markets of the Middle East and East Africa. While these investments, have not generated the expected returns, they provide significant growth opportunities for our business. Aiming to reach the full potential and leverage our investments, we have strengthened the leadership teams and developed detailed turnaround plans that will help improve our performance and meet our goals by 2014.

Lean transformation & operational excellence

We are committed to uncompromising quality and operational excellence. Piloting in Romania and China, we are accelerating the lean transformation of our operations and progressively we will implement this program throughout our operations globally. This will enhance quality, reduce waste and improve margins, particularly in our operations in Asia and Africa that account for an increasingly higher proportion of our business.

Product cost optimization

We are addressing the complexity of our product range which has increased enormously in recent years. To optimize product cost we have embarked on a product platform strategy, reducing product overlap, increasing shared components, and thereby considerably improving manufacturing efficiencies. Moreover, we are refining our product strategy and developing the winning product platforms for the future. Our guiding principles in this process are increased differentiation and sustainability-driven innovation.

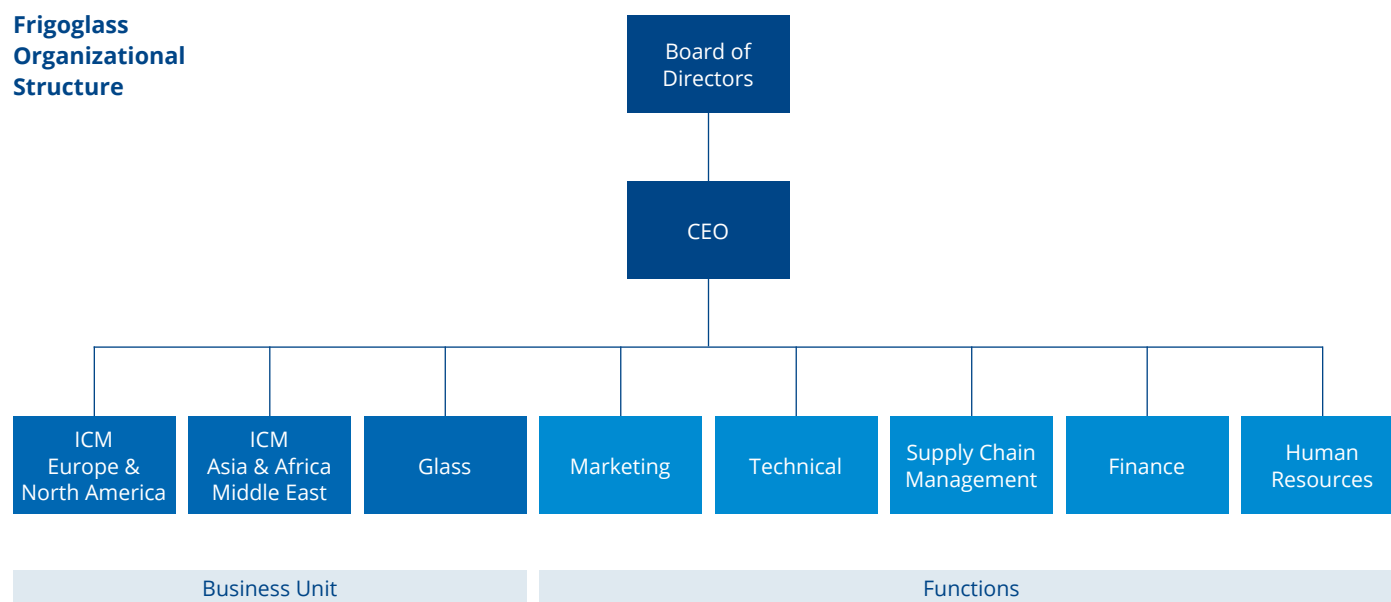
Working capital reduction

We are implementing a step change in inventory and supply chain management and are introducing world-class processes and governance practices that will allow us to reduce our inventory and reach our aggressive targets for reduced working capital by the end of 2014. At the same time, we are focusing on improving customer service levels.

Operating structure

To deliver on each of these priorities, we have put in place a more efficient operating structure which enables us to better respond to the dynamics of the different businesses and regions, accelerate decision making and drive operational excellence across the organization.

