

Press release

18 June 2010

**Commentary on the Annual Shareholders' Ordinary General Meeting
of SIDMA SA**

On Thursday, 17 June 2010, the Annual Ordinary General Meeting of Shareholders of SIDMA S.A. was held during which all items on the agenda were considered and decisions were made thereupon. 19 shareholders were attending who represent 79.997% of the share capital and voting rights.

The activity report of the Board of Directors and Auditors and the Annual Financial Statements of the fiscal year 2009 were unanimously approved.

During presentation of the company's results to the General Meeting, the Management stressed the main events that marked 2009 and the period of 2010 to date.

It was reported that 2009 was the worst year of the last twenty years for the steel sector in Greece and internationally. It was also the most difficult year in the 80-year history of the company. Worldwide companies registered unprecedented losses due to the drastic drop of steel prices that was sparked in the last quarter of 2008.

Management referred to the fluctuations of the selling prices of the company's main products during the last 2 years in Greece and abroad, which resulted in SIDMA and most of the sector's companies internationally operating at negative gross profit throughout the greatest part of 2009. Due to this reason, in 2009, the companies having the highest turnover and the most important position in each market registered the highest losses in the steel sector.

In the environment of the global economic turmoil, SIDMA managed to increase its presence in the Balkans. Total investments in fixed assets at a value higher than € 30 million over the last six years and the strategic position in the Balkan markets through the creation of steel processing centres in Romania and Bulgaria help the company increase gradually its market share in these neighbouring countries.

In addition, the company took a series of steps in order to deal with the crisis, primarily through the decrease of its operating expenses by 20% in 2009 in relation to 2008 and the decrease of its capital expenditure by € 8.5.

In addition to the above actions, in 2010 the company will hasten the translocation of

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Aspropyrgos warehouses at Inofyta, which has been scheduled a long time ago, in order to further decrease its operating expenses. The company is at the stage of being granted the approvals required for constructing new warehouses at Inofyta in order to fully transfer its various operations from Aspropyrgos at Inofyta by the first half of 2011. Thus, the company will considerably decrease its operating expenses. The company will gain a considerable financial benefit from the future sale or leasing of Aspropyrgos facilities which have a surface area of approximately 35,000 m².

Management also referred to the fluctuations of steel prices over a six-year horizon. Following the strong rise of the last six months, it is likely that a slight price correction will take place during the second half of the year, which will squeeze the gross profit margins of the sector's companies. Management referred to the inventories of the sector's companies at European level, which have resumed their normal quantities in relation to the end of 2009. In addition, the demand in the local market which registered a satisfactory performance over the first four months of the year considerably reduced since last month and remains at low levels having regard to the period. The new measures, the delay of new investments and the drastic decrease of business financing by Banks, all of which were followed by the rise in borrowing costs, have a direct effect on consumption and liquidity in the market. While the number of doubtful debts in the market has increased in relation to previous years, the company applies at all times a strict credit policy and continues to cover the balances of its customers via insurance companies at a percentage over 80%. Finally, the company continues to strengthen its presence in Bulgaria and Romania, through its subsidiaries since it believes that these countries will recover at a faster rate than the domestic market.

Finally, as regards 2010, the priority of the company remains to maintain its liquidity, further reduce overheads and adapt to the reality of the Greek market, as established after the imposition of the new financial measures. During the first quarter of the year the losses radically decreased in relation to the respective quarter of 2009, which is due to the steady rise of gross profit. The continuing improvement of financial figures throughout 2010 cannot be possibly determined due to the fluid financial situation that affects both consumption and steel prices.

In the context of the Annual Ordinary General Meeting of Shareholders, the following items were approved among others:

- Discharge of members of the Board of Directors and the Chartered Auditor for 2009;
- Election of chartered auditors and approval of their fees for 2010;

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- Approval of the fees paid to BoD members associated with dependent labour relation for 2009 and preliminary approval of their fees for 2010;
- Election of a new Board of Directors; and
- Election of the members of the audit committee in line with article 37 of Law 3693/2008.
- Amendment of the bond loan (which was referred to the margin of loan) with the bank trade HSBC Bank plc.
- Amendment of the articles 13 and 15 of the Company's Articles Incorporation.