SIDMA S.A.
STEEL PRODUCTS


**Company's No 7946/06/B/86/2 in the register of Societes Anonymes**
**G.E.MI. 3618010**
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# CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

**December 2014**

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## A. 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. NIKOLAOS P. MARIOY
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 annual of 1.1.2014 to 31.12.2014, prepared according to the effective 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 20, 2015

| CHAIRMAN OF THE BOARD OF DIRECTORS | VICE-CHAIRMAN OF THE BOARD OF DIRECTORS | C.E.O. |
|---|---|---|
| MARCEL L. AMARIGLIO | NIKOLAOS P. MARIOY | DANIEL D. BENARDOUT |

# B. Annual Board of Directors' Management Report

**ANNUAL BOARD OF DIRECTORS' MANAGEMENT REPORT**
**OF THE COMPANY SIDMA S.A.**
**on the Financial Statements for the period from 1 January to 31 December 2014**

## B.1 Introduction

The present Annual Report of the Board of Directors which follows, refers to the period (01.01.2014-31.12.2014) was compiled and is in line with the relevant stipulations of the law 3556/2007 (Government Gazette 91A/30.04.2007) and more specifically article 5 and the executive decisions of the Hellenic Capital Market Commission and the issued decisions and especially the Decision no 7/448/11.10.2007 and 1/434/2007 of the Board of Directors of Hellenic Capital Market Commission.

The present report contains in a brief, but substantive manner all the important units, which are necessary, based on the above-mentioned legislative frame and depicts in a truthful way all the relevant indispensable according to the law information, in order to deduce a substantive and well-founded appraisal of the activity, during the time period in question, of the company "**SIDMA SA**" as well as the Group. In the Group, apart from SIDMA, are also included the following companies:

a) PANELCO S.A. which is located in Halandri, in which SIDMA participates by 94%,
b) SIDMA WORLDWIDE LIMITED, a holding company which is located in Cyprus, in which SIDMA participates by 100%,
c) SIDMA ROMANIA SRL which is located in Bucharest, Romania, in which SIDMA participates by 100% and
d) SIDMA BULGARIA S.A. which is located in Sofia, Bulgaria, in which SIDMA participates by 100%.

The present report was compiled according to the terms and conditions of the above described legal framework, accompanies the financial statements of this period (01.01.2014-31.12.2014) and is included as such in the annual financial statements for the year 2014.

Given that the Company also compiles consolidated financial results, the present report is single, the main point of reference is the consolidated financial figures of the Company and the associate companies, and the parent company's figures are referred to when it is considered necessary in order to better understand its content.

The units of the Report and their content are as follows:

## B.2 Company Performance and Financials

The significant improvement in the operating profitability of SIDMA Group in Greece and also in the Balkan countries, in which the Group operates, despite the economic circumstances which kept the consumption of steel products at low levels for one more year, rewards its efforts to reduce its cost base while also focusing on profitability.

In detail, the Group increased its sales volume, improved the gross profit margin and reduced its operating expenses, thus raising its operating profits and reducing its losses.
Specifically at Group level, the turnover stood at € 101 million, increased by 2% in relation to that of 2013 although the average selling prices in 2014 fell by 5.6% in relation to those of 2013. Taking into account the parent company's sales on behalf of third parties, the turnover stood at € 129 million from € 128 million in 2013, registering a 0.5% increase. The gross profit margin rose from 6.9% in 2013 to 7.6% in 2014, registering an 11% improvement while the operating expenses were decreased by 3.6% from € 13 million in 2013 to € 12.6 million in 2014. All the above resulted in an improvement of the Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) by € 1.2 million, namely from losses of € 0.32 million in 2013 to profits of € 0.9 million in 2014. Finally, the Group's pre-tax results amounted to losses of € 8.2 million in relation to losses of € 10 million in 2013, also registering an 18% improvement, without taking into account the negative adjustments of the Group's fixed assets. SIDMA Group reassessed the value of its fixed assets on 31.12.2014, thus giving rise to their net revaluation by € 6.6 million. However, based on the international accounting standards, the negative adjustments which amounted to € 1.9 million have an effect on the operating results of the year. The positive adjustments of € 8.4 million are directly recognised in the Group's equity. Taking also into account the negative adjustments, year losses amounted to € 10 million.

