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# Second quarter & first half 2014 results

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# Key messages for the second quarter

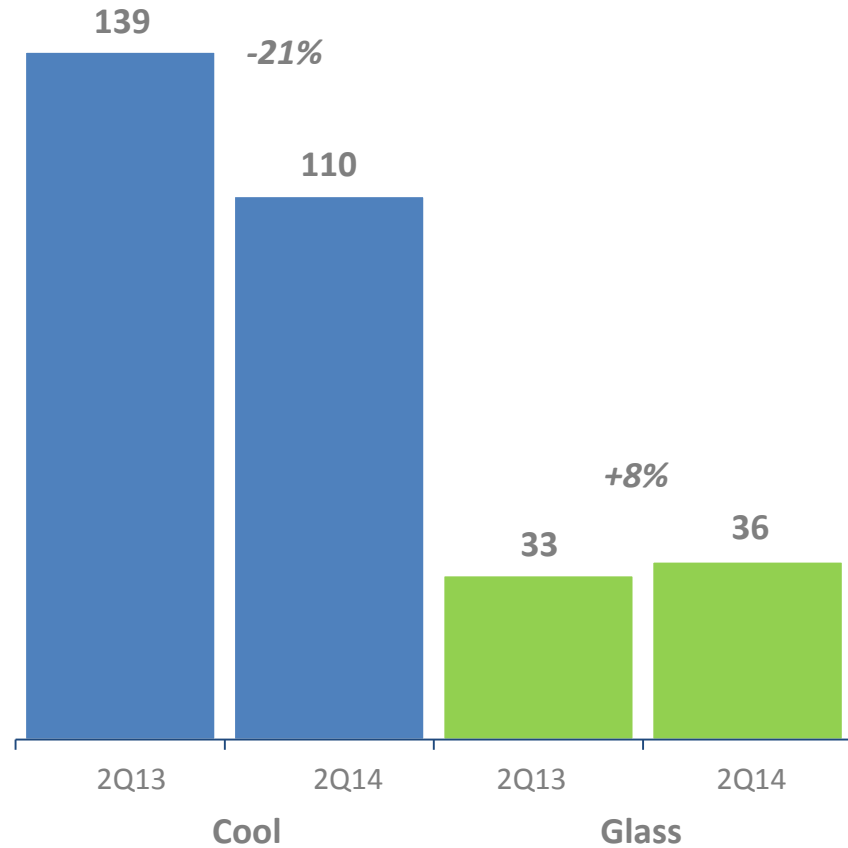


- €29m lower Cool sales due to:
  - Ukraine, Turkey & Africa
  - Business interruption in India
- 8.3% sales growth in Glass on strong Nigeria
- Lower volume absorption diluting EBITDA margin
- Restructuring of Turkish operations
- Strong execution on Inventory reduction

# €29m lower Cool sales in 2Q; solid growth in Glass



Group sales by business segment (in €m)



# India fire incident update



- Substantial loss of sales
- Resume 2 out of 3 lines
- Rebuild to full capacity ongoing

# Manufacturing footprint rightsizing

## Turkey Integration

### Turkey

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- Overhead cost
- Operating expenses
- Interest & depreciation

**Total pre-tax savings €7m**

### Romania

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- Economies of scale
- Lean transformation
- Modular product platform



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# Financial review

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# Financial performance overview

	2Q14	2Q13	Change, %	1H14	1H13	Change, %
<b>Group</b>						
Sales	145.9	172.4	-15.4%	270.2	313.0	-13.7%
EBITDA	20.5	27.4	-25.1%	36.6	47.6	-23.2%
<i>EBITDA Margin, %</i>	<i>14.0%</i>	<i>15.9%</i>	<i>-1.8pp</i>	<i>13.5%</i>	<i>15.2%</i>	<i>-1.7pp</i>
Adj. Net Profit	0.0	6.2	n.m.	-3.4	9.9	n.m.
<b>Cool Operations</b>						
Sales	109.9	139.1	-21.0%	201.1	247.6	-18.8%
EBITDA	13.2	19.3	-31.9%	22.3	31.1	-28.1%
<i>EBITDA Margin, %</i>	<i>12.0%</i>	<i>13.9%</i>	<i>-1.9pp</i>	<i>11.1%</i>	<i>12.5%</i>	<i>-1.4pp</i>
<b>Glass Operations</b>						
Sales	36.0	33.2	8.3%	69.1	65.4	5.7%
EBITDA	7.3	8.0	-8.7%	14.2	16.5	-14.0%
<i>EBITDA Margin, %</i>	<i>20.4%</i>	<i>24.2%</i>	<i>-3.8pp</i>	<i>20.6%</i>	<i>25.3%</i>	<i>-4.7pp</i>

