

Press release

Athens, 29 March 2013

2012 was another difficult year, the third in a row, during which Greek enterprises suffered the adverse effects of the crisis with recession, lack of liquidity, financing failure, successive new taxes and insecure international environment being the main characteristics. Under these circumstances of extreme uncertainty that prevailed in the market, SIDMA focused on increasing its operating profitability by optimizing its gross profit and reducing its costs in all its activities. Thus, following the above actions, although its results were similar to those of 2011, SIDMA raised its turnover and operating results in the last quarter of the year both in relation to the previous quarter and the respective last-year period. Moreover, SIDMA attained the best profitability in terms of gross profit ever since 2006.

In detail, at Group level, the turnover amounted to € 100 million, reduced by 11% compared to that of 2011. If we take into account the company's sales on behalf of third parties (agency), the turnover amounted to € 132 million, compared to € 143 in 2011, a 7% drop. Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at losses of € 1.0 million compared to losses of € 0.6 million in the previous year. Pre-tax results amounted to losses of € 11.9 million compared to losses of € 11.3 million in the respective last-year period. 2012 results include extraordinary, non-recurring expenses totalling € 1.2 million, a part of which concerned indemnities paid in the context of the company's organizational restructuring that took place during the year.

At Company level, the turnover of SIDMA amounted to € 56 million compared to € 62 million in 2011. If we take into account the Company's sales on behalf of third parties (agency), total sales amounted to € 88 million compared to € 92 million in 2011, a 4% drop. Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at € 150,000 compared to losses of € 284,000 in the previous year while pre-tax results were equal to losses of € 9.2 million compared to losses of € 6.8 million in the previous year. In addition to the extraordinary, non-recurring expenses cited above (at company level these stood at € 1.1 million), a provision of € 2.4 million for impairment of international holdings was charged to the above results.

The last quarter of the year, however, was the best for SIDMA in terms of turnover and operating profitability following the outburst of the crisis at the end of 2008. Specifically, the turnover rose by 26% compared to the previous quarter (3rd quarter 2012) and by 9.5% compared to the respective quarter of 2011. The gross profit exceeded 11% while standing at 10% and 6% in the third quarter 2012 and the fourth quarter of 2011 respectively. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 530,000 while coming to € 179,000 in the previous quarter and being equal to losses of € 710,000 in the respective quarter of 2011.

As regards the Balkan subsidiaries: Bulgaria saw a 9.6% rise in turnover and Romania a 20.2% drop in relation to 2011. Specifically the turnover of SIDMA Bulgaria amounted to € 15.6 million compared to € 14.2 million in 2011 while the turnover of SIDMA Romania came to € 20.4 million compared to € 25.6 million in 2011. The results in Romania are explained by the political instability that reigned in the country throughout the greatest part of the year. Steel consumption dropped by approximately 20% in relation to 2011, owing to the limited public budget and reduced public investments that were due to the non-absorption of EU funds.

The primary goal of SIDMA for 2013 is to maintain its liquidity through proper management of working capital. In 2012, SIDMA reduced the credit time allocated to its customers by 12 days and aims to decrease credit time even further by at least 10 days in 2013. The decrease in working capital by 17% or € 9 million at Group level and by 21% or € 7 million at Company level generated results since borrowing in 2012 was kept at 2011 levels despite the losses registered. Moreover, such decrease helped both the Group and the Company to maintain cash at € 16.5 million and € 12.3 million respectively at the end of 2012.