

Press Release

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SIDMA S.A.: Improvement of the financial results, with a 28% increase in the subsidiaries' turnover

Despite the general financial crisis in the market, which is affecting the steel products sector, SIDMA's financial results for the second quarter of 2010 are improved, compared to the same period last year. The figures remain negative, though. Exceptions are its subsidiaries in the Balkans that demonstrated a turnover increase, thus justifying the company's strategy for international expansion.

At Group level, the turnover amounted to € 62.4 million compared to € 61.1 million in the first Semester of 2009, thus registering a 2% increase. Counting in the company's sales on behalf of third parties (agency) during the first Semester of 2010, these amounted to € 83.6 million, compared to € 81.3 million during the first Semester of 2009, thus registering a 3% increase. Earnings before interest and tax were equal to profits of € 0.8 million compared to losses of € 10.1 million over the respective last-year period. Earnings before taxes stood at losses amounting to € 4.2 million, significantly decreased compared to losses of € 14.9 million over the respective last-year period, while post – tax results stood at losses amounting to € 3.4 million, compared to losses of € 12.4 million, during the first Semester of the last year.

At Company level, the turnover of SIDMA S.A. came to € 38.2 million compared to € 39.1 million in the first Semester of 2009. Counting in the Company's sales on behalf of third parties (agency) during 2010, sales stood at € 59.5 million compared to € 59.3 million during the first semester of 2009, thus remaining at the same level of last year. Earnings before taxes, financial results and investing, stood at profits amounting to €336 thousand compared to losses amounting to € 9.1 million during the first Semester of 2009, while earnings before taxes were equal to losses of € 2.4 million compared to losses of € 11.5 million. Post – tax results stood at losses amounting to € 1.9 in comparison with losses of € 9.4 over the respective last year period.

The subsidiaries in the Balkans increased their turnover by 11% in Bulgaria and 37% in Romania. Furthermore, their contribution to the Group's turnover increased to 33% in the first Semester of 2010, compared to 26% of the first semester of 2009, thus registering a 28% increase. It is noteworthy, that both companies managed to increase their market share, looking forward to an even greater improvement during the second semester of 2010.

According to the Management, the negative market conditions will be sustained throughout 2010, whilst demand will remain at low levels. As it has already done during

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the first semester of 2010, the company will continue implementing all appropriate measures in order to decrease its expenses, as long as such measures will not constitute hindrance for the company's development in a future market rally. A reduction in the Administrative and Distribution costs of 8.1% or € 461 thousand has already been achieved compared to the respective last year period. In the context of a decrease in its expenses and an improved utilization of its real property, the company proceeded to the first phase of the relocation of the Aspropyrgos installations at Inofyta, aiming at completing the relocation and exploitation of the Aspropyrgos real estate in Q1 of 2011. Finally, a primary goal for the company remains to maintain its liquidity, by prudent administration of its reserves (reduced by 10% compared to the respective last year period) and reduced days of credit for the customers, who, despite the problems that the market is facing, they have remained for the time being at the same levels of 2009. The aim for the second semester of 2010 is their significant reduction.