Frigoglass Organizational Structure



The new operating structure is organized around three business units and five central functions. The business units have dedicated management teams, located in their respective territories, in order to better focus on the specific challenges and opportunities of their markets.

For our fast growing Asia & Africa/Middle East business unit, there is a clear focus on driving revenue and expanding market share while improving margins. The Europe & North America business unit, where markets are more mature, is focusing on delivering efficiency and innovation as well as on developing the service business. Our Glass business unit is aiming at capturing the large and rapidly growing Nigerian market and building a stronger market position throughout the Middle East and Africa region by leveraging our recent technology investment and product range expansion at Jebel Ali.





PEPSI-COLA

People

The capabilities, talent and commitment of the Frigoglass team are the essence of our success and underpin our future growth. Creating value for our customers is what drives our business and it is created first and foremost by our people. We strive to foster an environment in which people are empowered to act and take ownership for outcomes but most importantly, are encouraged to work as a team. At the same time, we ensure a safe and inclusive environment, where employees are recognized and rewarded for their efforts and are provided with ongoing development opportunities.

Five key principles form the foundation of our company culture and drive us toward achieving our targets:

Customer focus

Customer focus is what drives our business daily. Our goal is to anticipate customer needs and respond proactively and efficiently with the appropriate solutions.

Highest quality

We are committed to uncompromising quality and operational excellence and cultivate an environment in which people are encouraged and recognized for executing with excellence.

Innovation

The primary driver of our business model is innovation. We strive to provide the necessary resources and environment that will empower our employees to develop innovative ideas which will in turn translate into added value for our customers.

Efficiency and competitiveness

We believe in the principle of continuous improvement driving towards a lean organization. Our focus is on putting in place systems and processes that enable us to work efficiently in delivering strong operational and financial performance.

We are a global company with local roots

Our broad geographic footprint allows us to gain a deep understanding of local cultures, build strong customer ties all the while leveraging the advantages of a global company and the ability to work as a team.



Innovation

Innovation and sustainability are at the core of our strategy and form the foundation of all our Research & Development efforts. Frigoglass has been leading the commercial refrigeration market from a very early stage, being among the first to commercialize green refrigeration technology.

Innovation targets

- Continuous energy reduction and improved performance of our ICMs
- Lower unit lifetime cost
- Carbon footprint reduction and increased sustainability
- Enhanced design differentiation

R&D network

- 5 Global R&D centers
- 70 Qualified Engineers & Technicians
- Key partnerships with external bodies

Environmental innovation is our primary driver in product development. The strongest proof of this commitment can be found in the Ecocool range, the world's only complete range of eco-friendly beverage coolers. In 2012, 53% of our ICM placements in Europe were HFC-free, Ecocool units. Since the Ecocool launch, we have continually invested in expanding this range as well as exploring new technologies.

During the past year we focused our efforts on a number of significant projects:

Low-charge hydrocarbon (HC) cassette units

Working on a new type of cassette that can operate with a lower hydrocarbon charge allowed us to significantly increase the safety of our HC units as well as to extend the technology to larger capacity coolers.

CO₂ capability

During the past year we have invested heavily in expanding our CO₂ range which now consists of more than 15 different coolers of all types and sizes. At the same time, we have built the CO₂ manufacturing capability in our plants around the world. By doing so, we can quickly and efficiently roll-out new CO₂ units that accommodate our customers' environmental strategies.

Solar ICMs

In 2011 we developed our first solar-powered ICM, building on the technological know-how of the EcoCantina and exploring the use of alternative power technologies. The first Solar ICM was very well received, encouraging us to apply the same technology to more units to meet our customers' growing needs. In close cooperation with Coca-Cola Hellenic, we developed the Solar Activator 700 that was launched at the 2012 UEFA Euro Cup in Ukraine.

Component standardization

To further improve product quality, increase efficiencies and reduce cost we have initiated a component standardization system aiming to minimize the number of different components used across our ICM product platforms.

Lightweight bottles

Innovation in our glass operation comes in the form of lightweight bottle production. In 2012 we made a significant investment in our Jebel Ali plant to upgrade our technology and enable lightweight bottle manufacturing. The lightweight bottle, also manufactured in our Nigeria glass operations, is up to 30% lighter and reduces both material use as well as energy consumption during the manufacturing process.



