SIDMA S.A.
STEEL PRODUCTS

Press release

Athens, 30 August 2012

SIDMA, despite the uncertainty prevailing in the Greek market, registered a positive second quarter in terms of operating profits (EBITDA) at both Company and Group level as opposed to the negative results of the first quarter.
The establishment of the new government had an apparent positive effect on the market sentiment where expectations were nurtured about an increase in liquidity and the start-up of development projects. Nevertheless, as far as industry is concerned, according to the Foundation for Economic and Industrial Research, the forecasts for the short-term progress of production remain downward while the pessimistic assessments of companies about a further drop in demand become stronger.

In detail, during the first half of the year the consolidated turnover of parent SIDMA stood at € 49 million compared to € 58 million in the respective period of 2011, registering a 15% decrease and, together with agency sales, stood at € 64 million from € 75 million last year, i.e. a 14% decrease. However, an improvement has been registered in relation to the first quarter of the year where sales were less than last-year sales by 21%.

At Group level, in relation to the respective last-year period, pre-tax results registered losses equal to € 7.0 million compared to losses of € 3.8 million whereas earnings before interest, taxes, depreciation and amortization (EBITDA) were negative by € 1 million. The results became worse also due to the decrease in the gross profit margin, the increase in financial expenses owing to the increase in borrowing costs and the extraordinary non-recurring expenses of € 0.9 million, a part of which concerned indemnities in the context of reorganization of the company's organizational structure. However, results were improved in the second quarter of the year in relation to the first one and the respective last-year quarter since marginal earnings before interest, taxes, depreciation and amortization (EBITDA) equal to € 70,000 were registered, compared to losses of € 1.1 million in the previous quarter and losses equal to € 0.2 million in Q2 2011.

At Company level, during the first half of the year the turnover of SIDMA stood at € 28 million, compared to € 34 million in the respective period of 2011, registering a 17% decrease and, together with agency sales, stood at € 44 million from € 51 million last year, thus registering a 14% decrease. At Company level, an improvement was noted in the second quarter in relation to the first quarter of the year since sales were less than the respective last-year sales by 23%. Earnings before taxes registered losses of € 5.6 million in relation to the respective last-year period compared to losses of € 2.6 million whereas earnings before interest, taxes, depreciation and amortization (EBITDA) were negative by € 0.6 million. With the exception of the aforementioned extraordinary expenses, the company's operating results are positive by € 0.3 million, registering an improvement in relation to the first quarter of the year. In addition, pre-tax earnings were charged with a provision for impairment of the international holdings by € 1.4 million. At Company level, the second quarter of the year was better than the first one and the respective last-year quarter since it registered earnings before interest, taxes, depreciation and amortization (EBITDA) equal to € 0.3 million compared to losses of € 0.9 million in the previous quarter and losses equal to € 0.3 million in Q2 2011.

As regards liquidity, the parent company registered positive operating cash flows of € 0.8 million whereas at Group level it registered marginally negative operating cash flows of € 0.2 million. Company borrowing decreased by € 1 million whereas the subsidiaries' borrowing did not change in relation to the end of 2011. At the end of June, cash stood at € 18 million and € 12.4 million respectively.

In June the photovoltaic panel farm of 0.9 MW started operating in SIDMA premises at Oreokastro. It is expected that this project will generate income of approximately € 500,000 on an annual basis.

The Company gradually reduces the credit days granted to its clientele in order to maintain its liquidity and avoid, as much as possible, any increase in credit risk.

Making forecasts for the end of the year is extremely difficult. For Greece, it will depend mainly on the government initiatives to boost the market and as for the Balkan countries, it will be associated with the overall financial situation in Europe.