



## **PRESS RELEASE REGARDING H1 2014 GROUP FINANCIAL RESULTS**

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Halcor Group of companies announced its H1 2014 consolidated financial results according to the International Financial Reporting Standards (IFRS).

Consolidated turnover rose in the first half of 2014 to Euro 555.3 million compared to Euro 596.4 million during the first half of 2013 decreased by 6.9%, due to comparatively lower average metal prices, but also the lower fabrication prices, mainly in rolled products for installations and cables. In terms of volumes, there was an increase in sales by 5.7% in favor mainly of rolled products, brass extruded products and copper tubes.

Consolidated gross profit increased by 223.8 % to Euro 17.1 million against Euro 5.3 million in the first half of 2013. Group's profitability in the first quarter of 2014 was burdened by Euro 8.7 million 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, an amount that in first half of 2014, dropped to Euro 7.6 million, due to the stabilization and subsequent recovery of metal prices in the second quarter, while also negatively affected by the implementation of investment projects in plant FULGOR SA, a subsidiary of HELLENIC CABLES SA (idle cost during the upgrading works of existing equipment and installation of new equipment). Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) came in the first half of 2014 to Euro 10.6 million against losses of Euro 1.4 million for the same period last year, while earnings before interest and taxes (EBIT) amounted to losses of Euro 0.7 million from losses of Euro 12.2 million in the corresponding period last year. The consolidated results reached in the first half of 2014 losses of Euro 18.4 million compared to losses of Euro 35.6 million in the first half of 2013. Finally, the results after tax and minority interests amounted to losses of Euro 15.6 million or Euro 0.1537 per share, compared to losses of Euro 33.1 million or Euro 0.3270 per share in the first half of 2013.

As for the parent company, the earnings before interest, taxes, depreciation and amortization (EBITDA) came in the first half of 2014 to Euro 5.2 million compared to losses of Euro 2 million in the corresponding period last year, while profit after tax stood at first half of 2014 to losses of Euro 4.4 million against losses of Euro 17.1 million at the first half of 2013.

In the Eurozone, the modest recovery of productive activity and almost subdued consumption during the first six months of this year enhanced competitive pressures, which adversely affected the fabrication prices in most of the Group's products. Moreover, geopolitical instability, particularly in Russia and Ukraine, had a negative impact on sales volumes. In contrast, the ongoing improvement in economic conditions in the United States and the United Kingdom led to increased sales and better margins. In particular, the demand for installation products moved into negative territory as the construction industry continues to be tested hard. In contrast, the demand for industrial products in key European markets showed signs of stabilization after a downward 2013 and thus the Group increased its sales volume and gain larger market shares. Regarding cables, despite the increase of sales in new markets and product categories, the reduced demand in the European Union and increased competition pressured margins significantly and negatively affected the profitability of HELLENIC CABLES. Also, a significant impact on the Group's results had the temporary postponement of major projects in Greece and abroad in high value added products, such as submarine cables and underground high voltage power cables.

In relation to cost, reductions in energy prices coupled with optimizing production processes led to a further reduction in industrial cost and helped to strengthen the competitiveness of the Group's products abroad. However, the high financial cost continued to negatively affect the Group's profitability against key competitors.

The apparent improvement of the results in the second quarter of the year compared with the first quarter reflects the improved financial performance in volumes, prices and costs, but also the positive impact of metals price stabilization. For the second half of 2014, it is estimated that, given the difficult conditions still prevailing in the domestic market and the apparent instability that continues to be displayed in most countries of the Eurozone, the Group will continue to have the primary strategic objective of increasing market share industrial products and strengthen its business in new markets that have not been affected by the economic downturn. Also, the start of production of high-voltage submarine cables for the project of the Cyclades Islands Interconnection by the second half of the year, will lead the Group to a further increase in sales volume and a significant improvement in profitability.

*The data and information for the period 1.1.2014 - 30.6.2014 together with the Financial Report for the same period will be posted on the Company's website at the address [www.halcor.gr](http://www.halcor.gr) and the website of the ASE [www.helex.gr](http://www.helex.gr).*

Athens, August 28, 2014