



Company's No 7946/06/B/86/2 in the register of Societes Anonymes

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**CONSOLIDATED FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2011**

**ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS**



December 2011

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1 Statements of Members of the Board in accordance with article 4 of Law 3556/2007

The members of the Board of Directors of SIDMA S.A.:

1. MARCEL L. AMARIGLIO
2. SARANTOS K. MILIOS
3. DANIEL D. BENARDOUT

in our above mentioned capacity declare that:

as far as we know:

- A. the enclosed financial statements of SIDMA S.A. for the period of 1.1.2011 to 31.12.2011, drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of SIDMA S.A., as well as of the businesses included in Group consolidation, taken as a whole

and

- B. the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of SIDMA S.A., and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Halandri, March 27, 2012

CHAIRMAN OF THE BOARD
OF DIRECTORS

VICE-CHAIRMAN OF THE BOARD
OF DIRECTORS

C.E.O.

MARCEL L. AMARIGLIO

SARANTOS K. MILIOS

DANIEL D. BENARDOUT

2 Management report of the Board of Directors

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2.1 Review of Major Events Regarding the Company and the Group During 2011

2.1.1 General Overview

The crisis-struck Greek economy and the effect of the measures imposed throughout 2011 led, for one more year, to decreased demand for steel products, this leading to a 13% drop approximately in the company's sales in relation to 2010, and to the squeeze of operating profit margins. The continuous cuts in the public investment plan and the Greek State's failure to make payments have blocked infrastructure projects. As a result of the protracted recession, the steel products market returned to consumption figures applying in the 90s.

Amid this challenging business environment, SIDMA has set as top priority to preserve its liquidity and limit its needs for working capital, thus keeping its borrowing at 2010 levels.

The drop in the turnover in the Greek market was partly counterbalanced by the sales of the Balkan subsidiaries and the company's exports which amounted to 1/3 approximately of the Group's total sales.

In detail, at Group level, the turnover stood at € 112 million, i.e. reduced by 6% in relation to 2010. Taking into account the Company's sales on behalf of third parties (agency), the turnover stood at € 143 million in 2011 from € 157 million in 2010, registering a 9% decrease. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to loss of € 0.6 million compared to profit of € 0.7 million in the previous year. Pre-tax results stood at loss of € 11.3 million in relation to loss of € 8.5 million in the respective last-year period.

At company level, the turnover of SIDMA stood at € 62 million from € 71 million in 2010. Taking into account the company's sales on behalf of third parties (agency), total sales stood at € 92 million from € 108 million in 2010, registering a 14.6% decrease. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to loss of € 0.3 million compared to profit of € 0.2 million in the previous year while pre-tax results were equal to loss of € 6.8 million compared to loss of € 5.3 million in the previous year.

The subsidiaries in the Balkans registered an increase in their turnover: Bulgaria by 4.2% and Romania by 9.5%. Specifically, the turnover of SIDMA Bulgaria amounted to € 14.2 million compared to € 13.7 million in 2010 while the turnover of SIDMA Romania stood at € 25.6 million compared to € 23.4 million in 2010. Their contribution to the Group's total turnover rose from 23% in 2010 to 28% in 2011, i.e. 18% increase.

In an attempt to curtail expenses, the Group's administrative and selling expenses reduced by 4,6% in 2011 compared to the previous year and amounted to € 14 million. Industrial overheads were improved to a larger extent since they fell by 7% and 15% at Group and Company level and amounted to € 5.2 million and € 2.6 million respectively.

However, financial expenses rose by 26% compared to 2010, reaching € 7.8 million, such increase being mainly due to the rise in interest rates and spreads. In 2011, the Group refinanced existing bond and syndicated loans totalling € 70 million and expiring within the year. Of these, a syndicated loan equal to € 49 million was renewed until September 2016 while bond loans amounting to € 10 million were renewed until late 2016 and early 2017. Finally, another bond loan of € 10.5 million was extended till the end of 2013. At the end of 2011, the Group's net short-term borrowing amounted to 30% of all its loans.

As regards the safeguarding of liquidity, a decrease in working capital equal to 8% or € 5 million enabled the Group to maintain its borrowing at 2010 levels in 2011 as well. At the end of 2011, the Group's cash stood at € 21 million.

In early 2012, the company's new warehouse started operating in Timisoara, Romania in order to increase sales in the region which is marked by considerable commercial and industrial activity. The company still pursues to enhance its presence abroad given that the protracted crisis in the Greek market combined with the Banks' lack of liquidity deteriorates consumption and leaves little room for optimism for the near future.

The construction of a 900-KW photovoltaic plant started in March 2012 in the company's facilities in Oreokastro, Thessalonica, which is expected to be completed during the first half. The income from the plant's operation in the second half of 2012 is estimated at approximately € 250,000. The Company has obtained additional approved 2.5 MW licenses expected to generate € 1.3 million per annum and considers taking advantage of them in the forthcoming period.

2.1.2 New Investments

In 2011 SIDMA made limited investments totalling approximately € 2,186 thousand which mainly concerned:

1. The construction of a new production building in Inofyta, totalling € 1,560 thousand
2. Translocation expenses of production machinery from Aspropyrgos at Inofyta, which totalled € 240,000 approximately.
3. Connection expenses to PPC, which totalled € 95,000 for the installation of photovoltaic systems in both facilities of Inofyta and Aspropyrgos.

Our subsidiary SIDMA Romania made new investments totalling € 317,000 which mainly concerned:

1. the equipment of the company's new warehouse in Timisoara;
2. the upgrade of a production machine in its facilities in Bucharest.

Finally, the investments in holdings amounted to € 1 million approximately and concern the share capital increase of the subsidiary SIDMA Bulgaria in order to improve its capital structure.

2.1.3 International Operations

Development in the Balkan market is of particular strategic importance due to the persistent crisis in the Greek market. Currently, in addition to its subsidiaries in Bulgaria and Romania, SIDMA operates in the markets of Cyprus, Kosovo, Serbia, FYROM and Albania. Amid the Group's strategic priorities figure the increase in its market share in Cyprus and Albania, bolstering of the operation of SIDMA Bulgaria and also the development in the Romanian market through a network of warehouses in major industrial Romanian centres. The operation of a new warehouse in Timisoara at the beginning of 2012 is part of the above strategy.

In detail, both subsidiaries in Bulgaria and Romania increased their shares although their markets remained stagnant, by expanding their clientele base to more geographical regions. As cited above, their turnover rose by 4.2% and 9.5% in Bulgaria and Romania respectively in relation to 2010. Specifically, the turnover of SIDMA Bulgaria amounted to € 14.2 million compared to € 13.7 million in 2010 while the turnover of SIDMA Romania stood at € 25.6 million compared to € 23.4 million in 2010.

As for 2012, both subsidiaries will seek to contain their expenses at 2011 levels and also increase their sales.

2.1.4 Market circumstances – Factors that affected the Group

2011 was a unique year, primarily due to the negative developments and uncertainty prevailing about the future of the Greek economy. In brief, the main points were:

A) Greek economy

The persistent adverse financial circumstances have had a drastic effect on the domestic market. An OECD report indicates that the Greek economy went through a more profound recession in 2011, despite the recovery of exports given that the necessary budgetary adjustment continued, thus entailing lower domestic demand and soaring unemployment rates. GDP was shrunk by approximately 7% while private consumption fell by more than 5%.

B) Businesses suffering from lack of liquidity

Moreover, the crisis in the banking system brought about an important increase in the borrowing cost of all Greek enterprises while also entailing a considerable lack of liquidity in the market. Such difficult circumstances are aggravated by delays in payments by construction firms keeping high open accounts for completed public projects, this having the corresponding effect on payments to their suppliers. Private sector, in turn, maintains an expectant attitude about the implementation of new investments.

C) International steel environment

Steel product prices registered limited fluctuations in the international market during the largest part of 2011. During the first quarter of the year, they rose by 10- 15%, this being followed by a milder correction. During the second half, the prices remained relatively stable and registered a slight drop during the last two months of the year.

The prices of raw materials were in a similar condition and, combined with the slackening flat demand for steel products in the international market, contributed decisively to the market prices established as described above. Moreover, it should be noted that the extensive absence of China from the European market during the year (mainly explained by the reduced competitiveness of its prices primarily due to the increased production cost and dollar value) helped avoid the steep price fluctuations that had been registered in the previous years when China channelled a part of its huge production into the European market.

2.2 Financial Results

2.2.1 Financial Results for the Financial Year of 2011

The major financial accounts of the financial year 1/1-31/12/2011 are presented below:

Group	1/1/2011 - 31/12/2011	1/1/2010 - 31/12/2010	Δ (%)
Turnover	112.201.123	119.842.229	-6,4%
Consignment Sales	30.345.833	37.070.186	-18,1%
Total Sales	142.546.956	156.912.415	-9,2%
Operating Results (EBITDA)	-607.017	658.691	N/A
Earnings before taxes	-11.267.954	-8.489.747	32,7%
Net Earnings after Taxes and Minority Interests	-11.865.407	-7.349.793	61,4%
EBITDA Margin	-0,54%	0,55%	N/A
Net Profit Margin	-10,58%	-6,13%	72,4%

Company	1/1/2011 - 31/12/2011	1/1/2010 - 31/12/2010	Δ (%)
Turnover	61.755.619	70.747.383	-12,7%
Consignment Sales	30.345.833	37.070.186	-18,1%
Total Sales	92.101.452	107.817.569	-14,6%
Operating Results (EBITDA)	-284.047	211.949	N/A
Earnings before taxes	-6.794.370	-5.293.023	28,4%
Net Earnings after Taxes	-7.212.262	-4.569.388	57,8%
EBITDA Margin	-0,46%	0,30%	N/A
Net Profit Margin	-11,68%	-6,46%	80,8%

2.2.2 Risk Management

The major financial risks and the corresponding actions taken by the Company are presented below:

Risk	Company's Projections
1. Credit Risk (Risk associated with doubtful customers)	The Group covers credit risk in co-operation with insurance companies. More than 70% of customer receivables are insured and as result no significant credit risk exists. At the same time, the Company operates a credit risk control department, which exclusively deals with customers' credit rating and determines the appropriate credit limits.
2. Interest Rate Risk (affects financing cost)	The Group does not consider that is imminent an interest rate hike due to uncertain economic conditions at the Euro zone area. For this reason has not executed any transactions (derivatives) for interest rate risk management. Such transactions would have a negative carry and thus would adversely affected company results, at least in the short term.
3. Liquidity Risk	<ul style="list-style-type: none"> • The Group in co-operation with local and international banks has secured the necessary credit limits. Within 2011 the Group refinanced long term debts of € 70 million. Moreover, as of 31/12/2011 the Group hold cash deposits of almost € 21 million. • The Group makes use of various financial instruments, such as leasing, Factoring and reverse factoring etc. • The Group limits its risk through the significant dispersion of its customer base. It is worth noting that SIDMA SA has over 1,600 active clients with none representing more than 2.0% of total turnover.
4. Volatility of Raw Material Prices	Steel price volatility affects gross profit margin of the company. During periods of upward price trends, the gross profit margin increases whereas in periods of downward price trends decreases. In view of the above situation, the Group applies a stable inventory policy in times of stable demand. Moreover, through its long-term co-operation with its suppliers, management gets timely information on upward or downward trends in raw material prices.
5. Foreign Exchange Risk	The Group operates in Europe and the majority of its transactions are in Euro. Nevertheless, a portion of raw material purchases is nominated in USD. In these cases, Foreign exchange risk is managed mainly through the use of forward exchange contracts. These derivatives are measured at fair values and recognized as asset or liability

	in the financial statements. Regarding investments in foreign subsidiaries, whose equity is exposed to translation exchange risk, the Group's policy is to use loans in the respective currency as physical hedging instrument insofar as this is possible in order to reduce exposure to risk in case local currencies are depreciated in relation to Euro.
6. Decrease in sales volume due to the overall drop in consumption	<p>The Group is affected by a number of external factors which it cannot influence such as the financial insecurity and the recession in the domestic market.</p> <p>The Group aims to improve continuously the quality of materials and customer service and make up for the lost volume of sales incurred in the domestic market through the Balkan markets. Increasing the market share of the foreign subsidiaries will help attain this objective.</p>

2.3 Objectives and Prospects for 2012

In Greece, stopping the downward trend in private construction activity and the expected resumption of investments and public works are not visible for the time being. The pending elections have suspended private investments and financing of public works. Therefore, we do not anticipate any increase in the consumption in the months to come or any increased liquidity on the customers' part, such events being likely to raise doubtful debts in the market. Consequently, the company's primary goal is to apply a rigorous credit policy in terms of credit lines and credit days of our customers.

In addition, due to the reduced domestic consumption, the parent company makes considerable efforts in making exports to neighbouring countries. Exports to Cyprus, FYROM and Albania have increased by 40% compared to 2010 and we will pursue our efforts to make further progress in this direction in 2012 too.

Close monitoring of the overheads of the company and its subsidiaries in order to contain them, and the restructuring of its internal functions will figure amid Management's priorities this year too.

Finally, the construction of a 900-KW photovoltaic plant started in March 2012 in the company's facilities in Oreokastro, Thessalonica, which is expected to be completed during the first half. The income from the plant's operation in the second half of 2012 is estimated at approximately € 250,000. In addition, the company considers installing photovoltaic panels in the buildings in Inofyta and Aspropyrgos and also in the facilities of the subsidiary Panelco in Lamia for which the relevant licenses and part of their financing have been obtained.

2.4 Statement of Corporate Governance

The present statement has been drafted in accordance with the provisions of Law 3873/2010. In particular, in regard to the provisions of article 2 of Law 3873/2010, we note the following:

2.4.1 Code of Corporate Governance

The Company implements Corporate Governance practices in its administration and operation, as they have been defined under the legislative framework in effect as well as in the Code of Corporate Governance recently published by SEV (Hellenic Federation of Enterprises) (hereinafter the "Code"), which is available online at:

http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

In the framework of drafting the Board of Directors' Annual Report, the Company reviewed the Code. During 2011, the Company was not included in any of the FTSE/ATHEX indexes and thus the exception for small listed companies is applicable for the company.

From this review, the Company concluded that, overall, it complies with the specific practices applicable to listed companies, which are cited and described in the SEV Code of Corporate Governance, **with the exception of the following practices, it is currently carefully examining and assessing its capacity to attain compliance therewith.**

- **Section A.2 § 2.3: Size and composition of the BoD.** The number of independent non-executive members of the current Board of Directors is two (2), out of a total of nine (9) and, as such, it represents less than one third of the total number of Board members, as stipulated under the Code.
- **Section A.5 § 5.4-5.8: Screening prospective candidates for membership of the Board of Directors.** No committee for screening prospective candidates had been set up until the drafting of the present Statement.
- **Section A.6 § 6.1-6.10: BoD Operation.** The Company does not apply these specific practices, excluding the minutes of BoD.
- **Section A.7 § 7.1.-7.3: Evaluation of the Board of Directors and its Committees.** The Company had not applied the collective procedure for

evaluating the effectiveness of the Board of Directors and its Committees until the drafting of the present Statement.

- **Section C.1 § 1.6-1.9: Amount and structure of remuneration.** No remuneration committee had been set up until the drafting of the present Statement.

The Company does not implement corporate governance practices beyond the specific practices of the SEV Code of Corporate Governance and the provisions laid down under applicable effective legislation.

