

FRIGOGLASS

# Frigoglass Presentation

## Second Quarter 2010 Results



Green is cool  
Frigoglass

# Company overview

## Our core business

### Ice-cold merchandising / Cool Operations

**Global Presence:** ICM's support beverage companies' sales by creating cold drink availability and stimulating consumer purchases.

**Sales Contribution (2009)** 78%

### Glass/ Nigeria Operations

**Regional/Africa:** Manufacture of glass containers for beverage, pharmaceutical and cosmetic companies.

**Sales Contribution (2009)** 22%

#### Western Europe



■ Production plant:

Greece

▲ Sales offices: France, Germany, Ireland, Norway

#### Eastern Europe



■ Production plant:

Russia, Romania, Turkey

▲ Sales offices: Poland

#### Asia Pacific



■ Production plant:

India, Indonesia, China

▲ Sales offices: Malaysia, Philippines, Australia

#### Africa/Middle East



■ Production plant:

Nigeria, South Africa

▲ Sales offices: Kenya

● Nigeria Operations:  
Glass operations

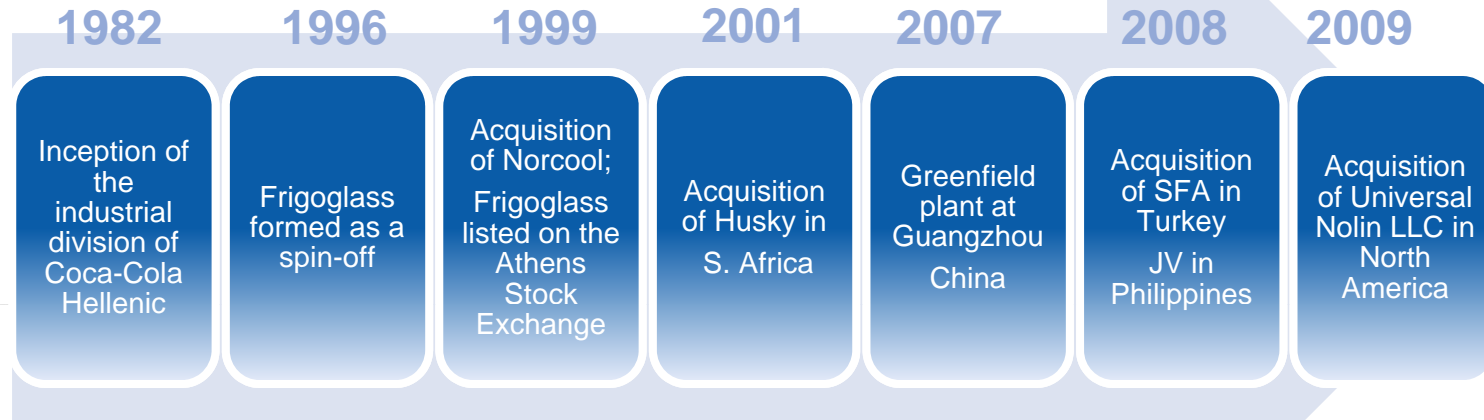
#### USA



■ Production plant:

South Carolina

# Our History



## Investment Proposition

- 
**Broad Geographic Reach:** Production and distribution across five continents
- 
**Blue-Chip Customers:** Coca-Cola Bottlers (CCH, BIG, CCE, CC Amatil). Breweries(Heineken, SABMiller, Carlsberg, Inbev), Pepsi, Dairies (Nestle. Danone)
- 
**Competitive Cost Structure:** Production in low Cost Countries, highly automated plants, operational synergies, global supplier base
- 
**Innovation:** 4 R&D centers. Target of 20% of ICM sales from new products  
**Complete Set of Services:** Service network in 42 countries, 269 service partners

# Core Business



## Ice Cold Merchandisers

First Half 2010  
Sales €199.4 m  
Contribution 84%

## Glass Containers

First Half 2010  
Sales €36.6 m  
Contribution 16%

## Q2 2010 Highlights

- Q2 continued the positive momentum seen during the first part of 2010, with sales increasing 32.3%.
- Cool led the way, driven by ongoing strong momentum in Asia and recovery in Eastern Europe; Western Europe was broadly flat, while Africa/Middle East grew significantly during the quarter.
- The Frigoglass North America integration continues to progress according to expectations.
- During the second quarter sales to Other customers grew by 113.7%, leading to further customer base diversification.
- Glass operations in Nigeria grew by 19.6% in the quarter, even though glass containers were still affected by higher energy costs. Metal crowns and plastic crates grew substantially by 51% and 47.9% respectively.
- Profitability improved, reflecting the positive operating leverage effect from the volume growth, the successful efficiency initiatives and cost management measures.