We received the 2nd prize for the EcoCantina during the **2012 European Business Awards for the Environment** (Greek scheme). The EcoCantina, a modular, easy-to-assemble kiosk, is powered by solar energy and supports not only the operation of the coolers placed in the kiosk but also that of other devices such as a television and mobile chargers. It addresses two key sustainability issues as it minimizes the impact on the environment, while it allows beverage companies to contribute to remote local communities.

Operational excellence

We are committed to the uncompromising quality of our products, excellence of our operations and best-practice services. Having recently initiated the lean transformation of our European plants, we will progressively implement this throughout our end-to-end supply chain.

We continuously strive to further improve the product standards across our entire manufacturing process and geographic footprint. We have set high standards for product quality and safety and in order to achieve these we have put in place a number of initiatives:

- Throughout our manufacturing “shop floors” we have deployed a set of methodologies and tools aiming to assure standard operating procedures, eliminate wastage and increase productivity, while securing our “quality at the source”.
- We are investing in developing the skills of our people seeking to drive motivation and continuous improvement.
- Additionally we have enhanced the collaboration with our suppliers and established quality audits and performance measurement tools to ensure the high quality of components and materials.
- To capture every aspect of our manufacturing plants’ operating processes, we have established a system comprising of regular audits, thorough root-cause analysis and corrective initiatives aiming to deliver consistent quality across all geographies.

Our after-sales services complete the operational excellence value chain. Frigoglass has an extensive service network and we continuously ensure that our people have the best-in-class technical training and qualifications that allow them to deliver high quality and efficient services.





Sustainability & CSR

Sustainability and CSR form an integral part of our corporate strategy regardless of the economic conditions. In 2012 we made significant progress in all areas of our three-year action plan, instigated in 2011 and are on track towards incorporating sustainability throughout our value chain.

Product design and development

- We continue investing in our pioneer EcoCool range through the addition of new units, the application of more advanced components, energy management systems and state-of-the-art features.
- Alternative power sources are another area of focus, a direct result of which has been the EcoCantina turnkey solution and more recently the Solar ICM.
- In our Glass business we produce the lightweight bottles that weigh up to 30% less and reduce the use of raw materials as well as energy consumption during the manufacturing process.

Supply chain

- We introduced and are progressively implementing to an increasing number of suppliers, a new audit procedure that includes several sustainability criteria.
- In our Glass business we focus our efforts towards finding as much cullet – scraps of broken glass – as we can in order to save on raw material use as well as energy.
- In 2012 we conducted the third annual Supply Chain Partnership Conference with the participation of more than 50 business partners from both our Cool and Glass businesses.

Manufacturing

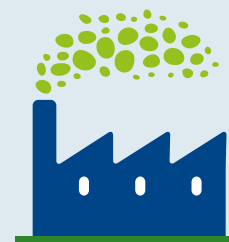
- Having completed our third annual carbon emissions assessment across our operations, we have set targets and measures to track our progress and report on our carbon reductions.
- Our third assessment showed a 7% reduction in emissions per standard ICM unit produced.
- In 2012 we commenced work on a climate change strategy in order to identify opportunities for efficiency gains and energy savings.
- Significant investment was made in our Frigoglass Jebel Ali plant, in order to install the lightweight bottle technology.



PRODUCT DESIGN
AND DEVELOPMENT



SUPPLY OF
RAW MATERIAL



MANUFACTURING

Packaging

- We have taken significant steps towards improving and reducing our packaging. The result has been two-fold, a reduction in the use of materials as well as on the stacking space needed. This is an ongoing progress and we are committed to reducing our packaging material and minimizing the environmental impact that results from it.

Warehousing and transportation

- One of our most significant projects has been the centralization of our warehouses. We began with the integration of all European spare parts warehouses and continued with that of our warehouses in Turkey and Russia.
- Truck utilization is another area of focus. By improving container loading and introducing consolidation centers and control towers, we achieved a 60% truck utilization rate, up from the previous 45-50%. This translates into significant reductions in both cost and emissions.