2.4.2 The main characteristics of the Internal Audit and Risk Management Systems in relation to the Procedure followed in Drafting the Financial Statements and financial reports.

i. Description of the main characteristics and information included in the Internal Audit and Risk Management Systems, in relation to the procedure followed in drafting financial statements

The Company's Internal Audit System encompasses audit procedures pertaining to the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and financial reporting.

The Internal Audit Department verifies the proper implementation of every procedure and internal audit system, regardless of whether it is of an accounting nature or otherwise, and performs an evaluation of the Company through reviewing its activities, operating as a company unit reporting to Management.

The Internal Audit System aims at, among others, ensuring the comprehensiveness and reliability of the data and information required for ascertaining the financial standing of the Company, in an accurate and timely manner, and the production of reliable financial statements.

In regard to the procedure followed in drafting the financial statements, the Company states that the financial reporting system of 'SIDMA S.A.' makes use of an accounting system that is adequate for the purposes of reporting, both to Management as well as to external users. Financial statements, as well as other analysis reports addressed to management on a quarterly basis, are drawn up at company and consolidated level in accordance with International Financial Reporting Standards, as they have been adopted by the European Union, for the purposes of reporting to management as well as of publication, in accordance with effective regulations and on a quarterly basis. Both

administrative reporting, as well as financial reporting intended for publication, include all required information foreseen under an up-to-date internal audit system, which encompasses breakdowns of sales, costs/expenses, operating profits, as well as other data and indexes. All reports to management include the data of the current fiscal period, which are cross-checked against respective entries in the budget approved by the Board of Directors, as well as against data of the corresponding period of the financial year preceding the year of the report.

All published interim and annual financial statements include all the necessary amounts and disclosures relating to the financial statements, in accordance with International Financial Reporting Standards, as they have been adopted by the European Union. They are reviewed by the Audit Committee and approved in their entirety by the Board of Directors, respectively.

Safety measures are in place in regard to: (a) The identification and evaluation of risks as to the reliability of the financial statements; (b) administrative planning and follow-up in relation to financial figures; (c) the prevention and detection of fraud; (d) the roles/duties of executives; (e) the procedure followed for closing a fiscal year, including consolidation (such as recorded procedures, access authorisations, approvals, consistencies etc.) and (f) safeguarding the data in computerised systems.

The preparation of internal memos to Management and of reports, required under Codified Law 2190/1920 and supervisory authorities, is performed by the Financial Division, which disposes of suitable and experienced staff entrusted with this task. Management ensures that these members of staff are properly informed of any changes in accounting and taxation matters affecting the Company and the Group.

The Company has established separate procedures for the collection of necessary audit evidence from its subsidiaries. Moreover, it ensures consistency throughout all its transactions and the application of the same accounting principles by the above companies.

ii. Annual evaluation of corporate strategy, primary business risks and Internal Audit Systems

The Company's Board of Directors declares that it has examined the primary business risks to which the Company is exposed, as well as its Internal Audit Systems. The Board of Directors re-evaluates the corporate strategy, primary business risks and Internal Audit Systems on an annual basis.

iii. Provision of non-auditing services to the Company by its lawful auditors and assessment of the impact this may exert on the objectivity and effectiveness of the mandatory audit, examined in conjunction with the provisions of Law 3693/2008

The Company's lawful auditors for financial year 2011, 'SOL Associated Certified Public Accountants S.A.', which was elected by the Ordinary General Shareholders' Meeting of the Company held on 16 June 2011, have not provided any non-audit services to the Company and its subsidiaries in accordance with the provisions of applicable legislation. The Company uses other auditors for the subsidiaries in Romania and Bulgaria, who also have not provided any non-audit services to these two companies.

2.4.3 Public Acquisition Offers - Information

- There are no binding acquisition offers and/or regulations calling for the mandatory transfer and mandatory purchase of shares in the Company, nor any provision in the Articles of Association in regard to acquisitions.
- There have been no public offers by third parties for the acquisition of the share capital of the Company during the preceding and current financial year.
- In the event the Company participates in such a procedure, it will do so in line with effective legislation.

2.4.4 General Shareholders' Meeting and rights of shareholders

The General Meeting is convened and operates in accordance with the provisions of the Articles of Association and the relevant provisions of Codified Law 2190/1920, as amended and currently in force. The Company complies with its reporting obligations, abiding by the provisions of Law 3884/2010 and, in general, takes all necessary measures in view of ensuring the timely and comprehensive briefing of shareholders regarding the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and posting them on the Company's website. The text of these invitations includes a detailed description of shareholders' rights and the manner of the exercise thereof.

2.4.5 Composition and operation of the Board of Directors, Supervisory Bodies and Committees of the Company

Duties and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and business targets of the Company and, in general, has control and decision-making powers in the framework of the provisions of Codified Law 2190/1920 and of the Articles of Association as well as compliance with the principles of corporate governance.

The Board of Directors meets in session as frequently as required in order to effectively performing its duties.

The duties and responsibilities of the Board of Directors are summarised below:

- Supervision and monitoring the Company's operations, as well as verifying the achievement of company goals and long-term plans;
- Formulating and defining the primary principles and targets of the Company;
- Ensuring harmonisation of the adopted strategy with the targets of the Company;
- The Board of Directors, in accordance with the policies for managing conflicts of interest among its members and in the Company, ensures that there are no cases of conflict of interest and examines any such manifestations or cases of non-compliance with the Company's confidentiality policy.
- Ensuring the credibility and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Ensuring the proper day-to-day operations of the Company, through a system of special authorisations, while the performance of its other duties is implemented through special decisions.

The current Board of Directors of the Company consists of 9 members (9-member Board), of which:

- 5 are executive members
- 2 are non-executive members
- 2 are independent non-executive members

The composition of the current Board of Directors of 'SIDMA S.A.', is provided below:

1. Marcel Amariglio, Chairman, Non-Executive Member
2. Sarados Milios, Vice-Chairman, Executive Member
3. Daniel Benardout, Chief Executive Officer, Executive Member

4. Haim Nahmias, Executive Member
5. Konstantinos Karonis, Non-Executive Member
6. Anastasios Kolyvanos, Executive Member
7. Nikolaos Mariou, Executive Member
8. Georgios Katsaros, Independent Non-Executive Member
9. Minos Moissis, Independent Non-Executive Member

Brief Curriculum Vitae of the members of the Board of Directors is available online at:

<http://www.sidma.gr/default.asp?pid=33&la=2>

Board members are elected for a one-year term by the General Shareholders' Meeting. The current Board of Directors of the Company was elected by the Ordinary General Shareholders' Meeting of 16 June 2011, and its tenure expires the day of the next Ordinary General Shareholders' Meeting.

The Board of Directors met in session ninety-three (93) times within 2011. Thirty (30) sessions were attended by all its members in person, five (5) sessions were attended by all its members, excluding one independent non-executive member, while fifty-eight (58) sessions were attended by all its members, excluding two independent non-executive members.

Audit Committee

i. Description of the composition, operation, duties, responsibilities and description of topics discussed at Committee meetings

The Audit Committee, which is elected and operates in accordance with Law 3693/2008 (no. 37), consists of three non-executive members of the Board of Directors, of which one is independent and has the primary duty, in the framework of the obligations described in the above Law, of providing support to the Company's Board of Directors in regard to the fulfilment of the latter's mandate pertaining to ensuring the effectiveness of accounting and financial systems, audit mechanisms, management systems for business risks, ensuring compliance with the legislative and regulatory framework and the effective application of the principles of Corporate Governance.

Specifically, the Audit Committee is entrusted with the following responsibilities:

Responsibilities

- Assess the effectiveness of all levels of the Management hierarchy, in relation to the latter's safeguarding of the resources under their management and their compliance with the established policy and procedures of the Company;

- Evaluate procedures and amounts for their adequacy, in regard to the achievement of goals, as well as appraise the policy and programme cited in the activity undergoing evaluation;
- Periodically audit the various operations of the different divisions or departments, in such a manner as to ensure that their diverse activities are conducted smoothly, comply with Management instructions, Company policy and procedures, and that they are aligned with Company objectives and Management best practices.
- Examine internal audit reports and, in particular:
 - Assess their adequacy, in regard to the extent of information therein provided
 - Verify the accuracy of the reports
 - Examine the adequacy of audit evidence in regard to the results of the audit

The Audit Committee examines and ensures the independence of External Auditors of the Company; it is notified of their findings as well as of the findings of the Audit Reports on the annual or interim Financial Statements of the Company. At the same time, it recommends corrective actions and measures, in view of addressing any findings or flaws in the Financial Reporting or other significant operations of the Company.

In accordance with its Internal Regulation, the Audit Committee consists of one independent, non-executive member of the Board of Directors and two non-executive members, who dispose of the necessary knowledge and experience for fulfilling the duties of the Committee.

The current composition of the Audit Committee is the following:

- Georgios Katsaros, Independent Non-Executive Member and Chairman of the Audit Committee
- Marcel Amariglio, Non-Executive Board Member
- Konstantinos Karonis, Non-Executive Board Member

ii. Number of meetings of the Committee and frequency of attendance of each member at meetings

The Audit Committee convened in session four (4) times within 2011, achieving full quorum, but was not attended by the regular auditors as foreseen under the Code.

iii. Assessment of the Committee's effectiveness and performance

Up to the time of drafting the present Statement, no specific procedures had been established for assessing the effectiveness of the Audit Committee of the Board of Directors. The Management of the Company will establish such procedures in the future.

2.5 Company Branches

The main facilities of SIDMA Group through its subsidiaries are located in Greece, Bulgaria and Romania. In Greece, apart from Panelco that is located at Lamia Industrial Zone, SIDMA has premises at Oreokastro (Thessaloniki), Aspropyrgos, Inofyta and Vas. Georgiou Av. at Halandri, where the company's registered office is kept.

Abroad, **SIDMA Bulgaria** have facilities in Sofia whereas **SIDMA Romania** have facilities in Bucharest and Timmisoara respectively.

2.6 Important Transactions between the Company and Related Parties

The most important transactions of the Company with parties related to it, in the sense of International Accounting Standard 24, are the transactions carried out with its subsidiaries (enterprises related to it in the sense used in article 42e of Codified Law 2190/1920), which are listed in the following table:

Sales of goods/services		Purchases of Goods/Services	
Company	Amount in €	Company	Amount in €
SIDENOR S.A.	2.200.503	SIDENOR S.A.	420.284
SOVEL S.A.	38.679	ELKEME S.A.	160
CONSULTANT&CONSTRUCTION SOLUTIONS AE	1.893	STOMANA S.A	2.153.590
ETIL S.A.	141.764	PANELCO S.A.	2.354
BET S.A.	510	PROSAL S.A.	18.760
AEIFOROS S.A.	813	SIDMA ROMANIA SRL	11.241
PANELCO S.A.	49.553	SIDMA BULGARIA SA	19.306
CORINTH PIPEWORKS S.A.	145.493	TEKA SYSTEMS S.A.	58.042
ATTICA METALIC WORKS S.A.	375.966	ANTIMET S.A.	70.183
PROSAL S.A.	154.938	HELLENIC CABLES S.A.	174
ERLIKON WIRE PROCESSING S.A.	367.606	VIEXAL LTD	7.644
SIDMA ROMANIA SRL	83.440	FITCO SA	12.146
SIDMA BULGARIA SA	821.836	HALCOR S.A.	23.795
FITCO SA	4.782	SIDERAL SHPK	20.650
HELLENIC CABLES S.A.	27.300	ERLIKON WIRE PROCESSING S.A.	122.432
ETEM S.A.	123	ETIL S.A.	32.690
VITROUVIT S.A.	1.942	AEIFOROS S.A.	840
VIOMAL S.A.	237.136	TOTAL	2.974.291
HALCOR S.A.	19.455		
ELVAL S.A.	14.564		
ARGOS S.A.	93.432		
ANOXAL SA	448		
PROSAL TUBES SA	380.829		
SYMETAL SA	1.665		
ANAMET SA	24.076		
SIDERAL SHPK	107.374		
TOTAL	5.296.119		

Receivables	
Company	Amount in €
SIDENOR S.A.	575.393
PROSIDER S.A.	12.632
CONSULTANT&CONSTRUCTION SOLUTIONS AE	164
PANELCO S.A.	15.971
CORINTH PIPEWORKS S.A.	72.533
PROSAL S.A.	25.222
ERLIKON WIRE PROCESSING S.A.	39.683
SIDMA ROMANIA SRL	27.830
SIDMA BULGARIA SA	19.077
SIDMA CYPRUS	5.000
ANTIMET S.A.	607.856
HELLENIC CABLES S.A.	4.444
HALCOR S.A.	7.542
ETIL S.A.	44.026
SOVEL S.A.	6.546
ATTICA METALIC WORKS S.A.	19.837
VIOMAL S.A.	120.557
ARGOS S.A.	28.236
ELVAL S.A.	7.976
SYMETAL SA	2.716
BIANATT	-1
SIDERAL SHPK	107.374
TOTAL	1.750.614

Payables	
Company	Amount in €
SIDENOR S.A.	6.990.373
ETIL S.A.	6.310
AEIFOROS S.A.	1.034
CORINTH PIPEWORKS S.A.	365.540
ELKEME S.A.	197
SIDMA BULGARIA SA	3.896
ERLIKON WIRE PROCESSING S.A.	993.524
FITCO SA	14.940
VIEXAL LTD	1.376
SIDMA ROMANIA SRL	2.744
TEKA SYSTEMS S.A.	10.186
PROSAL S.A.	592.669
ANTIMET S.A.	41.679
HALCOR S.A.	24.238
PANELCO S.A.	2.896
HELLENIC CABLES S.A.	12.952
STOMANA S.A	566.132
ETEM SA	1.599
SIDERAL SHPK	20.650
ELVAL S.A.	1.057
TOTAL	9.653.990

2.7 Post Balance Sheet Events

There are no post balance sheet events.

2.8 Explanatory Note

EXPLANATORY NOTE TO THE MANAGEMENT REPORT FOR THE FISCAL YEAR 2011 (ACCORDING TO ARTICLE 4 OF PARAGRAPH 7 OF LAW 3556/2007)

(a) Share capital structure

On the 31/12/2011 the Company's share capital amounted to 13.500.000 € and was divided into 10.000.000 common registered shares of a par value of 1,35€ each.

According to the Shareholders' Book of the 31/12/2011, the Company's share capital structure was the following:

SHAREHOLDERS	Shareholder's book 31/12/2011	
	No. of shares	Stake %
Sovel S.A.	2.821.008	28,21%
Public Investors	2.535.647	25,36%
Sidacier Holding S.A.	1.568.282	15,68%
Andreas Pizante, son of Haim	690.000	6,90%
Rapallo Invest Holding S.A.	687.366	6,87%
Sidenor S.A.	653.250	6,53%
Nelly Amarilio, daughter of Daniil Andrea	298.614	2,99%
David Amarilio, daughter of Daniil Andrea	298.614	2,99%
Santy Amarilio, daughter of Andrea	172.568	1,73%
Victor Amarilio, daughter of Andrea	158.232	1,58%
Nataly Amarilio, daughter of Andrea	87.427	0,87%
Viohalco S.A.	28.992	0,29%
Total	10.000.000	100,00%

All (100%) of the Company's shares are common, registered, indivisible and listed in the Athens Stock Exchange and are traded under the category Basic Metals. No special classes of shares exist. The rights and obligations deriving from the shares are the usual ones and are described in the relevant articles of the Articles of Association (articles 11 and 24).

