



PRESS RELEASE REGARDING FY 2013 GROUP FINANCIAL RESULTS

HALCOR Group of companies announced its Fiscal Year (FY) 2013 consolidated financial results according to the International Financial Reporting Standards (IFRS).

In 2013 the Eurozone was found for the second consecutive year in recession but to a lesser extent compared to the previous year. The industrial production stabilized after the downward trend in 2012, while the U.S. showed further signs of improvement, which the Group suitably took advantage increasing its presence. At the same time, construction activity remained weak, particularly in southern Europe, while in Greece the decline continued for the seventh consecutive year and we are now at the lowest level in at least forty years.

In this challenging environment, the consolidated turnover in 2013 amounted to Euro 1,102 million against Euro 1,259 million in 2012, a decrease of 12.5%. The decrease was due to the decline in total sales volume by 7% and the reduced average metal prices compared with the previous year.

Consolidated gross profit decreased by 62.7% and amounted to Euro 16.5 million versus Euro 44.4 million in 2012. The decrease was primarily due to a loss of Euro 20.4 million versus a loss of Euro 3.2 million in 2012, from the valuation of the basic operating stock of all productive companies of the Group as a result of the aforementioned drop in metal prices. Consolidated earnings before taxes, depreciation and amortization (EBITDA) amounted in 2013 to Euro 6.7 million versus Euro 34.2 million in the comparable prior year, a decrease by 80.4%, while earnings before interest and taxes (EBIT) amounted to losses of Euro 15.6 million compared to profits of Euro 8.6 million in the previous year. Consolidated results (profit / loss before taxes) amounted to losses of Euro 53.6 million in 2013 compared to losses of Euro 31.1 million in 2012. Finally, the loss after tax and minority interests amounted to Euro 58 million or Euro -0.5725 per share compared to losses of Euro 26 million or Euro -0.2569 per share in 2012, negatively affected by the amount of Euro 6.5 million due to the recalculation of deferred tax of the Group as a result of the change in tax rate in Greece from 20% to 26%.

The volatility and challenges in the macroeconomic environment continued in 2013, with the Eurozone economies showing further deceleration (except Germany) and with Greece remaining in a deep recession. In particular, the demand for installation products continued to move into negative territory as the construction industry has been affected more than anyone else. Consequently, the Group sales volume decreased, but to a lesser extent than the market, while the conversion prices pressed noticeably due to intense competition. In contrast, despite the fact that the demand for industrial products were declining in key European markets, the Group increased sales volume and gain bigger market shares in this specific category. As for the cables, reduced demand in key markets, intense competition and the delay in awarding major contracts erode profitability.

As regards cost, particular attention was paid to the optimization of production processes in order to further reduce industrial costs in order to remain competitive in the demanding markets we serve. However, high energy prices, especially due to tax burden, as well as the high financial cost continued to affect the cost and competitiveness of Group products.

In 2013, HALCOR Group carried out total investments of Euro 57.7 million, of which Euro 49.3 million related to the HELLENIC CABLES Group under the continuing investment program with the main objective of producing high voltage submarine cables. Following the successful roll out of the investment plan, HELLENIC CABLES is now one of the very few cable manufacturers worldwide able to produce high voltage submarine cables.

For 2014, given the difficult conditions still prevailing in the domestic market and the apparent stabilization of the economies of most countries in the Eurozone, the Group will continue to have the primary strategic objective of increasing market share in industrial products and strengthen activity in new markets that have not been affected by the economic downturn. Previously announced reductions in energy prices will help to further reduce industrial cost and enhance the competitiveness of our products. In addition, the current use of the optimal management of working capital and net debt reduction are the main priority.

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The data and information for the period 1.1.2013 - 31.12.2013 together with the Annual Financial Report for the same period will be posted on the Company's website at the address www.halcors.gr and the website of the ASE www.helex.gr.

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