People and marketplace

- We teamed up with **WWF Greece** to develop the unique environmental workshop *"Journey to the Future City"* aimed at educating students of all ages on the consequences of climate change. During the workshop's first year we reached 3,500 students and 70 educators in 63 schools. We have renewed this project for a second year and aim at extending our reach, contributing further to the local communities where we operate.
- Our workforce plays a crucial role in building a successful organization and our investment in maintaining a safe and collaborative workplace is intensive and ongoing.



PACKAGING



WAREHOUSE AND TRANSPORTATION



PRODUCT DELIVERY TO CUSTOMERS

Business review

ICM Europe & North America

Markets in Western Europe experienced sustained weakness in 2012 ensuing in reduced investments by our key customers, while demand in Eastern Europe remained mostly solid. In North America we continued gaining market share as a result of our intensified efforts in attracting new customers and enhancing our product offering.

The mature markets of West and South Europe were impacted by weak consumer demand which in turn translated into reduced placements from the beverage companies. Eastern Europe experienced slightly declining volumes but total sales were not largely affected benefiting from orders by new brewery and soft drinks accounts as well as incremental sale increases in some regions.

In North America, our investments in plant infrastructure and efforts to build our distribution network were reflected in the 2012 sales and in our increased market share in the region. Having invested in the CO₂ manufacturing capability in North America allowed us to be in a position to offer a fully industrialized comprehensive CO₂ range, meeting our customers' expressed needs for green refrigeration solutions. Even with increased sales though, our North America operations remain sub-optimal and we have developed specific turnaround plans to reduce production cost and improve efficiencies.

Despite economic headwinds we continued investing in the development and roll-out of new eco-friendly solutions building on our position as an innovation and sustainability leader in our industry. In addition to our work in North America and in line with our commitment to operational excellence, we completed a number of investment projects throughout the year. These included infrastructure improvements in our European plants and a new warehouse for raw materials in Romania. To achieve further cost efficiencies and improve order processing and overall customer satisfaction we also initiated the consolidation of the central European order desk in Romania.

Frigoglass was delighted to be able to showcase its products in two of the highest profile events of the year in Europe – the London 2012 Olympic Games and the UEFA Euro Football Championships. With regard to the latter event, and in partnership with Coca-Cola Hellenic, we were pleased to present the latest addition to our leading eco-friendly range of coolers, the Solar Activator 700, which uses solar-power to operate. Finally, for a second consecutive year we were named “Best Supplier of the Year” by Britvic.

Sales

Western Europe		€m
2012		75.2
2011		100.6
2010		72.3
Eastern Europe		€m
2012		155.1
2011		163.2
2010		131.4
North America		€m
2012		19.3
2011		14.3
2010		7.3



Business review

ICM Asia & Africa/Middle East

2012 was a particularly strong year for the high growth emerging markets business, with sales outperforming market growth and allowing us to reinforce our leadership in Africa/Middle East and further establish our position in Asia/Oceania.

The rising demographic trends across the emerging markets are changing consumption patterns and driving beverage sales. At the same time, our customers are trying to build their brands and capture rising beverage consumption in areas with low cooler penetration. In this process, we are uniquely positioned to help them grow their sales by using our ICMs as branded retail points and facilitate market penetration. Our strong presence in Africa and Asia allows us to make an important contribution to this changing consumer landscape and evolve into an emerging markets champion.

A direct result of the above was reflected in a 16.2% sales increase in Africa and the Middle East, largely outperforming market growth. Aiming to solidify our leadership and further expand our market share in the region we continued investing in our plant infrastructure making the necessary adjustments to allow for CO₂ production in our South Africa facility. At the same time, the strengthened leadership team in the region focuses on improving efficiencies and capturing opportunities in these higher growth markets.

Our year-over-year sales in the Asia/Oceania region marked a substantial increase of 25.1% mainly due to strong ICM placements in Australia and robust growth with Coca-Cola India. Moreover, a major contributor in our sales increase in the brewery segment was Efes, awarding us 100% of their 2012 ICM business. Following a weak 2011, India proved to be an impressive turnaround story, delivering substantial volume increases and significantly improving operational performance. Targeting to expand our customer base in the region, we designed and commercialized a unique product range for Pepsi India according to the customer's specific needs. Furthermore, building on our existing relationships with Coca-Cola Amatil (CCA) and leveraging our technological expertise and capabilities, we developed a customized product range, specifically for CCA. The new Cool Horizon line-up exceeds the energy consumption targets set by the customer while it also applies an innovative shelving system that markedly improves and facilitates merchandising.