By the **decision of the Extraordinary General Meeting of the Shareholders** dated **16.12.2004** the share capital is increased by 3.375.000 €. **(three million three hundred and seventy five thousands euros)** by the issuance of 2.500.000 (two million five hundred thousand) new shares of a nominal value of € 1,35 each, of which an amount of € 160.650 through private placement and an amount of € 3.214.350 through a public offering.

Therefore, the Company's share capital amounts to **€ 13.500.000 (thirteen million five hundred thousand euros)** and is divided in **10.000.000 (ten million) common registered shares of a nominal value of € 1,35 each.**

The abovementioned increase was completed in April 2005 with the Public Offering and following that no other change has taken place.

Finally, the main rights and obligations deriving from the share, according to the Company's Articles of Association and L. 2190/1920 are as follows: Each share entitles its owner to participate in the product of the liquidation of the Company's estate in case of dissolution of the Company and in the distribution of its profits pro rata of the ratio of the paid up capital of the share to the total paid up share capital.

(b) Restrictions to the transfer of the Company's Shares

According to the Company's Articles of Association:

The transfer of the Company's shares is free and is materialized according to article 8b of L.2190/1920.

(c) Important direct or indirect participations according to Law 3556/2007

On the 31/12/2011 the Company is not aware of any other shareholder, who has a direct or indirect interest in 5% or more of the Company's paid in share capital.

(d) Owners of shares that offer special control rights

There are no issued shares of the Company that offer special control rights.

(e) Restrictions in voting rights – Deadlines in exercising those rights

There are no restrictions in voting rights. The usual deadlines apply to the deposition/blocking of the shares as a condition for the participation in the General Meeting.

According to the Company's Articles of Association the ownership of one share entitles to one vote and the number of votes always increases by one for each share.

All shareholders have the right to attend the General Meeting, having a number of voting rights equal to the shares held. The shareholders may be represented in the General Meeting by proxies appointed by means of a simple letter. Minors and restricted persons, as well as legal entities, are represented by their legal representatives. Shareholders wishing to attend the General Meeting need to file with the Company a certificate issued by HELEX or its equivalent stating their capacity as shareholders, the number of shares held granting them the right to attend the meeting and their being blocked up until the date of the General Meeting. Such certificate along with the legalization documentation of the shareholders' representatives, need to be submitted to the Company's premises five (5) days prior to the date set for the convention of the General Meeting.

The shareholders or representatives of shareholders who do not comply with the provisions of that article, may participate in the General Meeting only after its permission.

(f) Shareholder agreements for restrictions in the transfer of shares or in the exercising of voting rights

There are no shareholder agreements regarding restrictions in the transfer of shares or in the exercising of voting rights that are known to the Company.

(g) Rules of appointment and replacement of the members of the Board of Directors and amendment of the Company's Articles of Association if they differ from the provisions of Codified Law 2190/1920.

g.1. According to Articles 11 and 12 of the Articles of Association regarding the Appointment and Replacement of the members of the Board of Directors:

Article 11

1. The Company is managed by a Board of Directors consisting of nine members, which is in part appointed according to paragraph 4 of the present article and in part elected by the General Meeting of the Shareholders by secret ballot and whose term of office is one year. Exceptionally, the term of office of the Board of Directors is extended until the expiration of the deadline, within which the General Meeting right after the end of the term of office thereof must be convened. The term of office of the members of the Board of Directors begins on the day following the General Meeting in which their election was consummated and ends on the day the term of office of the new Board of Directors begins.
2. Members of the Board of Directors, whose term of office has expired, can be re-elected.

3. Members of the Board of Directors may also be legal entities. In this case, the legal entity must appoint a natural person for the exercise of the powers of the legal entity as member of the Board of Directors.
4. The following shareholders of the Company, ie. «VIOHALCO HELLENIC INDUSTRY OF COPPER AND ALUMINIUM», «SOVEL S.A. HELLENIC PROCESSING COMPANY OF STEEL SOCIETE ANONYME» and «SIDENOR INDUSTRY OF PROCESSING IRON SOCIETE ANONYME» have the right, according to article 18 paragraphs 3, 4 and 5 of L. 2190/1920, as amended and in force, to appoint three (3) out of nine (9) members of the Board of Directors, if either three (3) or two (2) of them jointly or each one of them separately, are the owners of shares representing at least 34% of the Company's share capital. That right must be exercised with the notification of the appointment of the abovementioned directors to the Company three (3) full days before the convening of the general meeting of the Company's shareholders for the election of a Board of Directors. This notification takes place by the service of a document signed by the abovementioned shareholders. In that case the General Meeting is restricted to the electing the remaining members of the Board of Directors. For the exercise of the above mentioned right, the shareholders exercising it must deposit to the Company the documentary evidence mentioned in article 24 of the present Articles of Association proving their capacity as shareholders and the blocking of the Company's shares representing at least 34% of its share capital at least three (3) full days before the date of the convening of General Meeting. The shareholders who exercise the abovementioned right do not participate in the election of the remaining Board of Directors. The appointed directors can be revoked at any time by the shareholders who have the right to appoint them and be replaced by others. In case the seat of any one of the appointed directors is vacated due to death, resignation or other reason, another one is appointed by those having the right of appointment. In case the number of the members of the Board of Directors is modified, the proportion of the special representation provided for here must be maintained. For the modification of this paragraph the consent of the shareholders who have the right to appoint members of the Board of Directors is necessary. The above right to appoint members of the Board of Directors is maintained and transferred in case of a transfer of company shares from the above shareholders to subsidiaries or parent companies or companies connected in any way to them and particularly to companies of the «Viohalco Group of Companies», ie, to companies included in the consolidated financial statements of the shareholder, «VIOHALCO HELLENIC INDUSTRY OF COPPER AND ALUMINIUM» or to subsidiaries or parent companies or companies connected in any way to them. In that case the abovementioned right will be valid only as long as the abovementioned shareholders and their successors are shareholders representing at least 34% of the Company's share capital.

Article 12

- 1) Subject to paragraph 4 article 11 hereof, the Board of Directors may elect members thereof in replacement of members who resigned, deceased or lost their office in any other way. The above election by the Board of Directors is effected by virtue of resolution of those remaining members who were elected by the General Meeting and not those who were

appointed pursuant to paragraph 4 of article 11, provided that they are at least three (3), which is passed by the simple majority of said members and is valid for the remainder of the term of office of the member who is replaced. The resolution for the election is subject to the publicity requirements of article 7b of c.l. 2190/1920, as amended and in force, and is announced by the Board of Directors in the following General Meeting, which may replace the elected members, even if no respective issue has been registered on the agenda.

- 2) In any case, the remaining members of the Board of Directors, irrespective of their number, may proceed with the convention of a General Meeting with the sole purpose of electing a new Board of Directors.

g.2. According to article 21 of the Company's Articles of Association, the General Meeting is the only responsible to decide amendments of the Articles of Association. Especially for what concerns the decisions of the General Meeting and the amendments of the Articles of Association in general, for which, according to L. 2190/1920, the usual quorum suffices, the Company's Articles of Association provide that, it will be achieved if shareholders representing 66,5% of the share capital are present or represented therein, deviating from L. 2190/1920, which requires 1/5 of the paid share capital for the usual quorum.

For the amendments of articles 11,12,14,25 and 26 of the Articles of Association, which regulate the way of hiring and replacement of the members of the B.o.D, the way of calling and decision making from the B.o.D, as well as the way of decision making from the General Meeting respectively, is required increased quorum of 70% of the paid-up Share Capital as well as majority of the 2/3 of the votes representing in the General Meeting. Especially, in order to amend paragraph 4 of article 11 of the Company's Articles of Association, it is required the consent of those shareholders to which the right to directly appoint members of the board has been granted.

Except from the above, the rest regulations regarding the amendments of the Articles of Association, are not different from the relative regulations of L.2190/1920.

(h) Jurisdiction of the Board of Directors for the issuance of new shares/share buybacks according to article 16 of Law 2190/1920

h.1. According to article 6 of the Company's articles of association only the General Meeting has the right to increase its share capital by taking a decision by an increased quorum and majority.

h.2. It is forbidden to the Company and the members of the Board of Directors to acquire its own shares except in the cases and under the conditions imposed by the legislation in force from time to time.

(i) Significant agreements of the Company that become valid/are amended / expire in case of a change in the Company's control following a Public Tender Offer.

No such agreements exist.

(j) Agreements regarding compensation of members of the Board of Directors or personnel in case of resignation, termination of their employment agreement without an essential cause or expiration of their term/ agreement due to public tender offer

No such agreements exist.

Halandri, 27 March 2012
The Board of Directors

CHAIRMAN

MARCEL-HARIS L. AMARILIO

VICE-CHAIRMAN

SARADOS K. MILIOS

C.E.O.

DANIEL D. BENARDOUT

MEMBERS

HAIM M. NAHMIAS

KONSTANTINOS D. KARONIS

ANASTASIOS N. KOLYVANOS

NIKOLAOS P. MARIOY

GEORGIOS S. KATSAROS

MINOS MOISSIS

3 Independent Auditor's Report

To the Shareholders of "SIDMA S.A STEEL PRODUCTS"

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of SIDMA S.A. STEEL PRODUCTS Company and its subsidiaries, which comprise the separate and consolidated statement of financial position as of 31 December 2011, the separate and consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company SIDMA S.A. STEEL PRODUCTS and its subsidiaries as of 31 December 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

- a) The Report of the Board of Directors includes a corporate governance statement which provides all information set out in paragraph 3d of article 43a of c.L. 2190/1920.
- b) We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a, 108 and 37 of c.L. 2190/1920.

Athens, March 29 2012
Certified Public Accountant Auditor

Anastasios F. Dallas
Institute of CPA (SOEL) Reg. No 27021
Associated Certified Public Accountants s.a.
member of Crowe Horwath International
3, Fok. Negri Street – 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125



4 Financial Statements of the year 2011

4.1 Statement of Financial Position

SIDMA S.A. Statement of Financial Position for the period from 1st January to 31st December 2011					
<i>amounts in euros</i>					
		Group		Company	
		31.12.2011	31.12.2010	31.12.2011	31.12.2010
Assets	Notes				
Non Current Assets					
Tangible Assets	6.1	47.592.846	48.164.041	31.622.970	31.140.150
Intangible assets	6.2	919.281	1.058.570	226.896	343.705
Investments in subsidiaries	6.3	0	0	18.840.127	17.790.127
Other non current assets	6.4	112.224	70.219	78.251	41.811
Deferred Tax Assets	6.16	2.699.567	3.464.949	1.911.838	2.317.826
		51.323.918	52.757.779	52.680.082	51.633.619
Current Assets					
Inventories	6.5	25.479.106	26.133.544	13.143.036	14.847.317
Trade receivables	6.6	50.970.789	61.888.731	35.608.349	45.080.032
Other receivables	6.7	4.961.486	4.937.384	3.735.689	3.974.893
Cash and cash equivalents	6.8	21.241.813	27.530.626	15.578.713	19.420.501
Non-current assets held for sale	6.9	10.010.419	10.097.698	10.010.419	10.097.698
		112.663.612	130.587.984	78.076.206	93.420.441
Total Assets		163.987.530	183.345.763	130.756.288	145.054.060
EQUITY					
Shareholders of the mother company:					
Share Capital	6.10	13.500.000	13.500.000	13.500.000	13.500.000
Share Premium	6.10	9.875.000	9.875.000	9.875.000	9.875.000
Reserves	6.11	14.203.083	14.179.169	12.860.747	12.836.832
Revaluation Reserve	6.11	958.285	958.285	0	0
Other Reserves	6.11	-934.785	-934.785	0	0
Retaining Earnings	6.12	-18.931.174	-7.518.657	-4.975.754	1.908.032
		18.670.409	30.059.012	31.259.993	38.119.864
Minority:	6.13	349.905	511.495	0	0
		19.020.314	30.570.507	31.259.993	38.119.864
Liabilities					
Non Current Liabilities					
Bank Loans & obligations under finance leases	6.14	62.101.724	14.189.045	56.518.202	5.000.000
Grants for investments in fixed assets	6.15	728.359	663.442	185.183	0
Deferred Tax Liabilities	6.16	10.218	0	0	0
Provision for Retirement benefit obligation	6.17	1.136.600	1.240.522	1.053.060	1.136.552
Other non current liabilities	6.18	0	362.600	0	362.600
		63.976.902	16.455.608	57.756.445	6.499.152
Current Liabilities					
Bank overdrafts & obligations under finance leases	6.14	49.590.247	37.883.227	23.456.115	15.549.155
Trade Payables	6.19	20.883.411	27.747.257	14.976.101	22.031.858
Non-current bank loans payable within next year	6.14	5.539.778	65.480.090	0	59.875.574
Other Payables	6.19	3.546.792	4.322.898	2.397.517	2.670.598
Income tax and duties	6.19	1.430.086	886.176	910.117	307.859
		80.990.314	136.319.648	41.739.850	100.435.044
Total Equity and Liabilities		163.987.530	183.345.763	130.756.288	145.054.060

4.2 Statement of Comprehensive Income

SIDMA S.A. Statement of Comprehensive Income for the period from 1st January to 31st December 2011					
<i>amounts in euros</i>					
		Group		Company	
	Notes	1.1 - 31.12.2011	1.1 - 31.12.2010	1.1 - 31.12.2011	1.1 - 31.12.2010
Turnover (sales)	6.20	112.201.123	119.842.229	61.755.619	70.747.383
Cost of Sales	6.21	-104.626.325	-109.892.184	-56.749.313	-65.132.295
Gross Profit		7.574.797	9.950.045	5.006.306	5.615.087
Other income	6.22	4.657.080	4.021.404	3.554.707	3.638.152
Administrative Expenses	6.23	-4.109.578	-4.569.357	-2.254.984	-2.422.771
Distribution/Selling Expenses	6.24	-10.088.816	-10.306.282	-7.639.343	-7.849.422
Other expenses	6.25	-1.497.345	-1.388.418	-707.041	-662.164
Operating Profit (EBIT)		-3.463.862	-2.292.607	-2.040.356	-1.681.118
Finance Costs (net)	6.26	-7.804.832	-6.217.764	-4.755.241	-3.622.545
Income from investing operations	6.27	739	20.624	1.228	10.640
Profit before taxation		-11.267.954	-8.489.747	-6.794.370	-5.293.023
Less: Income Tax Expense	6.28	-766.327	1.072.701	-417.893	723.636
Profit/(loss) after taxation for continued operations (a)		-12.034.281	-7.417.047	-7.212.262	-4.569.388
Profit/(loss) after taxation (a)+(b)		-12.034.281	-7.417.047	-7.212.262	-4.569.388
<u>Attributable to:</u>					
Shareholders of the mother Company		-11.865.407	-7.349.793		
Minority Rights		-168.873	-67.254		
		-12.034.281	-7.417.047		
Interest Hedging		562.340	764.513	410.595	678.313
Exchange differences		10.302	28.569	0	0
Differed Taxation		-112.468	-194.397	-82.119	-168.330
Other Comprehensive Income after taxes	6.29	460.174	598.684	328.476	509.983
Total Comprehensive Income after taxes		-11.574.107	-6.818.362	-6.883.786	-4.059.405
<u>Attributable to:</u>					
Shareholders of the mother Company		-11.412.517	-6.754.717		
Minority Rights		-161.590	-63.646		
		-11.574.107	-6.818.362		
Profit after taxes per share - (€)	6.30	-1,1865	-0,7350	-0,7212	-0,4569
Depreciation & Amortization Expense		2.856.845	2.951.298	1.756.309	1.893.066
EBITDA		-607.017	658.691	-284.047	211.949

