SIDMA S.A.
STEEL PRODUCTS

Press release

Athens, 26 May 2010

Improved results for SIDMA Group in Q1 2010

Important improvement of all main ratios at Group level as follows:

- Positive gross profit: € 1.4 million
- 11% increase in sales percentage in non-Greek markets
- Decrease of administrative and selling expenses by 3.2%
- Increase in operating cash flow
- Decrease of net borrowings
- Post-tax reduced losses: € 1.9 million

In Q1 2010, Group gross profit amounted to € 1.4 million while in Q1 2009 it had registered losses of € 1.2 million. The rise in the raw material prices in the international market coupled with the continuous rise of the selling prices of the company's products throughout the quarter contributed to the steady increase of gross profit, thus improving its results.

In detail, the consolidated turnover of SIDMA S.A. amounted to € 27 million compared to € 30 million in Q1 2009, thus being decreased by 7.5%; together with agency sales it stood at € 38 million compared to € 39 million in Q1 2009, thus registering a 3% marginal decrease. This decrease is due to the variation in the average selling price of goods of this period which is lower by 3.6% than the respective last-year price.

At Group level, post-tax results stood at losses amounting to € 1.9 million in comparison with losses of € 6.1 million in Q1 2009 while earnings before interest, tax, depreciation and amortization (EBITDA) were equal to marginal losses of € 0.4 million compared to losses of € 3.3 million over the respective last-year period.

At Company level, the turnover of SIDMA S.A. together with agency sales came to € 27,9 million compared to € 28,6 million in Q1 2009, thus registering a 2,5% slight decrease. Post-tax results, following the effect of deferred tax assets, stood at losses amounting to € 1.1 million in comparison with losses of € 4.7 million over the respective last-year period while earnings before interest, tax, depreciation and amortization (EBITDA) were equal to marginal losses of € 0.3 million compared to losses of € 3.2 million over the respective last-year period.

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Foreign subsidiaries contributed by 21% to the Group's total sales in relation to 19% in Q1 2009, being increased by 11%. SIDMA ROMANIA registered positive results at EBITDA level (€ 145,000) with sales volume being increased by 43% compared to last-year volume. On the contrary, regarding SIDMA BULGARIA, results in terms of EBITDA were marginally negative while the sales volume remained at last-year levels since the said market has not given yet any signs of recovery.

The company's leverage (debt to equity ratio) remained at last-year levels, namely below 1.5x. Net loans at Company level stood at € 60 million, being reduced by 3% while at Group level they stood at € 92 million, being reduced by 0.5% compared to December 2009. Finally, the operating cash flow amounted to € 2.7 million and € 0.9 million at Company and Group level respectively.

The priority of the company remains to maintain its liquidity, reduce overheads and adapt to the reality of the Greek market, as established after the imposition of the new financial measures. The international market gives signs of temporary containment of rises as regards steel prices. The costs of steel plants, however, increase following the latest revaluations of ore price, which may lead to further increases during the second half of the year.