Sales

Region	Year	Sales (€m)
Asia/Oceania	2012	106.6
	2011	85.2
	2010	88.8
Africa/Middle East	2012	102.7
	2011	88.4
	2010	75.4

Considerable investments were made in our plants in India and China aiming to improve efficiencies, enhance productivity and be in position to better serve our customers' needs. Responding to increasing requests for environmentally-friendly coolers, both the India and China plants were made ready to manufacture CO₂ coolers. At the same time, we continued working on optimizing the energy efficiency of our products, reducing energy consumption by up to 20%.



Business review

Glass

Capturing the favorable demographic trends that drive growth in West Africa, Glass Operations demonstrated a 18.2% sales increase, maintaining the strong momentum of the previous year.

West Africa is developing into a prime investment territory for global beverage brands owing to the growing middle class in the region. Through our well-established position in Africa, we are well placed to leverage the long-standing customer relationships with beverage customers and take advantage of the opportunities presented in these high-growth markets. The synergies resulting from our glass, plastics and metal crown manufacturing plants in Nigeria, allow us to offer our customers turnkey packaging solutions at a lower cost and complexity.

Despite challenging business conditions in Nigeria, due to a national strike in January, the partial removal of the energy subsidy and high inflation rates, orders marked a strong increase during the past year. We successfully completed our machine overhaul program with the replacement of the last mechanical machine with an electronic one. In addition, we carried out a cold repair on one of our furnaces, thus further enhancing productivity. We also made additional investments in infrastructure and maintenance schedules were completed successfully. Key priorities during the year included the focus on production of lightweight bottles and optimizing energy usage.

In Jebel Ali, low volume absorption diluted our overall Glass margins. Additionally the implementation of lightweight bottle technology had a one-off impact on performance as production was affected for a number of weeks. The strategic location of our facility in Dubai gives us access to the high-growth markets of the Middle East, East Africa and Southeast Asia. With this in mind, we proceeded to make significant investments in the plant, which included the introduction of lightweight glass bottle technology, as mentioned above, and the implementation of state-of-the-art inspection machinery. Those investments opened up doors to realize new business opportunities with strategic customers, and enhanced our value proposition, reinforcing Frigoglass' position in the attractive high-growth emerging markets.

Sales		€m
2012		122.4
2011		103.5
2010		82.0



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, eight of whom are non-executive and four 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 Chief Executive Officer. 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.

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

Members

Loucas Komis – non-executive

Doros Constantinou – non-executive

All Members have past employment experience in either finance or accounting roles or comparable experience in corporate activities. Especially Mr. Androutopoulos fulfills the prerequisites of article 37 of law 3693/2008 by having proven adequate knowledge of accounting and auditing.

The Audit Committee met four times in 2012.

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 the succession planning policy
- 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 2012:

Chairman

Loucas Komis – non-executive

Members

Haralambos (Harry) G. David –non-executive
Evangelos Kaloussis – non-executive/ independent

The Chief Executive Officer and Chief Human Resources Officer shall normally attend meetings, except when discussions are conducted concerning matters affecting them personally.

The Human Resources and Remuneration Committee met twice in 2012.

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 consists of four members, two of them non-executive Directors.

In 2012, the Investment Committee comprised of the following four members:

Chairman

Haralambos (Harry) G. David – non-executive

Members

Torsten Tuerling – executive (CEO)
Loucas Komis – non-executive
Panos Tabourlos (CFO)

The Investment Committee met twice in 2012.