# H1 2010 Highlights

- Strong increase in sales up by 30% during the first half of 2010.
- Cool led the way up by 36.6%, driven by ongoing strong momentum in Asia and recovery in Eastern Europe; Western Europe was broadly flat, while Africa/Middle East grew for the period.
- Glass operations sales up by 2.7% despite the effects of a planned furnace closure for refurbishment and the higher energy costs, cycling a 19.6% sales growth in the comparable period last year
- Net cash flow from operations increased by €7.3 million in the first half, posting an inflow of €1.6 million, versus an outflow of €5.7 million in the prior year period. Working capital requirements were in line with the increase in sales during the period, but disciplined approach saw the large rise in inventories partially offset by a reversal in trade creditors.
- Capex amounted to €12.4 million in the first half of the year mainly towards Glass Operations in Nigeria which accounted for €8.8 million of this, primarily relating to the planned furnace refurbishment. The remaining €3.6 million was directed towards Cool Operations, mainly for the development of new products, machinery and equipment.
- Profitability up by 136.9% reaching €14.8 million

Effective from Q1 2010, Cool Operations includes the 3P Plastics Operations, as well as the Logistics Revenues and Costs separately, under Net Trade Sales and Cost of Goods Sold respectively (previously this was attributed as a net effect under Selling Expenses)

# Financial Highlights

| <i>(in €m)</i>       | 1st half 2009 | 1st half 2010 | Y-o-Y %       |
|----------------------|---------------|---------------|---------------|
| Sales                | 181.5         | 235.9         | 30.0%         |
| COGS                 | 142.2         | 179.8         | 26.4%         |
| <b>Gross Profit</b>  | <b>39.3</b>   | <b>56.2</b>   | <b>43.0%</b>  |
| Operational Expenses | 23.6          | 27.4          | 16.1%         |
| EBIT                 | 18.0          | 29.8          | 65.0%         |
| Profit Before Tax    | 11.2          | 22.8          | 103.1%        |
| Taxes                | 2.7           | 6.1           | 122.8%        |
| <b>Net Profit</b>    | <b>6.3</b>    | <b>14.8</b>   | <b>136.9%</b> |
| EBITDA               | 30.2          | 42.3          | 39.8%         |

# Cash Flow Statement

| <i>(in €m)</i>                           | 1 <sup>st</sup> Half 2010 | 1 <sup>st</sup> Half 2009 |
|--|---------------------------|---------------------------|
| Cash Generated                           | 35.7                      | 20.3                      |
| Working Capital Movement                 | -34.1                     | -26.0                     |
| Net Cash Flow from Operations            | 1.6                       | -5.7                      |
| Net Cash Flow from Investing Activities  | -12.3                     | -2.1                      |
| <b>Free Cash Flow</b>                    | <b>-10.7</b>              | <b>-7.9</b>               |
| Increase in Bank Loans                   | 61.6                      | 22.5                      |
| Dividends paid                           | 0.02                      |                           |
| Purchase of own shares                   | -2.0                      | -5.8                      |
| Share capital and Other                  | 0                         | 0                         |
| <b>Net increase / (decrease) in cash</b> | <b>48.7</b>               | <b>8.8</b>                |
| Plus Cash at the Beginning of the period | 42.7                      | 47.9                      |
| Effects of exchange rate changes         | 7.5                       | -5.9                      |
| <b>Cash at the end of the period</b>     | <b>98.9</b>               | <b>50.8</b>               |



FRIGOGLASS

# Cool Operations

ICM's are an integral part of a beverage company's strategy for growing Sales across Immediate Consumption Channels