4.3 Statements of Changes in Equity

SIDMA S.A. Consolidated Statement of changes in equity for the period from 1st January to 31st December 2011									
Group									
amounts in euros	notes	SHAREHOLDERS's EQUITY						MINORITY	TOTAL EQUITY
		Share Capital	Share Premium	Reserves	Reserves from the revaluation of fixed assets in fair value	Goodwill from the acquisition of subsidiary company	Retained Earnings	Equity of the shareholders	Minority
Balance at 1.1.2010		13.500.000	9.875.000	14.142.222	958.286	-934.785	-1.018.095	36.522.626	1.917.097
Changes in Equity 1.1-31.12.2010									
Increase of participation percentage to subsidiary's share capital (PANELCO)		0	0	0	0	0	254.155	254.155	-1.341.956
Valuation of Stock options	6.11	0	0	36.947	0	0	0	36.947	0
Total adjustments to the Equity		0	0	36.947	0	0	254.155	291.102	-1.341.956
Total Comprehensive Income after taxes		0	0	0	0	0	-6.754.717	-6.754.717	-63.646
Balance at 31.12.2010		13.500.000	9.875.000	14.179.168	958.286	-934.785	-7.518.656	30.059.012	511.495
Balance at 1.1.2011		13.500.000	9.875.000	14.179.168	958.286	-934.785	-7.518.656	30.059.012	511.495
Changes in Equity 1.1-31.12.2011									
Valuation of Stock options	6.11	0	0	23.915	0	0	0	23.915	0
Total adjustments to the Equity		0	0	23.915	0	0	0	23.915	0
Total Comprehensive Income after taxes				0	0	0	-11.412.517	-11.412.517	-161.590
Balance at 31.12.2011		13.500.000	9.875.000	14.203.083	958.286	-934.785	-18.931.173	18.670.410	349.905

SIDMA S.A.						
Company's Statement of changes in equity						
for the period from 1st January to 31st December 2011						
Company						
amounts in euros	notes	Share Capital	Share Premium	Reserves	Retained Earnings	Total Equity
Balance at 1.1.2010		13.500.000	9.875.000	12.799.885	5.967.437	42.142.322
Changes in Equity 1.1-31.12.2010						
Valuation of Stock options	6.11	0	0	36.947	0	36.947
Total adjustments to the Equity		0	0	36.947	0	36.947
Total Comprehensive Income after taxes		0	0	0	-4.059.405	-4.059.405
Balance at 31.12.2010		13.500.000	9.875.000	12.836.832	1.908.032	38.119.864
Balance at 1.1.2011		13.500.000	9.875.000	12.836.832	1.908.032	38.119.864
Changes in Equity 1.1-31.12.2011						
Valuation of Stock options		0	0	23.915	0	23.915
Total adjustments to the Equity	6.11	0	0	23.915	0	23.915
Total Comprehensive Income after taxes		0	0	0	-6.883.786	-6.883.786
Balance at 31.12.2011		13.500.000	9.875.000	12.860.747	-4.975.754	31.259.993

4.4 Cash Flows Statements

SIDMA S.A. Cash Flow Statement for the period from 1st January to 31st December 2011				
<i>amounts in euros</i>	Group		Company	
	1.1 - 31.12.2011	1.1 - 31.12.2010	1.1 - 31.12.2011	1.1 - 31.12.2010
<u>Operating Activities</u>				
Profit before taxation	-11.267.954	-8.489.747	-6.794.370	-5.293.023
Adjustments for:				
Depreciation & amortization	3.035.556	3.071.396	1.814.756	1.893.066
Depreciation of granted assets	-178.712	-120.265	-58.447	0
Provisions	1.336.290	1.483.040	576.194	631.546
Income from prior years' provisions	-137.648	0	-83.492	0
Exchange Differences	-548.182	280.843	0	0
Income and expenses from investing activities	-540.114	-427.160	-453.969	-330.453
Other non cash income/expenses	240.470	-55.461	0	-29.651
Finance Costs	8.160.034	6.522.718	5.343.955	4.084.184
Adjustments for changes in working capital				
Decrease/(increase) in inventories	654.438	1.051.399	1.704.281	2.364.718
Decrease/(increase) in receivables	9.384.723	2.474.253	9.283.177	2.626.202
(Decrease)/increase in payables(except bank loans and overdrafts)	-6.707.103	8.503.736	-6.729.614	6.648.145
Less:				
Financial Costs paid	-8.467.503	-5.730.700	-5.640.190	-3.347.098
Total inflows / (outflows) from operating activities (a)	-5.035.705	8.564.051	-1.037.719	9.247.636
<u>Investing activities</u>				
Acquisition of subsidiaries	0	-1.087.801	-1.050.000	-3.112.800
Purchase of tangible and intangible assets	-2.369.475	-1.036.015	-2.186.214	-722.018
Proceeds on disposal of tangible and intangible assets	1.995	27.120	9.441	23.627
Interest received	484.998	365.883	407.467	287.832
Total inflows / (outflows) from investing activities (b)	-1.882.482	-1.730.814	-2.819.306	-3.523.358
<u>Financing Activities</u>				
New bank loans raised	1.278.772	8.430.621	281.254	2.447.205
Repayments of loans	-830.247	-271.672	-509.648	0
Repayments of financial leasing agreements	-62.779	-235.490	0	0
Grants received	243.630	0	243.630	0
Total inflows / (outflows) from financing activities (c)	629.376	7.923.459	15.236	2.447.205
Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + (c)	-6.288.811	14.756.696	-3.841.789	8.171.482
Cash and cash equivalents at the beginning of the period	27.530.626	12.773.930	19.420.501	11.249.019
Cash and cash equivalents at the end of the period	21.241.815	27.530.627	15.578.712	19.420.501

5 Notes of the Financial Statements of the year 2011

5.1 General Information about the Company and the Group

The mother company, SIDMA S.A., is a Société Anonyme which operates in processing and trading steel products in Greece. The company's headquarters are located at 30 VASILEOS GEORGIOU ST., 152 33 ATHENS, while the location of the company's central offices is 54th, ATHENS – LAMIA N.R., 320 11 INOFYTA and its site is www.sidma.gr. The company is listed on the Athens Stock Exchange under the category of Basic Metals.

In the Consolidated financial statements the following companies are included:

- PANELCO S.A (94% subsidiary), which area of activity is the industrial production and manufacturing of metal and thermo-insulating elements. The company's headquarters are also located at 30 VASILEOS GEORGIOU ST., 152 33 ATHENS, while the location of the company's central offices is 54th, ATHENS – LAMIA N.R., 320 11 INOFYTA.
- "SIDMA WORLDWIDE LIMITED" (100% Subsidiary) whose sole purpose is to participate in SIDMA's subsidiaries in the Balkans Area. The 100% holding subsidiary "SIDMA WORLDWIDE LIMITED" was founded in Cyprus in 2005.
- The 100% subsidiaries "SIDMA Romania SRL" (ex: SID-PAC Steel & Construction Products SRL), founded in Romania and "SIDMA Bulgaria S.A." (ex: SID-PAC BULGARIA S.A.), founded in Bulgaria, with the same purpose as the mother company through the Cyprus holding company "SIDMA WORLDWIDE LIMITED" .

All of the above companies (from now on Group) have been consolidated in full for the current financial period.

5.2 Basis for preparation of financial statements

The financial statements for the year 2011 have been prepared in accordance with the "going concern" and "accrual basis" principles as well as the International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union.

For the preparation of the financial statements for the current year, the applied policies are in consistency to those applied in the previous year.

The preparation of financial statements, in conformity with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

5.3 Principal Accounting Policies

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year.

IAS 24 (Revised) "Related Party Disclosures"

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation"

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not relevant to the Group.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2010 annual improvements project.

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

IFRS 3 "Business Combinations"

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 "Interim Financial Reporting"

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 "Customer Loyalty Programmes"

The amendment clarifies the meaning of the term 'fair value' in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

IFRS 13 "Fair Value Measurement" (Effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it

should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

IFRIC 20 “Stripping costs in the production phase of a surface mine” (Effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements.

IAS 12 (Amendment) “Income Taxes” (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in

IAS 40 “Investment Property”. This amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

IAS 19 (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee

benefit plans and distinction between “short-term” and “other long-term” benefits. This amendment has not yet been endorsed by the EU.

IFRS 7 (Amendment) “Financial Instruments: Disclosures” (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

IFRS 10 “Consolidated Financial Statements”

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 “Joint Arrangements”

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements

are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

5.4 Consolidation of Subsidiaries

(a) Subsidiaries

Subsidiaries are the companies in which SIDMA S.A. directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations. The subsidiaries have been consolidated in full, starting from the date on which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.

The difference between acquisition cost and fair value of liabilities and contingent liabilities of the subsidiary's acquired assets is recorded as goodwill. When acquisition cost is less than the fair value of the acquired assets, liabilities and contingent liabilities of the subsidiary acquired, the difference is directly posted to period results. SIDMA revalue its participation in subsidiaries in acquisition cost less any impairment that might take place.

Minority interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. Minority interest is reported separately in the consolidated income statement as well as in the consolidated balance sheet separately from the Share capital and reserves. In case of purchase of minority interest, the difference between the value of acquisition and the book value of the share of net assets acquired is recognized as goodwill.

As regards the purchases made by minority shareholders, the difference between the price paid and the acquired relevant stake of the book value of the subsidiary's owner's equity is posted to owner's equity. Any gains or losses arising from the sale to minority shareholders are also posted to owner's equity. As regards the sales made to minority shareholders, the difference between the amounts received and the relevant stake of minority shareholders is also posted to owners' equity.

All significant inter-company balances and transactions have been eliminated. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Company.

The financial statements of the subsidiaries are prepared for the same reporting date with the parent company.

(b) Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified on acquisition.

Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in other reserves is recognised in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise

further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

Accounting policies of associates have been changed adjusted where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the associates are prepared for the same reporting date with the parent company.

5.5 Group's structure

The mother company and the subsidiaries included in the Consolidated Financial Statements, with the percentage of participation and the country located as in 31st December 2011, are presented in the following table:

Company	Direct percentage of participation	Indirect percentage of participation	Total percentage	Country	Consolidation Method	Activity Sectors
SIDMA S.A.	Mother	-	Mother	Greece	Full	STEEL SERVICE CENTER
PANELCO S.A.	94%	0%	94%	Greece	Full	PANELS
SIDMA WORLDWIDE LIMITED	100%	0%	100%	Cyprus	Full	HOLDING
SIDMA ROMANIA SRL.	0%	100%	100%	Romania	Full	STEEL SERVICE CENTER
SIDMA BULGARIA S.A	0%	100%	100%	Bulgaria	Full	STEEL SERVICE CENTER

Consolidated Financial Statements of SIDMA S.A. group of companies is included under Equity Method, to the Consolidated Financial Statements of SIDENOR S.A. group of companies, located in Athens, Mesogion 2-4 Str. The percentage applied for the consolidation of the period 1.1.2011 – 31.12.2011 is 24.23%.

5.6 Financial information by sector

Commencing fiscal year 2009, the Group applies IFRS 8 "Operating Segments" which replaces IAS 14 "Segment Reporting". In accordance with IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on key figures of internal financial reporting to the chief operating decision maker who, in the case of SIDMA Group, is considered to be the Chief Executive Officer that is responsible for measuring the business performance of the segments.

For management purposes the Group is organized into business units based on the nature of the product and services provided. SIDMA has identified two reportable profit generating segments, "Steel segment" and "Panel segment".

Steel segment is comprised of the activities of steel transformation and trading of the mother company SIDMA SA plus SIDMA ROMANIA SRL and SIDMA BULGARIA SA.

Panel segment is comprised of the activities of the industrial panel manufacturing and trading of metal and thermo-insulating elements (Panels) of the subsidiary company PANELCO SA.

Amounts in Euros	01.01 - 31.12.2011				01.01 - 31.12.2010			
	Steel	Panels	Intergroup	Total	Steel	Panels	Intergroup	Total
Sales to other companies	100.387.593	11.813.530	0	112.201.123	107.035.848	12.806.381	0	119.842.229
Sales to the companies of group	1.164.113	66.178	-1.230.291	0	762.129	9.264	-771.393	0
Total Sales	101.551.706	11.879.708	-1.230.291	112.201.123	107.797.977	12.815.645	-771.393	119.842.229
Operational Profits	-1.611.776	-1.842.968	-9.117	-3.463.862	-1.403.512	-854.319	-34.776	-2.292.607
Profit before taxation	-8.745.860	-2.512.488	-9.606	-11.267.954	-7.079.798	-1.374.768	-35.181	-8.489.747
Profit after taxation	-9.212.017	-2.814.557	-7.706	-12.034.281	-6.264.592	-1.120.893	-31.562	-7.417.047
Non Current Assets	145.657.965	18.329.565	0	163.987.530	161.695.223	21.650.539	0	183.345.763
Assets to companies of group	32.124.803	60.929	-32.185.732	0	30.480.071	79.710	-30.559.781	0
	177.782.768	18.390.494	-32.185.732	163.987.530	192.175.294	21.730.249	-30.559.781	183.345.763
Long-term & Short-term Liabilities	132.424.169	12.543.046	0	144.967.215	139.577.321	13.197.935	0	152.775.256
Liabilities to companies of group	214.230	15.971	-230.201	0	654.177	7.676	-661.852	0
	132.638.399	12.559.017	-230.201	144.967.215	140.231.498	13.205.611	-661.852	152.775.256

Note: Intra-group transactions have been written-off

Moreover, below are presented the geographic segments.

Amounts in Euro	1.1-31.12.2011			1.1-31.12.2010		
Company	Greece	Abroad	Total	Greece	Abroad	Total
SIDMA S.A.	53.837.612	6.990.147	60.827.759	66.726.811	3.546.857	70.273.668
PANELCO S.A.	11.813.530	0	11.813.530	10.756.629	2.049.751	12.806.381
SIDMA BULGARIA S.A.	0	13.989.944	13.989.944	0	13.583.731	13.583.731
SIDMA ROMANIA SRL	0	25.569.890	25.569.890	0	23.178.449	23.178.449
Total	65.651.142	46.549.981	112.201.123	77.483.441	42.358.788	119.842.229

5.7 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The financial statements are presented in Euros, which is the functional and presentation currency of the Company and of the Group.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The balances referring to receivable or payable amounts are translated into the functional currency, in order to reflect the rates of the balance-sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

5.8 Property, plant and equipment

Group's and Company's Tangible assets are recognized at acquisition cost less accumulated depreciation and any impairment, save fields which are recognized at acquisition cost less any impairment.

The acquisition cost includes all expenditures that are directly associated with the acquisition of tangible fixed assets. Any subsequent expenditures are recorded either at the book value of tangible fixed assets or, if deemed more suitable, are recognized as a separate fixed asset, only if it is deemed that the Group may obtain future financial benefits and provided that the asset's cost may be reliably estimated. Repair and maintenance costs are recorded as an expense in the income statement when these are incurred.

