31/03/2014 – Press Release-Comments on Financial Results for fiscal year 2013

SFAKIANAKIS S.A. announced its Annual Financial Report for the period 01.01-31.12.2013 in accordance with the International Financial Reporting Standards (IFRS).

Car market in 2013 presented stabilising figures after four years of rapid decrease, consistent with the general improvement in macroeconomic figures in the country. Specifically, total car registrations in 2013 amounted to 58,694 units presenting a slight increase of 0.4% compared to the registrations of 2012.

Regarding the major sectors of activity

- SUZUKI in 2013 made 2,212 car registrations corresponding to a market share of 3.8 % remaining stable within the first ten car importers.
- Retail car sector maintained the first position and in 2013 reinforcing its market share to 12.4 % from 10.9%. Simultaneously, NISSAN brand has been recently added to the portfolio of brands traded by Sfakianakis.
- Excellent performance presented Long Term Rental (LTR) and Rent A Car (RAC) with its subsidiary Executive Lease to be placed between the leading companies of the sector having managed a fleet of approximately 7,000 vehicles. The development in the countries of southeast Europe at RAC in collaboration with ENTERPRISE continued successfully.

Group's turnover in 2013 amounted to € 194.1 mil., presenting an increase of 6.3% compared to the turnover of 2012 while Company's turnover in 2013 amounted to € 146.3 mil. presenting an increase of 8.7%.

Gross profit for 2013 amounted to € 49.9 mil. for the Group and € 16.5 mil. for the Company compared to € 45.4 mil. and € 12.4 mil. for 2012, presenting an increase of 10.0% and 33.1% respectively.

It is notable that sales and gross profit increased for the first time since 2008.

The consistent implementation of the reorganization plan and during 2013 resulted in a reduction of operating expenses at Group level by € 10,3 mil. (-14.9%) and the further shrinking of working capital by € 17,1 mil. The extraordinary reorganization charge exceeded € 2.5 mil. while new provisions (impairment of stock, bad debts, etc.) of € 5,2 mil. were made.

Group returned to operating profitability with EBITDA at € 4.6 mil. versus a loss of € -4,4 mil. the relevant period of 2012. Operating result (EBITDA) for the Company has improved by 55% closing at € -7,0 mil.

Loss before tax for 2013 presented a remarkable improvement and amounted to € -29.7 mil. for the Group against € 43.6 mil. in 2012 and to € 22.4 mil. for the Company against € 39.3 mil. in 2012. Finally, loss after tax and minority rights at group level amounted to € 29.0 mil. against € 46.3 mil. the relevant period of last year.

Cash flow from operating activities at Group level remains positive € 12.2 mil. with clear improvement in all individual activities.

Group’s bank loans have been reduced by € 6.7 mil. from € 299.8 mil. on 31.12.2012 to € 293.1 mil. on 31.12.2013, while Group’s net bank loans on 31.12.2013 amounted to € 278.4 mil.

In accordance with the relevant decision of the Ministry of Development and Competitiveness, it was approved the merger of Sfakianakis S.A. and Personal Best S.A. by absorption of the latter by the former. All transactions made after the date of transformation Balance Sheet 31.12.2012 were accounted on behalf of the acquiring company.

Sfakianakis group of companies in 2013 has significantly improved its trade performance, has adapted its functions to new market conditions, has ensured adequate funding, has continued to invest in activities with perspectives reinforcing its competitiveness and has finally set solid foundation for the return to sustainable profitability.