Corporate governance

Communication with shareholders

Frigoglass recognises the importance of effective and 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 (three-year term ending in 2015)

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

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

Loucas Komis
Member and secretary, non-executive member

Torsten Tuerling
Chief Executive Officer, executive member

Doros Constantinou
Non-executive member

Vassilis Furlis
Non-executive, independent member

Evangelos Kaloussis
Non-executive, independent member

Christo Leventis
Non-executive member

Alexandra Papalexopoulou
Non-executive, independent member

Management

Torsten Tuerling
Chief Executive Officer

Panos Tabourlos
Chief Financial Officer

Elias Moschonas
Chief Human Resources Officer (*effective as of March 2013*)

Tom Aas
Executive Director ICM Asia & Africa/ Middle East

Dimitris Bostanis
Chief Supply Chain Officer

Pierre Boyer
Executive Director ICM Europe & North America

Panos Giannopoulos
Chief Marketing Officer (*at the time of printing Panos Giannopoulos had left the company*)

Alberto Tureikis
Chief Technical Officer

Gerasimos Varvias
Executive Director Glass

Certified auditors

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

Legal advisors

Kyriakides-Georgopoulos, Law Firm
Leonidas Georgopoulos

Board of Directors

Haralambos (Harry) G. David

Chairman (non-executive)

Haralambos (Harry) G. 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 the Leventis Group Companies in Nigeria and Europe. Today he holds a position on the Boards of A.G. Leventis (Nigeria) PLC, the Nigerian Bottling Company PLC, 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 Board of the Foundation for Economic and Industrial Research (IOBE), member of the Board of the Hellenic-African chamber of commerce and development, as well as a member of the Organizing Committee of the Athens Classic Marathon. He has also served on the Boards of Alpha Finance and ΔΕΗ (Hellenic Public Power Corp).

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 (1986-1994), Chairman of the Board of Directors of Frigorex (1995), member of the Board of Directors of 3E Company (1995) and Chief Executive Officer of Frigoglass (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 Chairman of Ideal S.A. and of Recovery & Recycling S.A. as well as Vice-Chairman of the Federation of Hellenic Food Industries. In his long career in the appliance manufacturing sector he has held top management positions with Izola S.A. and the Hellenic Bottling Company (CCHBC), where he also served as an Executive Board member and remains an advisor to the Chairman since 2001. He holds degrees from Athens University (BSc Physics), the University of Ottawa (MSc Electrical Engineering) and McMaster University, Ontario (MBA).

Torsten Tuerling,

Chief Executive Officer (executive)

Torsten Tuerling was appointed Chief Executive Officer of Frigoglass in May 2012.

Prior to joining Frigoglass, he was President and CEO of Franke Kitchen Systems Group, a global leader in its field, with operations in 19 countries across four continents. During his tenure at Franke, Mr. Tuerling delivered significant result improvements and contributed materially to the development of their international operations. Formerly, he served as General Manager of the Food Retail Division of Carrier Commercial Refrigeration EMEA, a subsidiary of United Technologies Corporation. He successfully led the integration of Linde Refrigeration, following its acquisition by Carrier.

Mr. Tuerling holds a Master's degree in Business Administration from the University of Saarbrücken in Germany and a Master's of Science in Management from E.M. Lyon Business School in France

Board of Directors

Doros Constantinou

Member (non-executive)

Doros Constantinou was appointed to the Board of Directors in May 2012.

Mr. Constantinou graduated from the University of Piraeus in 1974 and holds a degree in Business Administration. He started his career in auditing with PricewaterhouseCoopers, where he worked for ten years. In 1985, Mr. Constantinou joined the Hellenic Bottling Company, where he held several senior financial positions. In 1996, he was appointed 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 Chief Executive Officer of Frigoglass until August 2003 when he moved to Coca-Cola Hellenic as Chief Executive Officer until his departure in July 2011.

Vassilis Furlis

Member (independent, non-executive)

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

He is the Chairman of Furlis Holdings SA. He also serves on the Board of Directors of Piraeus Bank SA, the Hellenic Organization of Telecommunications SA, the House Market S.A. (IKEA) and that of Cement Titan SA.

He is a member of the Board of the Hellenic Federation of Enterprises and that of the Hellenic Corporate Governance Council.

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.

In 2004 he was awarded the KOUROS entrepreneurship prize by the President of the Hellenic Republic

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 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 a Master's in Business Administration from the University of Lausanne as well as a graduate degree from IMD.

