

S.A. Register No 7946 / 06 / B / 86 / 2

**REPORT ON DISTRIBUTION OF FUNDS RAISED FROM SHARE CAPITAL INCREASE
THROUGH PAYMENT IN CASH OF
"SIDMA S.A. STEEL PRODUCTS"**

It is notified that pursuant to decision No 33/24.11.2005 of the Board of Directors of Athens Stock Exchange the company's share capital increase through payment in cash, which took place by way of decision dated 16/12/2004 of the Extraordinary General Meeting of its shareholders and decision No 2/315/26.10.2004 of the Hellenic Capital Market Commission, through private placement and public offering carried out from 12 to 15 April 2005, resulted in raised funds equal to € 13,250,000. Pursuant to the certification of the BoD dated 26/4/2005, the net amount of funds raised following subtraction of listing expenses to ATHEX, which came to € 700,000, stood at € 12,550,000.

The new ordinary registered shares that were issued numbered 2,500,000 with a nominal value of € 1.35, at a selling price of € 5.30. Shares trading on the Primary Market of ATHEX started on 10 May 2005. Therefore, the raised funds totalling € 12,550,000, following the modifications of the investment plan decided by the resolution of the Company's BoD on 21/9/2005, the resolution dated 8/6/2006 of the shareholders' Ordinary General Meeting and the resolutions dated 15/12/2006 and 3/9/2007 of the Company's BoD, were distributed as follows given that:

- 1) The delay in the implementation of the investments under subparagraphs A, B and C is mainly due to the fact that the payment of the share capital increase was completed later than the date expected (26/4/2005) and, for this reason, the company postponed the investment plan by way of its BoD decisions dated 21/9/2005 and 15/12/2006.
- 2) The amount of € 1,740,000 referring to investment categories under subparagraphs C and D (expansion of activity in Bulgaria and Romania respectively) concerns the indirect (through 100% subsidiary in Cyprus) interest in the share capital of foreign companies having their registered offices in Romania and Bulgaria, which carry out the abovementioned investments.
- 3) The non-distributed funds, which came to € 430,000 and concerned the sub-categories "Office construction", "Landscaping" and "Installation of mech. Equipment (gantry cranes)" in pursuance of the decision of the company's BoD dated 3 September 2007, were earmarked for the construction of new warehouses and purchase of mechanical equipment in Inofyta.

SIDMA S.A.

HEAD OFFICE: 39 P. RALLI ST., 177 78 ATHENS, GREECE, VAT NO: EL 094106678

ALLOCATION OF FUNDS RAISED FROM THE IPO LISTING

According to the No 33-24/11/2005 decision of the A.S.E., the company announced that: the Share Capital Increase of SIDMA S.A. (Public Offering via book building from 12 to 15 of April 2005), based on 16/12/2004 decision of the EGM and No 2/315/ 26/10/2004 decision of the Capital Market Committee resulted to Net Proceeds of EURO 12,550,000 (EURO 13,250,000 minus IPO Expenses of EURO 700,000) by issuing 2,500,000 shares, as certified by the decision of the Board of Directors on 26/04/2005. Following the decision of the Board of Directors on 21/09/2005, the decision of the Annual General Meeting of the Shareholders of the company on 08/06/2006 (for the modification of the investment program) and the decision of the Board of Directors on 15/12/2006 and 03/09/2007, the allocation of the Net Proceed is as follows:

a/a	Investment Category (amounts in thousands EURO)	ALLOCATION OF FUNDS RAISED FROM THE IPO LISTING AS DESCRIBED IN THE IPO PROSPECTUS			ALLOCATION OF FUNDS RAISED FROM THE IPO LISTING AS HAS BEEN MODIFIED BY THE BOD DECISION ON 21/09/2005			ALLOCATION OF FUNDS FROM 01/01/2005 - 12/31/2005	ALLOCATION OF FUNDS FROM 01/01/2006 - 31/12/2006 according to the AGM OF 08/06/2006 and BoD OF 15/12/2006	FUNDS TO BE ALLOCATED ON 31/12/2006	ALLOCATION OF FUNDS FROM 01/01/2007 - 03/09/2007	FUNDS TO BE ALLOCATED ON 03/09/2007	FUNDS TO BE ALLOCATED ON 03/09/2007 according to the BoF of 03/09/2007	ALLOCATION OF FUNDS FROM 03/09/2007 - 30/09/2007			
		2005		2006	TOTAL	2005		2006		TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL		
		1 st Semester	2 nd Semester	1 st Semester		1 st Semester	2 nd Semester	1 st Semester	2 nd Semester								
A	Investment in Equipment	1.200	1.200	880	3.280	665	330	1.135	1.150	3.280	894	1.173	570	570	0	227	227
	Equipment for polishing, grinding and cutting of Stainless Steel	0	500	500	1.000	0	0	150	850	1.000	0	490	510	510	0	0	0
	Equipment for drilling of beams and small plates	0	600	0	600	0	0	600	0	600	0	0	0	0	0	0	0
	Line for C and Z profiles	410	0	0	410	345	65	0	0	410	410	0	0	0	0	0	0
	Packing line for strips	300	0	0	300	212	88	0	0	300	266	0	0	0	0	0	0
	Revamping of Siemi cut to length line	0	0	300	300	0	0	0	300	300	0	0	0	0	0	0	0
	Revamping of Fimi slitter	210	0	0	210	60	50	100	0	210	99	0	0	0	0	0	0
	Purchase of two lift trucks	150	0	0	150	0	60	90	0	150	59	91	0	0	0	0	0
	Semi-automatic packing system for Novastilmecc C.TL line	0	100	0	100	0	0	100	0	100	0	0	0	0	0	0	0
	New uncoiler for Auxmet Cut-To-Length line	80	0	0	80	48	32	0	0	80	60	0	0	0	0	0	0
	Installation of Barcode system	0	0	80	80	0	35	45	0	80	0	0	0	0	0	0	0
	Sawing machine	50	0	0	50	0	0	50	0	50	0	0	0	0	0	0	0
	Acquisition of new and revamping of existing machinery											592	60	60	0	227	227
	New land acquisition & construction of warehouse and offices	3.850	2.070	1.180	7.100	0	300	4.230	2.570	7.100	70	4.418	3.029	2.599	430	203	203
	Land acquisition	3.850	0	0	3.850	0	300	3.550	0	3.850	70	4.197	0	0	0	0	0
	Warehouse construction	0	1.770	680	2.450	0	0	680	1.770	2.450	0	173	2.277	2.277	0	203	203
	Office construction	0	120	180	300	0	0	0	300	300	0	0	300	66	234	0	0
	Modification of the surrounding area	0	0	150	150	0	0	0	150	150	0	48	102	45	57	0	0
	Installation of equipment (bridge cranes)	0	180	170	350	0	0	0	350	350	0	0	350	211	139	0	0
C	Expansion to Bulgaria	1.016	0	0	1.016	0	1.016	0	0	1.016	1.016	0	0	0	0	0	0
	Land acquisition	400	0	0	400	0	0	0	0	400	400	0	0	0	0	0	0
	Warehouse & Office construction	616	0	0	616	0	616	0	0	616	616	0	0	0	0	0	0
D	Expansion to Romania	0	474	0	474	278	196	0	0	474	474	250	0	0	0	0	0
	Land acquisition	0	374	0	374	278	96	0	0	374	374	0	0	0	0	0	0
	Warehouse & Office construction	0	100	0	100	0	100	0	0	100	100	250	0	0	0	0	0
E	Installation of ERP system	610	35	35	680	375	235	35	35	680	609	47	0	0	0	0	0
	Licence for 60 users	150	0	0	150	75	75	0	0	150	150	0	0	0	0	0	0
	Hardware	60	0	0	60	0	60	0	0	60	60	0	0	0	0	0	0
	Installation of application software and user training	345	0	0	345	300	53	0	0	353	353	0	0	0	0	0	0
	Application software maintenance for fiscal years 2005 & 2006	35	35	35	105	0	35	35	35	105	34	47	0	0	0	0	0
	Project team training	20	0	0	20	0	12	0	0	12	12	0	0	0	0	0	0
	TOTAL	6.676	3.779	2.095	12.550	1.318	2.077	5.400	3.755	12.550	3.063	5.888	3.599	3.169	430	430	430

ATHENS - OCTOBER 1, 2007

PRESIDENT OF THE BOARD OF DIRECTORS (BoD)

VICE PRESIDENT OF THE BoD

THE GENERAL DIRECTOR

THE CHIEF FINANCIAL OFFICER

ACCOUNTING DEP. HEAD

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AUDITOR'S REPORT

We have audited the above statements of “SIDMA STEEL PRODUCTS S.A.” of the period 1/1/2007 to 30/9/2007.

The above statement is the responsibility of the Company's management.

Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards which are based on the International Auditing Standards.

These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the above statement is free of material misstatements and omissions.

The audit includes the examination of evidence supporting the amounts and disclosures of the above statement.

We found out through our audit that the above data came from the accounting books and records kept by the Company as well as from the approved by Athens Stock Market Briefing Bulletin as modified by the Board of Directors' decisions of 21/9/2005, 15/12/2006 and 3/9/2007 and the Ordinary General Meeting's decision of the Company's shareholders.

Athens, October 2, 2007

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