Any financial expenses arising from the funds borrowed to finance the purchase of tangible assets are capitalized at the time required for the fixed asset to be prepared and get ready for future use. Other categories of financial expenses from borrowing are recognized in the income statement as expenses.

Depreciation is calculated on the straight-line method to write off the assets to their residual values over their estimated useful lives as follows:

Buildings (Offices & Warehouses)	20 - 33 years
Plants	5 - 20 years
Production machinery	6,5 - 9 years
Other machinery	4 years
Office equipment furniture and fittings	6,5 years

Land as well as assets under construction are not depreciated. Improvements to leased assets are depreciated within the lease period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Useful life of machinery:

The management is responsible to define the estimated useful life and the depreciation of the property, plant and equipment. During the previous year, Group Management, relying on the relevant report of an independent assessor, re-determined the useful life of the Group's mechanical equipment to 5-20 years due to the ongoing decreasing productive operation of machinery. During the current year, no change of the useful life took place.

5.9 Intangible assets**A. Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. Goodwill on acquisitions of associates occurring is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents a separate Group's investment.

Negative goodwill is recognised where the fair value of the Group's interest in the net assets of the acquired entity exceeds the cost of acquisition and is taken to income immediately.

B. Computer software

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Software licences are stated at historical cost less subsequent depreciation. Depreciation is calculated on the straight-line method over their estimated useful lives which are 4 years.

SAP application, which was launched on July of 2005, is depreciated over its useful life which was defined by the Board of Directors to 8 years.

5.10 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

5.11 Holdings - Securities

During the current period, a share capital increase in SIDMA WORLDWIDE CYPRUS was made amounted to 1.050.000 €. No other changes were made in the participation percentages of the Group companies.

Paragraph 5.5 sets out the consolidation method of Group holdings.

5.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

5.13 Financial Instruments

Accounting for Derivative Financial Instruments and Hedging Activities

All derivative financial assets are initially recognized at fair value on settlement date and are subsequently measured at fair value. Derivative financial assets are posted to assets when fair value is positive and to liabilities when fair value is negative. Their fair value is determined by their price in an active market or by using valuation techniques where there is no active market for such instruments.

The recognition method of profit or loss depends on whether a derivative has been designated as hedging instrument and whether it is a case of hedging due to the nature of the hedged item. Any gains or losses from changes to the fair value of any derivatives not recognized as hedging instruments during the year are recognized in the income statement. The Company applies hedge accounting if at the beginning of a hedging transaction and subsequent use of derivative financial assets the Company may determine and substantiate the hedging relationship between the hedged item and the hedging instrument with respect to risk management and its strategy to hedge assumption. Additional hedge accounting is applied only when hedging is expected to be fully efficient and can be reliably measured on a continuous basis for all covered reference periods for which it had been designated in terms of offset of changes in the fair value or cash flows attributable to the risk hedged. The Company hedges cash flows by using derivative financial instruments.

5.14 Cash flow hedging

By applying cash flow hedge the Company tries to hedge the risks causing variation to cash flows and arising from an asset or liability item or a future transaction with such variation affecting profit or loss. Specific accounting treatment is necessary for derivative financial assets designated as hedging instruments in a cash flow hedge relationship. For a hedging relationship to qualify for recognition of hedge accounting, specific strict conditions should be met with respect to documentation, the likelihood of occurrence, effectiveness of hedging and reliability of measurement.

During the current period the Company has recognized specific interest rate swaps as hedging instruments with respect to cash flow hedges of variable-rate financial liabilities.

Changes in the book value of the effective leg of the hedging instrument are recognized in equity while non-effective leg is recognized in the income statement. The amounts accumulated to equity are transferred to income statement during the periods in which hedged items are recognized in profit or loss.

When a cash flow hedging item expires or is sold, terminated or exercised without being replaced or a hedged item no longer qualifies for hedge accounting, all cumulative gains or

losses recognized in equity at such time shall remain in equity and shall be recognized when the forecast transaction takes place. If the relevant transaction is not expected to take place, the amount is carried forward to results.

5.15 Trade receivables

Trade receivables are recognised initially at carrying value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

5.16 Offsetting

When there is a legal enforceable right of offsetting for recognized financial assets and liabilities and it is intended to settle the liability while realizing the asset or settling it by way of set-off, all relevant financial effects are offset.

5.17 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

5.18 Non current assets held for sale

SIDMA classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The effective date which the asset is classified as held for sale is the date that fulfils the following requirements:

1. the asset becomes available for immediate sale,
2. the company is committed to a plan to sell the asset and
3. an active programme to locate a buyer and complete the plan has been initiated.

5.19 Share capital

- I. Ordinary shares and non-redeemable non-voting preferred shares with minimum statutory nondiscretionary dividend features are classified as equity.
- II. Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.
- III. Where the Company or its subsidiaries purchases the Company's own equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

5.20 Stock option plans for BoD members and executives

The company puts into practice share distribution plans for members of the Board of Directors and executives of SIDMA S.A. Group through the exercise of options. The cost of these transactions is defined as the fair value of options on the date the Management assigns such plans. The fair value is determined through appropriate valuation models. The cost of stock option plans is recognized as expense in results by crediting it to special reserves in equity in the fiscal years during which the conditions of establishment of the relevant options are gradually met.

5.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Long term borrowings that fall due within the next fiscal year are classified as short term.

5.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

5.23 Taxation

Income tax includes the statutory tax, deferred taxation as well as provisions for any tax differences that may arise from a tax audit. Income tax is recognised in the P&L statement except the part of deferred tax of transactions carried directly to equity.

During the current year, no income tax has been calculated due to the losses registered by the companies of the Group.

Deferred tax assets are recognized to the extent it is probable that they will be offset against future income taxes. Deferred tax assets are reviewed on each balance sheet date and reduced to the extent it is no longer probable that adequate taxable profit will be available against which all or part of such deferred tax asset can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the balance sheet date.

The deferred tax asset/liability has been calculated by using a 20% tax rate.

Most changes in deferred tax assets or liabilities are recognized as tax expense in profit or loss. Only changes in deferred tax assets or liabilities relating to a change in the value of asset or liability directly debited to equity shall be debited or credited directly to equity.

The Group recognizes a previously unrecognized deferred tax asset to the extent it is probable that a future taxable profit will enable the recovery of the deferred tax asset.

5.24 Employee benefits

I. Current obligations

The current obligations of the Group towards its personnel, in monetary terms, are recognised directly as an expense as soon as they accrue.

II. Pension obligations

The Group has defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The contributions are recognised as employee benefit expense when they are due.

5.25 Provisions, Contingent Liabilities and Contingent Assets

The Group forms provisions when:

(a) the group or the company has a present obligation (legal or constructive) as a result of a past event;

(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

Contingent liabilities and contingent assets are not recognised in the financial statements. Contingent assets are disclosed, where an inflow of economic benefits is probable while contingent liabilities are disclosed when the possibility of an outflow of resources embodying economic benefits, is high.

5.26 Revenue and Expenses recognition

Revenue and expenses are recognised in accordance with the principle of accrual basis.

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

I. Sales of goods – wholesale

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

II. Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

III. Dividend income

Dividend income is recognised when the right to receive payment is established, that means when dividends are approved by the General Assembly of the Shareholders.

5.27 Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the Lease period. Where the Group has substantially all the risks and rewards of ownership, the leases are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

5.28 Dividends

The allotment of dividends and management fees (from the profits of each year), is recognised as a liability in the financial statements, only when the allotment is being approved by the General Assembly of the Shareholders.

5.29 Financial risk management

The Group is exposed to certain financial risks, i.e.: credit risk, liquidity risk and cash flow risk. The Group uses derivative financial instruments, such as futures, forwards, interest rate swaps and cross currency swaps to hedge certain risk exposures.

I. Credit risk

The company in order to eliminate the credit risk as much as possible insures all of its sales to two credit insurance companies in Greece. Moreover, a separate credit department ensures that sales of products are made to customers with an appropriate credit history. Sales have a high degree of diversification and no single customer participates by more than 2% in the annual sales turnover.

II. Cash flow and fair value interest rate risk

The Group does not have material interest bearing assets on its balance-sheet, so does not suffer from substantial changes in market interest rates.

The Group's cash flow interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain part of the long term borrowings in fixed rate instruments and part in floating rate.

The Group manages its cash flow interest rate risk by using interest rate swaps and Quanto swaps. The above derivative items qualify for hedge accounting (cash flow hedges), according to paragraph 88 of IAS 39 so any fluctuations in market value do not impact income for the period throughout the term of the derivative. Market value fluctuations are reported in the appropriate reserve account without affecting income (paragraph 95 of IAS 39). According to IAS 39, all derivative financial instruments are to be reported at market value at the reporting date.

Fluctuation of financial expenses at Group level depending on average borrowing is given below:

Each half point of fluctuation in average borrowing cost for 2011 (around 6.3%) for borrowing equal to € 117 mil. entails annual fluctuation in Group financial expenses equal to € 585 k and by extension in its results.

III. Liquidity risk

Liquidity risk is kept at low levels, as the Group maintains sufficient cash and credit lines available. During 2011 the Group refinanced almost 70 million of long term loans.

Moreover, the policy of the Group is to refrain from using all its available credit lines and at any given point in time have available credit limits and cash deposits equal at least to 20% of the total available lines.

IV. Volatility of raw material prices risk

Steel price volatility affects gross profit margin of the company. During periods of upward price trends, the gross profit margin increases whereas in periods of downward price trends the gross profit margin decreases. Unfortunately, there are no hedging instruments that could cover this kind of steel price volatility, thus the results of the company are affected through the appreciation and depreciation of its stocks. In view of the above situation, the Company applies a stable inventory policy. Moreover, through its long-term co-operation with its suppliers, the Company get timely information on upward or downward trends in raw material prices.

V. Foreign exchange risk

The Group operates in Europe and the majority of its transactions are in Euro. Nevertheless, a minor portion of raw material purchases is nominated in USD. In these

cases, Foreign eXchange risk is managed mainly through the use of forward exchange contracts. These derivatives are measured at fair values and recognized as asset or liability in the financial statements.

In addition, the Group is exposed to foreign exchange risks from investments in other countries (subsidiary in Romania). As regards investments in foreign subsidiaries, whose equity is exposed to conversion exchange risk, the Group's policy is to use loans in the respective currency as physical hedging instrument insofar as this is possible in order to reduce exposure to risk in case local currencies are depreciated in relation to Euro.

5.30 Capital Management

The policy of the Group consists in maintaining a strong capital base so as to preserve the trust of investors, creditors and the market and enable the future development of Group activities. The Group monitors capital performance which is defined as net results divided by total equity, excluding the minority interests. In addition, the Group monitors the level of dividends distributed to shareholders.

The Group tries to maintain the equilibrium between higher returns that could be attained through higher borrowing levels and the advantages and security provided by a robust and sound capital structure. The Group does not have a specific plan for own shares acquisition. There were no changes in the approach adopted by the Group in relation to capital management during the fiscal year. The company fully complies with the provisions imposed by the legislation on societate anonime, i.e. Codified Law 2190/1920 in relation to owner's equity, which is as follows:

- The purchase of own shares – with the exception of purchasing shares with sole purpose to be distributed among its' employees – cannot exceed 10% of the company's share capital and cannot result in the reduction of own capital to an amount smaller than the amount of the share capital increased by the reserves, for which distribution is forbidden by law.
- In the case where total equity becomes smaller than $\frac{1}{2}$ of the share capital, the Board of Directors is obliged to call up a General Assembly within a period of six months past the end of the fiscal period, in order to decide on the dissolution of the company or to take other measures.
- When the company's own capital becomes smaller than $\frac{1}{10}$ th of the share capital and the general shareholders meeting does not take the proper measures, the company may be dissolved by court order, on the request of anyone with an interest in law.
- Annually, at least $\frac{1}{20}$ th of the company's net profit is deducted to form an ordinary reserve, which will be used exclusively to balance, prior to any dividend distribution, the possible debit balance in the earnings carried forward account. Forming such a reserve is not obligatory, once it reaches $\frac{1}{3}$ rd of the company's share capital.

- The deposit of the annual dividend to shareholders in cash, at an amount equal to at least 35% of the company's net earnings, after deducting the regular reserve and the net result from the evaluation of the company's assets and liabilities at fair value, is obligatory. The above does not apply if the general assembly decides it, by a majority of at least 65% of the total share capital. In this case the dividend that hasn't been distributed and up to an amount equal to 35% of the above mentioned net earnings, has to be reported in a special account "Reserve to be Capitalized", within 4 years time, with the issue of new shares, given to shareholders.
- Finally, a general shareholders meeting can decide not to distribute a dividend, if it is decided by a majority of over 70%.

5.31 Important accounting estimates and judgements of Management

Management estimates and judgements are constantly reviewed and based on historical data and expectations for future events, which are deemed reasonable pursuant to current circumstances.

Company Management makes accounting estimates and assumptions with respect to the evolution of future events which, by definition, will scarcely coincide with the respective actual results. The main estimates and judgements referring to events whose development could affect the items of financial statements after 31.12.2011 concern mainly provisions for contingent taxes, provisions for impairment of reserves and receivables and also estimates regarding the useful life of depreciable fixed assets.

Due to the reassessment of the mechanical equipment's useful life, reduced depreciation equal to € 386 k and € 492 k was calculated for the year 2011 for the Company and the Group respectively, in relation to the depreciation that would have arisen if machinery's useful life had not changed. For the year 2011, accumulated depreciation has been reduced by € 838 k and € 1,049 k for the Company and the Group respectively.

