



## HELLENIC FABRICS S.A.

Thessaloniki, 30<sup>th</sup> of May 2009

### **PRESS RELEASE**

The global economic crisis affected the Group's performance. Due to the ongoing particularly intensive economic recession during the first quarter and despite the fact that the company maintained its clientele, but with decreased orders, it faced a drop in its turnover and results. A respective reduction was also noted in the rest of denim production industries in Europe.

The Group's turnover during the 1st quarter of 2009 amounted to 14.4 mln € as compared to 21.5 mln € in the relative last year period, showing a 33% reduction. The parent company's turnover amounted to 11 mln € as compared to 19 mln € in the relative last year period, for the aforementioned reasons. More than 75% of the parent company's turnover comes from exports.

The gross profit margin of the group amounted to € 0.4 mln, in comparison to € 2.2 mln in the relevant last year period. The gross profit margin of the parent company amounted to € 0.02 mln, while in the 1st quarter of 2008 it was € 1.9 mln.

Group's consolidated net results before taxes, interest and depreciation (EBITDA) amounted to € -1.592 thous, from € 846 thous in the relative last year period, affected mainly from the parent company's EBITDA which is reduced in comparison to the previous year and amounted in the 1st quarter of 2009 to € -2.117 thous from € 391 thous of the relative last year period. The parent company's EBITDA was negatively



## HELLENIC FABRICS S.A.

affected by exceptional other expenses amounting to about € 1.200 thous, due staff leaving in context with the restructuring and exceptional cost of transferring the Sindos Spinning Mill to its subsidiary Kilkis Spinning Mills S.A.

The Group's financial results before taxes amounted to € -3.9 mln from € -1.7 mln of the relevant last year period. The parent company's financial results before taxes amounted to € -3.68 mln from € -1.26 mln of the relevant last year period, mainly attributed to the exceptional, one-off, aforementioned expenses.

The consolidated net results after taxes amounted to € -3.9 mln as compared to € -1.5 mln of the relevant period of 2008, while the parent company's net results after taxes amounted to € -3.7 mln as compared to € -1 mln of the relevant last year period.

In the first quarter of 2009, the company intensified its efforts for the reduction of expenses and production cost, while additional drastic measures were taken for the improvement of its cash flow.

HELLENIC FABRICS S.A. continues its strategy in manufacturing and promoting new types of denim fabrics, with innovative characteristics.

At the same time, Management already applies a program for the improvement of its results, which consists of strict expense control, reduction of labor cost and decrease in working capital needs, as well as further actions for increase of sales and efficiency of all the other departments.