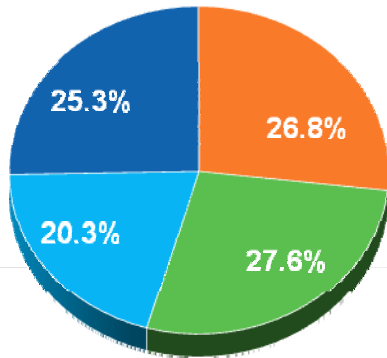
# H1 2010 Highlights

- Cool Revenue increased 36.6% to €199.4 million, with a 28% increase in volume
- Main driver was Asia / Oceania Sales up 64.9% to €60.7 million, driven by significant incremental contributions from Indonesia, China, Philippines and India. The region represented 30.5% of ICM Sales
- Eastern Europe Sales increased by 60.4% to €62.6 million behind recovery in Russia and Ukraine. The region represented 31.4% of ICM Sales
- Africa / Middle East Sales increased by 12.5% to €33.0 million, accounting for 16.6% of ICM Sales, with a significant incremental contributions from Nigeria, South Africa and Zimbabwe and Morocco.
- Western Europe Sales broadly flat reaching €39.5 million. Incremental contributions in the first half of the year noted in Sweden, Austria and Germany partially offsetting substantial declines in the United Kingdom and Greece.
- The integration of Frigoglass North America continues according to expectations and provided the first contribution to Sales
- Capex of €3.6 million was directed mainly for the development of new products, machinery and equipment.

# Cool Operations First Half 2010

H1 2009

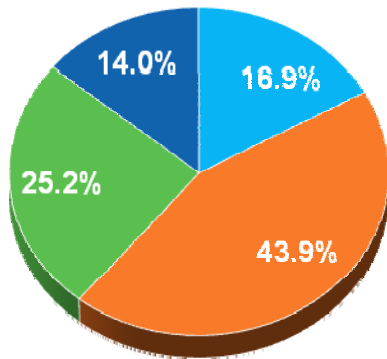
Total **€145.9m**



■ East Europe    ■ West Europe  
■ Africa/Middle East    ■ Asia/Oceania

H1 2009

Total **€145.9m**



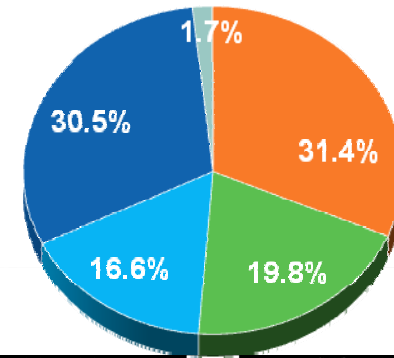
■ CCH    ■ Other CC    ■ Breweries    ■ Other

## Revenue by Geography

| Y-o-Y% Growth:     | 36.6% |
|--------------------|-------|
| Eastern Europe     | 60.4% |
| Western Europe     | -1.3% |
| Africa/Middle East | 12.5% |
| Asia/Oceania       | 64.9% |

H1 2010

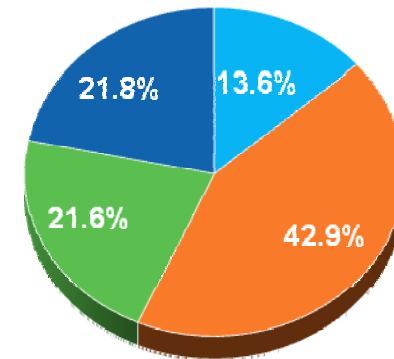
Total **€199.4m**



■ East Europe    ■ West Europe  
■ Africa/Middle East    ■ Asia/Oceania  
■ America

H1 2010

Total **€199.4m**



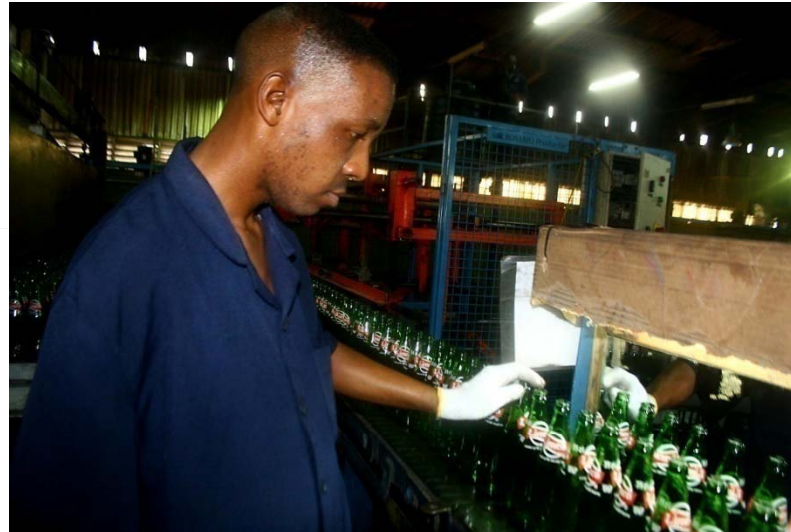
■ CCH    ■ Other CC    ■ Breweries    ■ Other