6 Additional Information and explanations

6.1 Property Plant and Equipment

The tangible fixed assets of the Group and the company are shown in the following tables:

	Group						
	Land	Buildings	Machinery	Transportation	Other equipment	Assets under construction	Grand Total
Acquisition cost or deemed cost 1.1.2010	17.551.385	29.675.563	24.904.867	1.906.520	1.670.176	754.149	76.462.660
less: Accumulated depreciation	0	-3.708.626	-9.443.490	-944.674	-1.242.692	0	-15.339.482
Exchange differences	-171.925	-525.333	-175.494	-13.422	-6.675	-1.382	-894.230
Book value in 1.1.2010	17.379.461	25.441.604	15.285.883	948.424	420.809	752.767	60.228.948
Additions	0	668.042	441.734	25.261	80.441	288.792	1.504.270
Sales or Deletions	0	0	-49.419	-47.334	-53	-485.799	-582.605
Non-current asset held for sale	-6.362.000	-3.688.655	-47.043	0	0	0	-10.097.698
Depreciation	0	-832.791	-1.775.474	-164.245	-125.018	0	-2.897.528
Depreciation of sold or deleted assets	0	0	47.512	42.704	16	0	90.232
Exchange differences	-20.110	-43.845	-16.516	-336	-670	-101	-81.577
Acquisition cost or deemed cost 31.12.2009	11.189.385	26.654.950	25.250.139	1.884.448	1.750.563	557.142	67.286.627
less: Accumulated depreciation	0	-4.541.417	-11.171.452	-1.066.215	-1.367.694	0	-18.146.778
Exchange differences	-192.034	-569.177	-192.010	-13.758	-7.345	-1.483	-975.807
Book value in 31.12.2010	10.997.351	21.544.355	13.886.677	804.475	375.525	555.659	48.164.042
Additions	0	1.665.763	768.554	6.784	151.387	2.182.204	4.774.691
Sales or Deletions	0	0	-10.800	10.800	-13.229	-2.434.061	-2.447.291
Depreciation	0	-802.406	-1.742.263	-185.939	-136.787	0	-2.867.395
Depreciation of sold or deleted assets	0	0	1.488	-4.300	18.041	0	15.229
Exchange differences	-12.137	-24.976	-7.937	-206	-292	-881	-46.430
Acquisition cost or deemed cost 31.12.2011	11.189.385	28.320.713	26.007.893	1.902.031	1.888.721	305.284	69.614.027
less: Accumulated depreciation	0	-5.343.823	-12.912.227	-1.256.454	-1.486.439	0	-20.998.944
Exchange differences	-204.171	-594.154	-199.947	-13.964	-7.637	-2.364	-1.022.237
Book value in 31.12.2011	10.985.214	22.382.736	12.895.719	631.613	394.645	302.920	47.592.847

	Company						
	Land	Buildings	Machinery	Transportation	Other equipment	Assets under construction	Grand Total
Acquisition cost or deemed cost 1.1.2010	14.502.877	19.161.041	15.745.758	1.370.250	1.288.466	108.001	52.176.393
less: Accumulated depreciation	0	-2.142.080	-6.109.403	-587.869	-1.040.780	0	-9.880.134
Book value in 1.1.2010	14.502.877	17.018.961	9.636.354	782.381	247.686	108.001	42.296.259
Additions	0	41.539	287.178	7.443	73.712	766.031	1.175.903
Sales or Deletions	0	0	-48.528	-57.030	-53	-472.490	-578.100
Non-current asset held for sale	-6.362.000	-3.688.655	-47.043	0	0	0	-10.097.698
Depreciation	0	-506.806	-1.047.927	-112.042	-82.062	0	-1.748.837
Depreciation of sold or deleted assets	0	0	47.199	45.408	16	0	92.623
Acquisition cost or deemed cost 31.12.2009	8.140.877	15.513.925	15.937.364	1.320.664	1.362.125	401.542	42.676.498
less: Accumulated depreciation	0	-2.648.886	-7.110.132	-654.503	-1.122.827	0	-11.536.348
Book value in 31.12.2010	8.140.877	12.865.039	8.827.233	666.161	239.298	401.542	31.140.150
Additions	0	1.665.763	550.504	13.131	140.125	2.026.090	4.395.614
Sales or Deletions	0	0	-10.800	0	-14.880	-2.237.331	-2.263.011
Depreciation	0	-439.442	-988.786	-149.354	-92.433	0	-1.670.016
Depreciation of sold or deleted assets	0	0	1.836	0	18.398	0	20.233
Acquisition cost or deemed cost 31.12.2011	8.140.877	17.179.689	16.477.068	1.333.795	1.487.371	190.301	44.809.100
less: Accumulated depreciation	0	-3.088.328	-8.097.082	-803.858	-1.196.863	0	-13.186.130
Book value in 31.12.2011	8.140.877	14.091.361	8.379.986	529.937	290.508	190.301	31.622.970

There are no pledges on the company's and Group's assets apart from the following:

- A) SIDMA Romania S.R.L. has registered a prenotation on its property equal to € 6.5 million.
- B) Under the notary deed no. 3964, dated 14-9-2011, of the Notary Public Christina Keziou-Malliou the company has consigned a first priority mortgage for an amount of 49 million Euros

as a collateral for the common Bond Loan of 20 September 2011, in favor of the bank named EFG EUROBANK SA in its capacity as agent of the Bondholders, as applicable at times, of the above Bond Loan, on two real properties of the company, located, one the one hand, in Aspropyrgos in the Prefecture of Attica (Location Mavri Yiora, Megaridos str.) and admeasuring in total 35,344.16 square meters and, on the other hand, in Inofyta in the Prefecture of Boeotia (Location Tempeli at the 54th kilometer of the Athens-Lamia National Road) and admeasuring in total 78,305.68 square meters

During the year 2010, Company Management reassessed the mechanical equipment's useful life resulted in less depreciation in 2011 of € 386 k and € 592 k for the Company and the Group respectively, in relation to the depreciation that would have arisen if machinery's useful life had not changed. The relevant amounts for FY 2010 were € 452 k and € 556 k for the Company and the Group respectively.

6.2 Intangible Assets

The intangible assets for the Group and the Company are shown in the following tables:

	Group		
	Consolidation differences as goodwill	Software programms	Grand Total
Acquisition cost or deemed cost 1.1.2010	691.115	1.264.835	1.955.950
less: Accumulated depreciation	0	-740.191	-740.191
Exchange differences	0	-1.712	-838
Book value in 1.1.2010	691.115	522.932	1.214.921
Additions	0	17.544	17.544
Sales or Deletions	0	0	0
Depreciation	0	-173.868	-173.868
Depreciation of sold or deleted assets	0	0	0
Exchange differences	0	-27	-27
Acquisition cost or deemed cost 31.12.2010	691.115	1.282.379	1.973.494
less: Accumulated depreciation	0	-914.059	-914.059
Exchange differences	0	-1.739	-866
Book value in 31.12.2010	691.115	366.582	1.058.570
Additions	0	28.846	28.846
Sales or Deletions	0	0	0
Depreciation	0	-168.161	-168.161
Depreciation of sold or deleted assets	0	0	0
Exchange differences	0	26	26
Acquisition cost or deemed cost 31.12.2011	691.115	1.311.226	2.002.341
less: Accumulated depreciation	0	-1.082.219	-1.082.219
Exchange differences	0	-1.713	-840
Book value in 31.12.2011	691.115	227.293	919.282

The goodwill arose from the acquisition of a subsidiary which is considered a special cash-generating unit. The recoverable amount of the above cash-generating unit was defined according to the method of value in use.

The value in use was calculated by using cash flow provisions based on the five-year business plans approved by the Management which were projected over an indefinite time horizon and were based on a 1.5% growth rate. The provision for future income over the next five years was based on the ratio between the sector's expected sales and the company's respective sales (this ratio determines the company's market share).

The main assumptions taken into account in order to calculate the value in use of the cash-generating units as at 31 December 2011 were the following:

- Discount rate: 9%
- Market growth rate: 1.5%
- EBITDA Margin: 4% - 7%

The main assumptions that were used are consistent with independent external information sources. Based on the results of the impairment test on 31 December 2011, no impairment losses arose with respect to the above goodwill.

		Company	
		Software programmes	Grand Total
Acquisition cost or deemed cost 1.1.2010	✓	1.121.796	1.121.796
less: Accumulated depreciation	✓	-652.465	-652.465
Book value in 1.1.2010		469.331	469.331
Additions	✓	18.604	18.604
Sales or Deletions	✓	0	0
Depreciation	✓	-144.230	-144.230
Depreciation of sold or deleted assets	✓	0	0
Acquisition cost or deemed cost 31.12.2009	✓	1.140.400	1.140.400
less: Accumulated depreciation	✓	-796.695	-796.695
Book value in 31.12.2010		343.705	343.705
Additions	✓	27.932	27.932
Sales or Deletions	✓	0	0
Depreciation	✓	-144.740	-144.740
Depreciation of sold or deleted assets	✓	0	0
Acquisition cost or deemed cost 31.12.2010	✓	1.168.332	1.168.332
less: Accumulated depreciation	✓	-941.435	-941.435
Book value in 31.12.2011		226.897	226.897

6.3 Investments in Subsidiaries

Investments in subsidiaries are analysed in the following table:

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Balance at the beginning of the year	0	0	17.790.127	14.677.327
Sales of shares of subsidiary company	0	0	1.050.000	2.025.000
Other	0	0	0	1.087.800
Balance at the end of the year	0	0	18.840.127	17.790.127

During 2011, the company increased the Share Capital of SIDMA WORLDWIDE LIMITED by 1,050,000 € in order to increase, in turn, the Share Capital of SIDMA BULGARIA by 1,000,000 €.

The analysis of the investments for the current year is shown in the following table:

	31.12.2011		
	SIDMA WORLDWIDE LIMITED		
	PANELCO S.A.		Total
Balance at the beginning of the year	4.890.798	12.899.329	17.790.127
Increase of share capital of subsidiary	0	1.050.000	1.050.000
Balance at the end of the year	4.890.798	13.949.329	18.840.127

SIDMA WORLDWIDE LIMITED is participating to the following companies:

	31.12.2011		
	SIDMA BULGARIA	SIDMA ROMANIA	Total
Balance at the beginning of the year	5.894.954	6.839.635	12.734.589
Increase of share capital of subsidiary	1.000.000	0	1.000.000
Balance at the end of the year	6.894.954	6.839.635	13.734.589

6.4 Other non-current assets

The other non-current assets include the guarantees that have been provided and will be collected within a period exceeding twelve (12) months from the balance sheet preparation date. The fair value of the specific receivables does not substantially differ from the value presented in the financial statements and is annually subject to review.

	Group		Company	
Amounts in Euros	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Non-current assets (guarantees)	112.224	70.219	78.251	41.811
Total	112.224	70.219	78.251	41.811

6.5 Inventories

	Group		Company	
Amounts in Euros	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Merchandise	8.177.456	7.553.542	3.834.512	3.807.428
Finished and semi-finished products	6.045.426	6.923.423	4.769.164	5.322.454
Raw, auxiliary materials and spare parts	10.851.508	11.651.793	4.500.741	5.715.415
Payments in advances to suppliers	404.716	4.785	38.620	2.020
Total	25.479.106	26.133.544	13.143.036	14.847.317

Inventories are shown at their net realizable value which is their expected selling price less the necessary costs to sell.

6.6 Trade Receivables

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Customers	22.883.130	29.358.678	15.276.121	21.863.623
Notes receivable	2.101.272	1.531.611	87.775	63.064
Cheques receivable	22.789.403	27.920.933	18.800.157	21.966.059
Doubtful customers & other debtors	8.015.408	6.737.532	3.631.567	2.938.012
Less: Allowances for doubtful trade receivables	-4.818.424	-3.660.023	-2.187.271	-1.750.726
Total	50.970.789	61.888.731	35.608.349	45.080.032

The transactions of the account "Provisions for impairment" were as follows:

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Balance at the beginning of the year	3.660.023	2.661.573	1.750.726	1.553.856
Deletion of doubtful clients/debtors	-75.506	-491.638	-28.455	-397.729
Provisions for doubtful receivables	1.237.110	1.498.639	465.000	594.599
Exchange differences	-3.204	-8.551	0	0
Balance at the end of the year	4.818.424	3.660.023	2.187.271	1.750.726

The Company has specified criteria applying to the credit granted to customers which are generally based on the size of the customer's activity, economic circumstances and the assessment of relevant financial information. On each date of statement of financial situation, all overdue or doubtful debts are assessed to determine whether it is necessary to raise provisions for doubtful debts or not.

Any balances of customers that are crossed out are charged to the current provision for doubtful debts.

The fair values of the above receivables are approximately the same with their book values.

The time horizon of receivables collection for both the Company and the Group is set out below:

Days of take a payment for receivables	0-120	121-150	151-180	181+	Σύνολο
Amounts in Euros					
Company	16.498.491	9.815.295	4.220.857	3.629.410	34.164.053
Group	28.412.595	10.391.958	4.422.370	4.546.881	47.773.805

6.7 Other Receivables

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Sundry debtors	2.512.098	2.103.655	2.358.302	2.165.924
Receivables from the State (taxes, etc)	517.269	504.052	0	0
Purchases in transit	1.113.857	0	1.113.857	0
Blocked deposits	0	1.228.634	0	1.222.000
Short-term receivables against associated companies	158.840	544.030	111.424	473.501
Prepaid expenses	557.639	527.936	60.203	85.789
Accrued Income	76.429	0	76.429	0
Advances account	25.354	29.079	15.474	27.679
Total	4.961.486	4.937.385	3.735.689	3.974.893

6.8 Cash and Cash Equivalents

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Cash on hand	73.694	59.477	11.550	13.499
Short-term deposits	21.168.119	27.471.149	15.567.163	19.407.002
Total	21.241.813	27.530.626	15.578.713	19.420.501

6.9 Non-current assets held for Sale

Company Management decided to sell one of its properties. The latter was assessed on 31.12.2010 at its book value which is less than the fair value reduced by selling expenses, as assessed on 31.12.2010 by an independent company of assessors, according to specific instructions and rules established by the Royal Institution of Chartered Surveyors (Valuation Standards, 6th edition).

During the current year, an impairment test was carried out by an independent assessor by applying the income capitalization method in conjunction with the land assessment and construction cost method. This resulted to a € 87,299.09 provision for impairment.

	Group		
	Land	Buildings	Total
Book value in 1.1.2010	0,00	0,00	0,00
Additions	6.362.000,00	3.735.698,09	10.097.698,09
Sales or Deletions	0,00	0,00	0,00
Book value in 31.12.2010	6.362.000,00	3.735.698,09	10.097.698,09
Additions	0,00	0,00	0,00
Sales or Deletions	0,00	0,00	0,00
Impairment provision	-54.989,72	-32.289,37	-87.279,09
Book value in 31.12.2011	6.307.010,28	3.703.408,72	10.010.419,00

	Company		
	Land	Buildings	Total
Book value in 1.1.2010	Οικόπεδα	Κτίρια	0,00
Additions	0,00	0,00	0,00
Sales or Deletions	6.362.000,00	3.735.698,09	10.097.698,09
Book value in 31.12.2010	6.362.000,00	3.735.698,09	10.097.698,09
Additions	0,00	0,00	0,00
Sales or Deletions	0,00	0,00	0,00
Impairment provision	-54.989,72	-32.289,37	-87.279,09
Book value in 31.12.2011	6.307.010,28	3.703.408,72	10.010.419,00

6.10 Share Capital and Share Premium

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Share Capital (no. of shares * nominal value)	13.500.000	13.500.000	13.500.000	13.500.000
Share Premium	9.875.000	9.875.000	9.875.000	9.875.000
Total	23.375.000	23.375.000	23.375.000	23.375.000

The share capital of SIDMA SA consists of (10,000,000) ordinary shares with a par value of € 1,35.

6.11 Reserves

	Group							
	Legal Reserve	Extraordinary Reserves	Special Reserves	Tax-free reserves under special laws	Difference from the revaluation of assets	Exchange differences from the consolidation of associates	Revaluation Reserves	Goodwill from Acquisition of Subsidiary
Balance in 1.1.2010	2.433.328	239.720	805.517	9.233.327	1.403.658	26.671	958.285	-934.785
Formation of reserves from the profits of the year 2007	0	0	0	0	0	0	0	0
Other changes	0	0	36.947	0	0	0	0	0
Balance in 31.12.2010	2.433.328	239.720	842.464	9.233.327	1.403.658	26.671	958.285	(934.785)
Formation of reserves from the profits of the year 2008	0	0	0	0	0	0	0	0
Other changes	0	0	23.915	0	0	0	0	0
Balance in 31.12.2011	2.433.328	239.720	866.379	9.233.327	1.403.658	26.671	958.285	(934.785)

	Company					
	Legal Reserve	Extraordinary Reserves	Special Reserves	Tax-free reserves under special laws	Difference from the revaluation of assets	Total
Balance in 1.1.2010	2.164.759	239.720	805.517	8.186.230	1.403.658	12.799.885
Formation of reserves from the profits of the year 2007	0	0	0	0	0	0
Other changes	0	0	36.947	0	0	36.947
Balance in 31.12.2010	2.164.759	239.720	842.464	8.186.230	1.403.658	12.836.831
Formation of reserves from the profits of the year 2008	0	0	0	0	0	0
Other changes	0	0	23.915	0	0	23.915
Balance in 31.12.2011	2.164.759	239.720	866.379	8.186.230	1.403.658	12.860.746

Tax-free reserves were formed in accordance with the Greek Tax Law and remain as tax-free only if these reserves will not be distributed as a dividend to the shareholders. The company does not intend to distribute these reserves and for this reason, no income tax has been calculated.