Note: Adjusted Net Profit exclude restructuring charges and other one-off items





# Lower cost absorption impacts margins



	2Q14	2Q13	Change, %
Sales (€ m)	145.9	172.4	-15.4%
Gross Profit	32.8	40.0	-18.2%
<i>Gross Profit Margin, %</i>	22.5%	23.2%	-0.8pp
OPEX	13.5	13.6	-0.5%
<i>OPEX as % of sales</i>	9.3%	7.9%	1.4pp

	1H14	1H13	Change, %
Sales (€ m)	270.2	313.0	-13.7%
Gross Profit	61.5	74.2	-17.2%
<i>Gross Profit Margin, %</i>	22.7%	23.7%	-1.0pp
OPEX	26.4	28.2	-6.3%
<i>OPEX as % of sales</i>	9.8%	9.0%	0.8pp

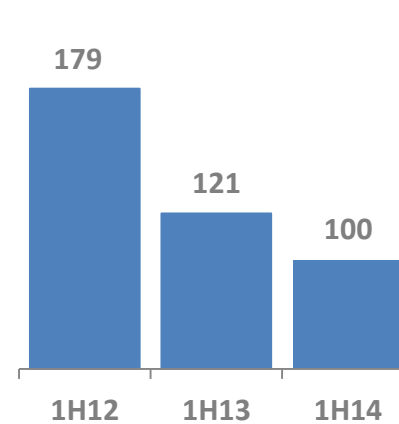
Note: Gross Profit and OPEX exclude depreciation charges



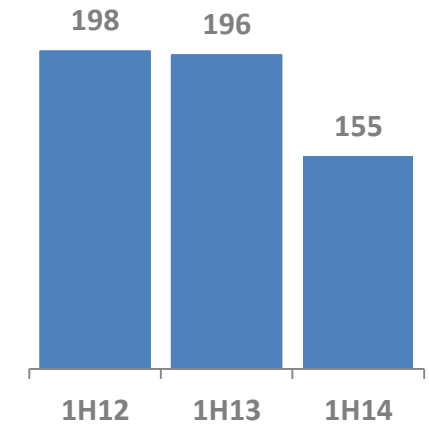
# Net Debt reduction on working capital improvement



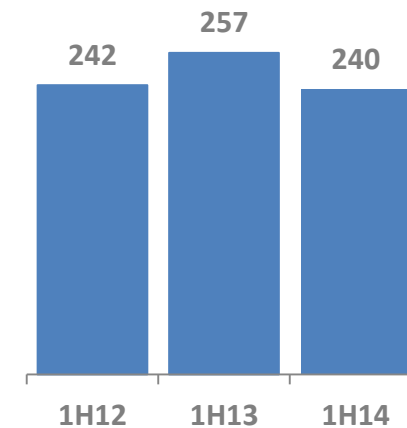
Inventory (in €m)



Working Capital (in €m)



Net Debt (in €m)



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# Business outlook

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# Business outlook



## Short-term focus

- Successful execution of Turkey integration
- Return to full capacity in India
- High glass furnace utilisation in Nigeria
- Improve Jebel Ali glass operating margins

## Long-term profitable growth

- Innovative modular cooler range
- Integrated services concept
- Emerging Markets return to growth

For further information on Frigoglass, please visit our website at:

[www.frigoglass.com](http://www.frigoglass.com)

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