# Financial Highlights

| <i>(in €m)</i>    | H1 2010 | H1 2009 | Y-0-Y% |
|-------------------|---------|---------|--------|
| <b>Sales</b>      | 199.4   | 145.9   | 36.6%  |
| <b>EBIT</b>       | 23.0    | 9.5     | 141.4% |
| <b>Net Profit</b> | 10.9    | 2.0     | 449.3% |
| <b>EBITDA</b>     | 30.9    | 17.2    | 79.2%  |

# Glass Operations

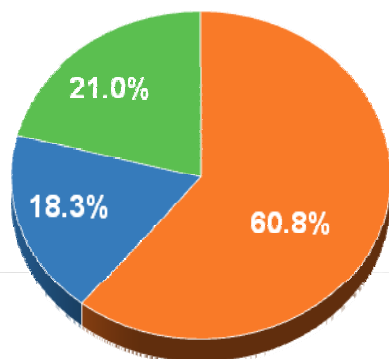
Glass bottles are the most important packaging form in Western Africa and beverage companies require additionally Metal Crowns and Plastic Crates



# H1 2010 Highlights

## H1 2010

Total **€36.6m**



■ Glass ■ Crowns ■ Plastics

- Nigeria Operations Sales increased by 2.7% in Euro to €36.6 million, cycling strong growth of 19.6% in the prior year period
- Sales improved sequentially in the second quarter (up 19.6%) improving over the first quarter performance which was impacted by the planned closure of a furnace for refurbishment and significant increase in energy prices.
- Sales to soft drinks, cosmetic and pharmaceutical segments increased
- Sales for Other Operations of Metal crowns and Plastic crates increased 66.7% and 42.2% respectively during the first half of 2010.
- Capex at €8.8 million

## Latest News

- The refurbishment of a Glass Furnace was completed in the first quarter
- The substantial and unexpected increase in energy prices led to delays in customer orders

## Financials

| (in €m)                          | H1<br>2010 | H1<br>2009 | Y-o-Y% |
|----------------------------------|------------|------------|--------|
| Sales                            | 36.6       | 35.7       | 2.7%   |
| EBIT                             | 6.8        | 8.5        | -20.6% |
| Net Profit<br>(after minorities) | 3.9        | 4.3        | -8.1%  |
| EBITDA                           | 11.4       | 13.0       | -12.5% |
| Euro/Naira                       |            | 197.0      | 193.2  |

# 2010 Outlook

- Positive momentum seen in last quarter of 2009 continued into first half of 2010
- Timing and pace of economic recovery continues to vary by region
- Continue to focus on cost control and cash generation
- Continue to invest for growth, through Innovation in ICM and enhanced efficiency in glass
- Full year Capex revised upwards (from previously €25 m) and is expected to reach €30 million. This relates to additional capacity and efficiency investments as a result of higher demand and new products and further optimisation in the US.
- Expect to further strengthen our capital structure
- Broad geographic presence, strengthening balance sheet, close relationships with customers and skill-set of our employees leaves us well placed for future growth and shareholder value creation

# Strategic Platform for Growth

**ICM Geographic portfolio expansion**

**Creating optimum platform for future growth**

**Cost optimization:**

- Manufacturing network
- Production overheads
- Operating expenses
- Supplier Base Evolution

**Working Capital and Tax Planning**

**Innovation:**  
Develop New Bespoke products that drive Customer's Sales and Profit that account for at least 20% of Frigoglass ICM Sales

**Environment:**  
Be recognized as the industry leader in commercializing environmentally-friendly technologies and solutions

**Sustain growth and efficiency improvements in Nigeria Glass Operations**

**Drive global ICM leadership**  
**Sustain Growth in West Africa Glass Operations**  
**Create long-term shareholder value**



# Thank You

For further information on Frigoglass please visit our website at:  
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