6.12 Retained Earnings

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Retained Earnings carrying from the previous year	-7.518.656	-1.018.095	1.908.032	5.967.437
Adjustments in the Comprehensive Income Statement	452.890	595.076	328.476	509.983
Increase in participation % in PANELCO's share capital	0	254.155	0	0
Profit/Loss of the year (after tax and distribution)	-11.865.407	-7.349.793	-7.212.262	-4.569.388
Retained Earnings at the end of each year	-18.931.173	-7.518.656	-4.975.754	1.908.032

6.13 Minority Interests

	Group	
	31.12.2011	31.12.2010
Minority Rights at the beginning of the year	511.495	1.917.097
Decrease in participation % in PANELCO's share capital	0	-1.341.956
Adjustments in the Comprehensive Income Statement	7.284	3.608
Minority Rights of the financial results of the year	-168.873	-67.254
Minority Rights at the end of each year	349.905	511.495

6.14 Borrowings & Financial Leases

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Long-term liabilities				
Long-term bank loans	62.101.724	14.189.045	56.518.202	5.000.000
Total long-term liabilities (a)	62.101.724	14.189.045	56.518.202	5.000.000
Short-term liabilities				
Short-term bank loans	49.590.247	37.820.449	23.456.115	15.549.155
Obligations under finance leasing	0	62.779	0	0
Current installments of long-term loans	5.539.778	65.480.090	0	59.875.574
Total long-term liabilities (b)	55.130.024	103.363.318	23.456.115	75.424.729
Grand Total (a)+(b)	117.231.749	117.552.363	79.974.317	80.424.729

Long-term loans refer mainly to bond loans issued by the Company and the Group, which are ordinary, non-convertible and are divided into ordinary, unregistered bonds, provide bondholders with interest collection, have a term of three to five years, are payable upon maturity and are analysed as follows:

	Group		Company	
Maturity – repayment date	31.12.2011	31.12.2010	31.12.2011	31.12.2010
June 2011	0	51.500.000	0	51.500.000
September 2011	0	8.000.000	0	8.000.000
December 2011	0	5.604.514	0	0
January 2012	5.000.000	6.900.000	0	0
June 2012	483.482	5.483.482	0	5.000.000
March 2013	1.715.000	0	1.715.000	0
September 2013	9.715.000	0	9.715.000	0
December 2013	483.482	483.482	0	0
February 2014	1.072.879	1.072.879	0	0
March 2014	1.715.000	0	1.715.000	0
September 2014	1.715.000	0	1.715.000	0
March 2015	1.715.000	0	1.715.000	0
April 2015	41.161	41.161	0	0
September 2015	1.715.000	0	1.715.000	0
March 2016	1.715.000	0	1.715.000	0
September 2016	36.995.000	0	36.995.000	0
December 2016	4.000.000	0	0	0
Other accommodations	-439.502	583.617	-481.798	375.574
Total	67.641.502	79.669.135	56.518.202	64.875.574

Post-dated cheques of clients amounting to € 11.3 million have been assigned in order to secure a bond loan coming to € 8,000,000 with respect to the company.

Furthermore, under the notary deed no. 3964, dated 14-9-2011, of the Notary Public Christina Keziou-Malliou the company has consigned a first priority mortgage for an amount of 49 million Euros as a collateral for the common Bond Loan of 20 September 2011, in favor of the bank named EFG EUROBANK SA in its capacity as agent of the Bondholders, as applicable at times, of the above Bond Loan, on two real properties of the company, located, one the one hand, in Aspropyrgos in the Prefecture of Attica (Location Mavri Yiora, Megaridos str.) and admeasuring in total 35,344.16 square meters and, on the other hand, in Inofyta in the Prefecture of Boeotia (Location Tempeli at the 54th kilometer of the Athens-Lamia National Road) and admeasuring in total 78.305,68 square meters.

Furthermore, in order to secure bank liabilities totalling € 3.5 million of subsidiary "SIDMA Romania S.R.L.", prenotation of mortgage has been registered on the properties of the said company totalling € 6.5 million.

The other loans are not secured by way of liens.

The maturity of the total borrowings (loans and finance leasing) is as follows:

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Between 1 and 2 years	67.043.507	110.746.800	34.886.115	80.424.729
Between 2 and 5 years	50.188.242	6.805.562	45.088.202	0
5 years +	0	0	0	0
Total	117.231.749	117.552.363	79.974.317	80.424.729

Average borrowing cost for the Company and the Group came to 5.8% and 6.3% respectively. The cost at Group level is increased because a great part of the subsidiaries' liabilities in Bulgaria and Romania (31% in Bulgaria and 27% in Romania) is in local currency rather than Euro. The purpose is to reduce risk (exposure to Euro) in case the local currency is depreciated. It is worthwhile noting that at the end of the year the Sofibor (Sofia Interbank Offered Rate) in Bulgaria was 3.54% and Robor (Romanian Interbank Offered Rate) in Romania came to 5.56% in relation to Euribor that came to 1.36%.

In addition, the policy of the Group is to refrain from using all its available credit lines and have available credit limits and cash deposits equal at least to 20% of the total lines at any time.

6.15 Government Grants

The amount of € 543,176 refers to Government Grants received from the subsidiary "PANELCO S.A.". This grant is related to capital expenditure realized by the subsidiary in its Lamia plant. The specific capital expenditure was incorporated in the governmental development law 2601/98 that had to do with the construction of a plot for the production of metal and thermo-insulating elements. The accounting method used by the group set up the grant as deferred income and is recognizing it as income on a systematic and rational basis over the useful life of

the asset. Furthermore, amount equal to € 185,183 refers to Government Grants received from the Mother Company for its investment in photovoltaic energy.

6.16 Deferred Tax

The Group has chosen to set off the deferred tax assets against the deferred tax liability of the same taxable entity if, and only if, they relate to income taxes levied by the same taxation authority and the entity has a legally enforceable right to do so.

Deferred taxes of the Group and the Company are reviewed in each financial year so that the balance set out in the balance sheet is reflected at the applicable tax rates. The deferred tax rate for the current period equals to 20%.

	Group								
	Assets	Financial Leasing	Retirement Benefits to personnel	Provision for doubtful debtors	Taxes losses	Interest Hedging	Other provisions	Exchange differences	Total
1/1/2010	(2.360.002)	(336.952)	287.861	544.469	4.021.082	318.124	3.264	661	2.478.507
(Credit)/Debit of profit - loss statement	209.127	12.552	(44.982)	59.242	948.887	0	(2.667)	(1.323)	1.180.837
(Credit)/Debit of Comprehensive Income	0	0	0	0	0	(194.397)	0	0	(194.397)
31/12/2010	(2.150.875)	(324.399)	242.879	603.710	4.969.969	123.727	597	(662)	3.464.947
1/1/2011	(2.150.875)	(324.399)	242.879	603.710	4.969.969	123.727	597	(662)	3.464.947
(Credit)/Debit of profit - loss statement	(79.350)	(12.556)	(16.228)	(492.939)	(65.739)	0	3.601	80	(663.130)
(Credit)/Debit of Comprehensive Income	0	0	0	0	0	(112.468)	0	0	(112.468)
31/12/2011	(2.230.225)	(336.955)	226.652	110.772	4.904.231	11.259	4.198	(582)	2.689.349

	Company								
	Assets	Financial Leasing	Retirement Benefits to personnel	Next Year Interest Reserve	Provision for doubtful debtors	Taxes losses	Interest Hedging	Exchange differences	Total
1/1/2010	(2.436.643)	(18.055)	268.227	363.989	3.259.938	250.449	0	0	1.687.906
(Credit)/Debit of profit - loss statement	186.911	18.055	(40.916)	(43.217)	677.418	0	0	0	798.250
(Credit)/Debit of Comprehensive Income	0	0	0	0	0	(168.330)	0	0	(168.330)
31/12/2010	(2.249.732)	0	227.310	320.772	3.937.357	82.119	0	0	2.317.826
1/1/2011	(2.249.732)	0	227.310	320.772	3.937.357	82.119	0	0	2.317.826
(Credit)/Debit of profit - loss statement	(97.170)	0	(16.698)	(210.000)	0	0	0	0	(323.869)
(Credit)/Debit of Comprehensive Income	0	0	0	0	0	(82.119)	0	0	(82.119)
31/12/2011	(2.346.903)	0	210.612	110.772	3.937.357	0	0	0	1.911.838

The amount of the company's and group's deferred tax asset standing at € 2,689,349 and € 1,911,838 correspondingly mainly originates from the recognized tax loss for the years 2009-2011 which will be offset against future profits.

The offset amounts are as follows:

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Deferred Tax Assets				
· Recovered after 12 months	5.257.111	5.940.883	4.258.740	4.485.439
· Recovered within 12 months	0	-662	0	82.119
	5.257.111	5.940.221	4.258.740	4.567.558
Deferred Tax Liabilities				
· Recovered after 12 months	-2.567.180	-2.475.274	-2.346.903	-2.249.732
· Recovered within 12 months	-582	0	0	0
	-2.567.762	-2.475.274	-2.346.902	-2.249.732
Balance after the net-off	2.689.349	3.464.947	1.911.838	2.317.826

6.17 Pensions obligations

Retirement Benefits	Group	Company
Accrued retirement benefit obligations 1.1.2010	1.276.968	1.166.203
Current service cost 1.1-31.12.2010	138.733	139.607
Current interest cost 1.1-31.12.2010	47.872	53.793
Retirement benefits paid 1.1-31.12.2010	-223.051	-223.051
Accrued retirement benefit obligations 31.12.2010	1.240.522	1.136.552
Current service cost 1.1-31.12.2011	59.526	63.241
Current interest cost 1.1-31.12.2011	44.227	43.640
Retirement benefits paid 1.1-31.12.2011	-207.675	-190.373
Accrued retirement benefit obligations 31.12.2011	1.136.600	1.053.060

For determination of the pension liability, the following actual assumptions were used:

	2011	2010
Discount Rate	4,56%	4,87%
Future salaries increase	2,00%	3,00%
Inflation	2,20%	5,20%
Death - rate (Swiss Index)	EVK2000	EVK2000

6.18 Other non-current liabilities

Other non-current liabilities of FY 2010 were related with the third instalment of the acquisition value for the extra 14% of PANELCO's share capital which was payable in February 2012.

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Other non current liabilities	0	362.600	0	362.600
Total	0	362.600	0	362.600

6.19 Trade and other payables

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Trade Suppliers	20.597.161	26.871.451	14.701.426	21.160.721
Notes payable	286.250	875.805	274.675	871.138
Short-term payables from related parties	815.019	904.749	99.028	84.217
Advances from trade debtors	346.021	498.605	296.512	283.785
Sundry creditors	1.107.826	1.444.004	989.015	1.175.747
Dividends payable	3.964	4.152	3.964	4.152
Accrued Expenses	848.221	977.617	743.776	840.703
Other (accruals or deferred income)	85.013	81.934	2.188	0
Tax and duties payable	1.430.086	886.176	910.117	307.859
Social Security	340.729	411.837	263.033	281.994
Total	25.860.289	32.956.330	18.283.735	25.010.315

Trade and other payables arise from the normal course of business of the Group's companies and no additional payments are expected from the above liabilities.

The terms of payment of domestic suppliers vary in line with the type of supplier from 45 to 90 days. As regards international suppliers, settlement days range from cash up to 90. Average weighted settlement days of international suppliers come to 60 while the respective days for domestic suppliers come to 61.

6.20 Turnover (Sales)

Sales for the period ended 31.12.2011 and 31.12.2010, are analysed by category of products and services (using Greek Statistical Service Codes) as follows:

	1.1-31.12.2011		1.1-31.12.2010	
	Group	Company	Group	Company
27.10 Manufacture of basic iron, steel and ferro-alloys	55.993.611	41.310.669	50.817.736	45.526.603
51.52 Wholesale of metals and metal ores	42.172.119	18.002.724	53.272.227	22.078.872
28.11 Manufacture of metal structures and parts of structures	11.593.167	0	12.434.550	0
28.51 Treatment and coating of metals	2.438.934	2.438.934	3.308.757	3.132.948
27.22 Manufacture of steel tubes	3.293	3.293	8.960	8.960
Grand Total	112.201.123	61.755.619	119.842.229	70.747.383

The turnover amounts as appeared in the P&L Account, do not include the sales made by the parent company on behalf of third parties (consignment) amounting to EUR 30,345,833. The respective amount of the previous year 2010 was EUR 37,070,186. The above amounts should be considered for the calculation of any ratios based on the turnover of the Group and the Company.

6.21 Cost of Sales

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Cost of Goods	99.375.871	104.267.528	54.127.224	62.031.617
Payroll & Related Expenses	2.326.920	2.616.767	1.098.697	1.273.951
Third Party Fees & Related Expenses	265.013	299.967	173.843	234.586
Utilities - Services	526.251	558.803	352.227	392.465
Taxes - Stamp Duties	68.431	102.460	56.150	102.460
Various Expenses	388.900	306.892	167.615	228.176
Depreciation	1.674.940	1.739.765	773.556	869.040
Grand Total	104.626.326	109.892.183	56.749.313	65.132.295

Due to the re-estimation of the useful life for the production lines and the other machinery of the company, the depreciation in year 2011 included in the Cost of Sales, is less € 386 thousands for the company and € 492 thousands for the group.