Christo Leventis

Member (non-executive)

Christo Leventis was appointed to the Board of Directors in May 2012. Mr. Leventis is currently a director of a family investment office in London. Prior to this he worked as an equity research analyst at J.P. Morgan and Credit Suisse.

Alexandra Papalexopoulou

Member (independent, non-executive)

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

She is the Group Strategic Planning, Executive Director of the Titan Cement Group and serves on the Board of Directors of Titan Cement SA and of the Pavlos and Alexandra Kanelopoulou 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

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' stock option plan. Options are viewed as part of the total remuneration package.

Options are granted at a pre-determined exercise price, vested in one-third increments each year and can be exercised for up to ten years from the date they are granted according to the plan. The terms of each plan are subject to approval 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 and others according to local market practices.

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.

Shareholder information

Share capital

50,517,252 shares outstanding as at 31st December 2012 at a €0.30 nominal value

Market of share listing

Athens Stock Exchange (ATHEX)

Reuters

FRlr.AT

Bloomberg

FRIGO GA

Free float

56%

Annual General Meeting

Tuesday, 28 May 2013

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.

2012 share price (€ per share)

Quarter ended	High	Low	Close
31 Dec	5.37	4.12	5.27
28 Sep	4.88	3.19	4.75
29 Jun	5.45	2.99	4.24
30 Mar	5.10	3.09	4.92

Share price

Share price at 31 December 2012:
€5.27

Market capitalisation

Market capitalisation at 31 December
 2012: **€266.2 million**

Trading Volume

Average daily trading volume in 2011:
36,114 shares

Analyst coverage

Alpha Finance

Nikos Katsenos

Citi

Lambros Papadopoulos

Eurobank Equities

Katerina Zaharopoulou

Euroxx Securities

Fotis Zeritis

Investment Bank of Greece

Vassilis Roumantzis

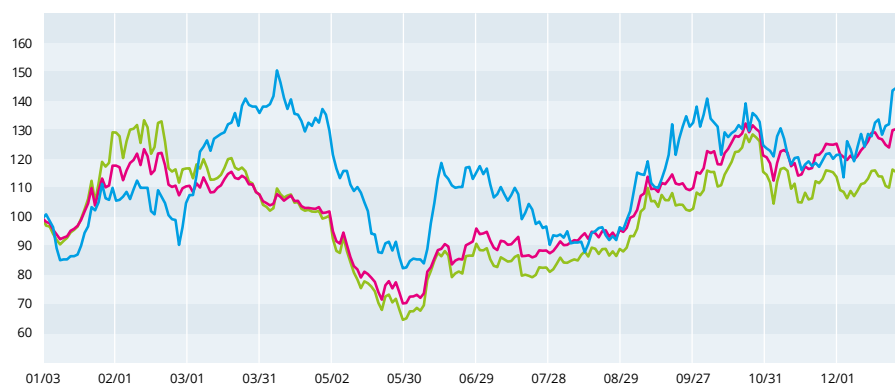
National P&K

Costas Theodorou

Piraeus Securities

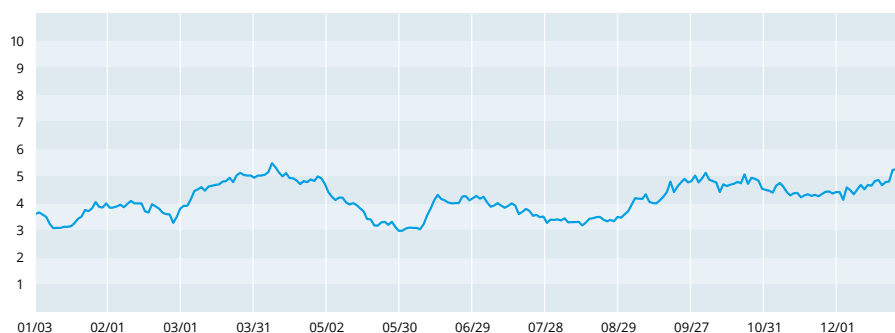
George Doukas

Frigoglass share price performance vs. ATHEX composite share price index & FTSE/ATHEX Large Cap Index



■ Frigoglass ■ ATHEX Composite Share Price Index ■ FTSE/ATHEX Large Cap Index

Frigoglass stock price performance 2012



Contact

Contact information

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