6.22 Other Income

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Income from rendering services to third parties	1.119.264	878.714	1.187.571	890.031
Agency Fees	1.751.004	1.725.536	1.751.004	1.725.536
Rentals	10.200	10.200	10.200	10.200
Invoiced expenses for dispatching goods	552.127	725.822	312.953	502.970
Incidental activity income	24.351	35.522	0	0
Prior year's income	215.688	424.891	77.604	66.328
Income from the depreciation of granted assets	120.265	120.265	0	0
Other non-operating income	736.317	79.651	131.882	413.437
Income from prior years' provisions	127.864	20.802	83.492	29.651
Grand Total	4.657.080	4.021.404	3.554.707	3.638.152

6.23 Administrative expenses

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Payroll & Related Expenses	2.210.984	2.274.995	1.388.009	1.541.605
Third Party Fees & Related Expenses	697.554	573.984	340.526	223.173
Utilities - Services	306.376	528.954	93.058	102.864
Taxes - Stamp Duties	142.860	175.647	21.955	21.090
Various Expenses	413.523	545.944	148.098	159.566
Depreciation	314.367	432.886	239.423	337.527
Provisions	23.915	36.947	23.915	36.947
Grand Total	4.109.578	4.569.357	2.254.985	2.422.771

6.24 Selling/Distribution expenses

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Payroll & Related Expenses	4.170.603	4.492.895	3.219.782	3.722.338
Third Party Fees & Related Expenses	524.022	507.225	293.461	313.027
Utilities - Services	2.171.691	1.890.379	1.596.945	1.296.970
Taxes - Stamp Duties	184.953	137.614	170.683	137.171
Various Expenses	1.991.297	2.221.871	1.556.695	1.693.416
Depreciation	1.046.251	898.886	801.776	686.499
Provisions	0	157.412	0	0
Grand Total	10.088.816	10.306.282	7.639.343	7.849.422

6.25 Other expenses

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Prior year's expenses	27.830	10.493	21.283	9.029
Non-operating losses	0	0	0	0
Other non-operating expenses	157.460	89.244	133.479	58.536
Impairment provision for Assets hold for sale	87.279	0	87.279	0
Provisions for doubtful receivables	1.224.776	1.288.681	465.000	594.599
Grand Total	1.497.345	1.388.418	707.041	662.164

6.26 Finance expenses (net)

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Credit interest and related income	699.249	580.999	588.714	461.639
Interest Expense	-8.160.034	-6.518.478	-5.343.955	-4.084.184
Financial leasing expense	0	-4.241	0	0
Exchange Differences	-344.047	-276.045	0	0
Grand Total	-7.804.832	-6.217.764	-4.755.241	-3.622.545

6.27 Investing Activities

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Extraordinary Profits	800	23.332	1.289	13.347
Extraordinary Losses	-61	-2.707	-61	-2.707
Income from Dividends	0	0	0	0
Σύνολο	739	20.625	1.228	10.640

6.28 Taxation

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Income Tax	0	-18.048	0	0
Deferred Tax	-657.197	1.180.839	-323.869	798.250
Other Taxes	-109.129	-90.089	-94.024	-74.615
Grand Total	-766.327	1.072.701	-417.893	723.636

6.29 Other comprehensive income after taxes

The analysis of other comprehensive income after taxes for the FY 2011 and FY 2010 respectively is shown below:

	Group		Company	
	1.1 - 31.12.2011	1.1 - 31.12.2010	1.1 - 31.12.2011	1.1 - 31.12.2010
Interest hedging (swap)	562.340	764.513	410.595	678.313
Exchange differences	10.302	28.569	0	0
Deferred taxation related with the comprehensive income	-112.468	-194.397	-82.119	-168.330
Other comprehensive income after taxes	460.174	598.684	328.476	509.983

6.30 Basic EPS

	Group		Company	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Profit to the Shareholders of the mother company	-11.865.407	-7.349.793	-7.212.262	-4.569.388
Weighted number of shares	10.000.000	10.000.000	10.000.000	10.000.000
Basic Earnings Per Share (EURO/share)	-1,1865	-0,7350	-0,7212	-0,4569

The basic earnings per share have been calculated using the net results attributable to shareholders of SIDMA S.A. as numerator. The weighted average number of outstanding shares used as denominator.

6.31 Dividends per share

In 2011 as in 2010 and 2009, the Board of Directors had decided to refrain from distributing any dividend, due to losses.

Due to losses also to the subsidiaries, there is no possibility for distributing any dividend.

6.32 Non-Audited Fiscal Years

The mother company as well as PANELCO S.A. have been audited by the Tax Authorities up to Fiscal Year 2007. For the non-audited fiscal years the P&L Statement for the Company and the Group, has been charged with provisions amounted to € 120.000 and € 267.000 respectively.

Among the other consolidated companies, SIDMA WORLDWIDE CYPRUS has been tax audited up to FY 2009, SIDMA Romania SRL, has been audited by the local Tax Authorities up to September of 2008, while SIDMA Bulgaria has not been tax audited for the years 2005-2011 and because of its loss, no more taxes are going to arise.

The mother company as well as PANELCO S.A. are audited for the Fiscal Year 2011 by SOL SA. The management of the Group does not expect, as a result of the audit, any significant variation from the tax provision already posted for the Company and the Group in 2011 financial results.

6.33 Contingent and assumed liabilities

There are no differences in dispute or arbitration or rulings of judicial or administrative bodies that may have a significant impact on the financial standing or operation of Group companies. The Group has contingent liabilities in relation to banks, other guarantees and other matters that arise in the course of its ordinary business activities. No significant burdens are expected to

arise from the contingent liabilities. No additional payments are expected after the compilation date of these financial statements.

No liens have been assigned in relation to the credit limits granted by credit institutions to the parent company and Group companies.

On 31.12.2011, the bank letters of guarantee concerning participation in tenders and performance bonds of the Group and the Company amounted to € 4,681 and € 3,670 correspondingly.

6.34 Number of personnel

The average number of employees at the end of the reporting and the previous year for the group and the company is shown in the following table:

	Group		Company	
No. of persons	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Average no. of personnel	259	290	137	154

7 Intra-Group Transactions and Balances

7.1 Intra-Group Sales

	1.1-31.12.2011		1.1-31.12.2010	
Amounts in euros	Group	Company	Group	Company
Sales of goods				
Subsidiaries	0	927.860	0	473.714
Other companies of the group	2.435.232	1.524.679	2.259.381	1.141.017
Total	2.435.232	2.452.539	2.259.381	1.614.731

	1.1-31.12.2011		1.1-31.12.2010	
Amounts in euros	Group	Company	Group	Company
Sales from services rendering				
Subsidiaries	0	26.969	0	352.754
Other companies of the group	2.817.577	2.816.612	2.460.995	2.460.995
Total	2.817.577	2.843.581	2.460.995	2.813.749

7.2 Intra-Group Purchases and Expenses

	1.1-31.12.2011		1.1-31.12.2010	
Amounts in euros	Group	Company	Group	Company
Purchases of goods				
Subsidiaries	0	28.194	0	85.177
Other companies of the group	14.218.375	2.683.597	14.051.841	3.392.143
Total	14.218.375	2.711.791	14.051.841	3.477.320

	1.1-31.12.2011		1.1-31.12.2010	
Amounts in euros	Group	Company	Group	Company
Receiving of services				
Subsidiaries	0	4.708	0	2.986
Other companies of the group	291.096	257.793	204.793	159.886
Total	291.096	262.500	204.793	162.872

7.3 Intra-Group Receivables & Payables

	1.1-31.12.2011		1.1-31.12.2010	
Amounts in euros	Group	Company	Group	Company
Receivables				
Subsidiaries	0	67.878	0	661.059
Other companies of the group	1.869.413	1.682.735	1.703.280	1.304.918
Total	1.869.413	1.750.614	1.703.280	1.965.977

	1.1-31.12.2011		1.1-31.12.2010	
Amounts in euros	Group	Company	Group	Company
Payables				
Subsidiaries	0	9.535	0	15.879
Other companies of the group	11.932.587	9.644.455	12.679.854	11.429.425
Total	11.932.587	9.653.990	12.679.854	11.445.303

7.4 Management and Board of Directors' fees

	Group		Company	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Board of Directors fees (short-term)	276.246	387.065	199.116	259.347
Management Fees (short-term)	1.082.236	1.160.394	603.745	678.459
Total	1.358.482	1.547.459	802.860	937.805

There are no other receivables or payables than the foregoing in relation to BoD members of the company or its executives.

7.5 Independent Auditors' Fees

Pursuant to Article 43a (1) of Law 2190, the fees paid by the Group to legal auditors or auditing firms for the mandatory audit of the annual accounts, the total fees charged for other auditing services, the total fees charged for tax consultant services and the total fees charged for other non-auditing services are laid down.

Companies	Auditing Services' Fees	Fees for other non Auditing Services	Total Fees
SIDMA	47.300	2.500	49.800
PANELKO	22.480	0	22.480
SIDMA CYPRUS	1.100	0	1.100
SIDMA BULGARIA	14.600	0	14.600
SIDMA ROMANIA	12.451	2.921	15.372
Total	97.931	5.421	103.352

8 Clarifications on Comparative Items of the previous period

The rearrangements in previous period's items were made in order to **become comparable** with the ones of the present period, as well as for the proper and comprehensive presentation of the financial data of the Group and the Company. The rearrangements made were as follows:

- In the Statement of the Financial Position of the Group and the Company of 31.12.2010 amount of € 5,093,409 was transferred from the item "Other Payables" to the item "Short Term Debt" because it had to do with reverse factoring.
- In Group's Cash Flow Statement for the period 01.01-31.12.2010 the amount of € 1,825,658 was subtracted from both the items of "Finance costs" and "Finance Costs Paid". That amount had to do with foreign exchange differences of SIDMA Romania subsidiary. The cash flows from operating activities did not change at all.

The above rearrangements do not have any impact neither to the profit/loss after taxation, to EBITDA, to Assets and Liabilities, nor to the Equity of the Company and the Group.

9 Post Balance Sheet Events

There are no events after 31.12.2011 and until the completion of the financial statements of 31.12.2011 that would have justified their change or their adaption.

10 Report of the article 2, par. 4 of Law 3016/2002

In accordance to article 2, par.4 of Codified Law 3016/2002.

During 2011, Company's transactions with affiliated companies are as listed below:

Sales of goods/services	
Company	Amount in €
SIDENOR S.A.	2.200.503
SOVEL S.A.	38.679
CONSULTANT&CONSTRUCTION SOLUTIONS AE	1.893
ETIL S.A.	141.764
BET S.A.	510
AEIFOROS S.A.	813
PANELCO S.A.	49.553
CORINTH PIPEWORKS S.A.	145.493
ATTICA METALIC WORKS S.A.	375.966
PROSAL S.A.	154.938
ERLIKON WIRE PROCESSING S.A.	367.606
SIDMA ROMANIA SRL	83.440
SIDMA BULGARIA SA	821.836
FITCO SA	4.782
HELLENIC CABLES S.A.	27.300
ETEM S.A.	123
VITROUVIT S.A.	1.942
VIOMAL S.A.	237.136
HALCOR S.A.	19.455
ELVAL S.A.	14.564
ARGOS S.A.	93.432
ANOXAL SA	448
PROSAL TUBES SA	380.829
SYMETAL SA	1.665
ANAMET SA	24.076
SIDERAL SHPK	107.374
TOTAL	5.296.119

Purchases of Goods/Services	
Company	Amount in €
SIDENOR S.A.	420.284
ELKEME S.A.	160
STOMANA S.A	2.153.590
PANELCO S.A.	2.354
PROSAL S.A.	18.760
SIDMA ROMANIA SRL	11.241
SIDMA BULGARIA SA	19.306
TEKA SYSTEMS S.A.	58.042
ANTIMET S.A.	70.183
HELLENIC CABLES S.A.	174
VIEXAL LTD	7.644
FITCO SA	12.146
HALCOR S.A.	23.795
SIDERAL SHPK	20.650
ERLIKON WIRE PROCESSING S.A.	122.432
ETIL S.A.	32.690
AEIFOROS S.A.	840
TOTAL	2.974.291

Receivables	
Company	Amount in €
SIDENOR S.A.	575.393
PROSIDER S.A.	12.632
CONSULTANT&CONSTRUCTION SOLUTIONS AE	164
PANELCO S.A.	15.971
CORINTH PIPEWORKS S.A.	72.533
PROSAL S.A.	25.222
ERLIKON WIRE PROCESSING S.A.	39.683
SIDMA ROMANIA SRL	27.830
SIDMA BULGARIA SA	19.077
SIDMA CYPRUS	5.000
ANTIMET S.A.	607.856
HELLENIC CABLES S.A.	4.444
HALCOR S.A.	7.542
ETIL S.A.	44.026
SOVEL S.A.	6.546
ATTICA METALIC WORKS S.A.	19.837
VIOMAL S.A.	120.557
ARGOS S.A.	28.236
ELVAL S.A.	7.976
SYMETAL SA	2.716
BIANATT	-1
SIDERAL SHPK	107.374
TOTAL	1.750.614

Payables	
Company	Amount in €
SIDENOR S.A.	6.990.373
ETIL S.A.	6.310
AEIFOROS S.A.	1.034
CORINTH PIPEWORKS S.A.	365.540
ELKEME S.A.	197
SIDMA BULGARIA SA	3.896
ERLIKON WIRE PROCESSING S.A.	993.524
FITCO SA	14.940
VIEXAL LTD	1.376
SIDMA ROMANIA SRL	2.744
TEKA SYSTEMS S.A.	10.186
PROSAL S.A.	592.669
ANTIMET S.A.	41.679
HALCOR S.A.	24.238
PANELCO S.A.	2.896
HELLENIC CABLES S.A.	12.952
STOMANA S.A	566.132
ETEM SA	1.599
SIDERAL SHPK	20.650
ELVAL S.A.	1.057
TOTAL	9.653.990

11 Information According to Article 10 of Law 3401/2005

The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted to the Athens Exchange website as well as to our Company's website www.sidma.gr

DATE	SUBJECT	Path in the http://www.sidma.gr
	Announcements & Press Releases	
30/3/2011	Press Release - Financial Results for SIDMA S.A. for the fiscal year 2010	Home page/Investor Relations/News/Press Releases/2011
30/3/2011	Press Release - Announcement according to the article 4.1.4.4 of ASE Rulebook.	Home page/Investor Relations/News/Press Releases/2011
24/5/2011	Press Release - Notice to the General Meeting of Shareholders	Home page/Investor Relations/News/Press Releases/2011
31/5/2011	Press Release - Financial Results for SIDMA S.A. for the first quarter of 2011	Home page/Investor Relations/News/Press Releases/2011
17/6/2011	Press Release - Commentary on the Annual Shareholders - Ordinary General Meeting of SIDMA S.A.	Home page/Investor Relations/News/Press Releases/2011
17/6/2011	Press Release- Decisions of Annual General Meeting of SIDMA S.A.	Home page/Investor Relations/News/Press Releases/2011
17/6/2011	Board of Directors composition	Home page/Investor Relations/News/Announcements/2011
30/8/2011	Press Release-Results for the first semester of 2011	Home page/Investor Relations/News/Press Releases/2011
1/9/2011	Press Release - Issue of Bond Loan	Home page/Investor Relations/News/Press Releases/2011
30/11/2011	Press Release-Results for the third quarter of 2011	Home page/Investor Relations/News/Press Releases/2011
	SIDMA - Financial Statements IFRS	
30/3/2011	Notes to the Financial Statements of 31/12/2010	Home Page/Investors Relations/Financial Statements/2010
30/3/2011	Financial Statements Group & Parent Company as of 31/12/2010	Home Page/Investors Relations/Financial Statements/2010
31/5/2011	Notes to the Financial Statements of 31/03/2011	Home Page/Investors Relations/Financial Statements/2011
31/5/2011	Financial Statements Group & Parent Company as of 31/03/2011	Home Page/Investors Relations/Financial Statements/2011
30/8/2011	Notes to the Financial Statements of 30/06/2011	Home Page/Investors Relations/Financial Statements/2011
30/8/2011	Financial Statements Group & Parent Company as of 30/06/2011	Home Page/Investors Relations/Financial Statements/2011
30/11/2011	Notes to the Financial Statements of 30/09/2011	Home Page/Investors Relations/Financial Statements/2011
30/11/2011	Financial Statements Group & Parent Company as of 30/09/2011	Home Page/Investors Relations/Financial Statements/2011

The annual financial statements are available on the Company's website www.sidma.gr

Halandri – March 27, 2012

PRESIDENT OF THE BOARD
OF DIRECTORS

MARCEL L. AMARIGLIO

VICE PRESIDENT OF THE BOARD
OF DIRECTORS

SARANTOS K. MILIOS

CHIEF EXECUTIVE OFFICER

DANIEL D. BENARDOUT

THE CHIEF FINANCIAL
OFFICER

MICHAEL C. SAMONAS

ACCOUNTING DEP. HEAD

PARIS G. PAPAGEORGIOU