At Parent company level, the turnover of SIDMA rose by 2% at € 56 million from € 55 million in 2013. Taking into account the parent company's sales on behalf of third parties (agency), total sales stood at € 85 million, i.e. at the same levels with 2013. The gross profit margin rose from 8.9% in 2013 to 9.2% in 2014, registering a 4% improvement while the operating expenses were decreased by 7% from € 9.1 million in 2013 to € 8.5 million in 2014. As a result of the above, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 147% in relation to 2013, amounting to € 623 thousand from € 252 thousand while pre-tax results were improved by 20%, in other words from losses of € 8.0 million in the previous year they amounted to losses of € 6.4 million in 2014, without taking into account the negative adjustments of the Parent company's fixed assets. A provision for impairment of foreign operations equal to € 950 thousand was charged to the above results. In the context of fixed assets value reassessment on 31.12.2014 described above, as regards the Parent company their net revaluation amounted to € 1.9 million. However, the negative adjustments which amounted to € 1.7 million have an effect on the operating results of the year. The positive adjustments of € 3.6 million are directly recognised in the Parent company's equity. Taking also into account the negative adjustments, year losses of the Parent company amounted to € 8.1 million.

In addition to the foregoing, by managing properly its working capital **SIDMA** maintained its liquidity at € 8.8 million and € 6.3 million for the Group and the Parent company respectively. Given the persistent uncertainty in the markets in which the Group operates, its strategic objective is to focus on managing liquidity risks and keeping increased cash assets. Moreover, the Group considers a number of actions to improve its financial position such as restructuring, cutting down support expenses and putting to use assets that will give rise to benefits without affecting the Group's smooth operation.

## B.3 Basic Financial Ratios of the Group's consolidated results

The major financial accounts of the financial year 1/1-31/12/2014 are presented below:

| Group | 1/1/2014 - 31/12/2014 | 1/1/2013 - 31/12/2013 | Δ (%) |
|---|---|---|---|
| Turnover | 100.557.840 | 98.788.232 | 1,8% |
| Consignment Sales | 28.348.301 | 29.636.674 | -4,3% |
| Total Sales | 128.906.141 | 128.424.905 | 0,4% |
| Operating Results (EBITDA) | 890.841 | -327.669 | -371,9% |
| Earnings before taxes | -10.063.664 | -9.970.636 | 0,9% |
| Net Earnings after Taxes and Minority Interests | -11.154.678 | -11.174.758 | -0,2% |
| EBITDA Margin | 0,89% | -0,33% | -367,1% |
| Net Profit Margin | -11,09% | -11,31% | -1,9% |

| Company | 1/1/2014 - 31/12/2014 | 1/1/2013 - 31/12/2013 | Δ (%) |
|---|---|---|---|
| Turnover | 56.175.568 | 55.264.443 | 1,6% |
| Consignment Sales | 28.348.301 | 29.636.674 | -4,3% |
| Total Sales | 84.523.869 | 84.901.117 | -0,4% |
| Operating Results (EBITDA) | 623.871 | 252.083 | 147,5% |
| Earnings before taxes | -8.113.385 | -7.958.717 | 1,9% |
| Net Earnings after Taxes | -9.094.990 | -8.812.327 | 3,2% |
| EBITDA Margin | 1,11% | 0,46% | 143,5% |
| Net Profit Margin | -16,19% | -15,95% | 1,5% |

## B.4 Significant Events During 2014

The performance of **SIDMA** in the Greek market in 2014 is deemed satisfactory given that the company increased its sales volume in relation to 2013 by a higher percentage, even in comparison with the European average (2.3% according to Eurofer), maintained its market share, improved gross profit margins, reduced its costs, increased its operating profits and reduced its losses.

In 2014, its subsidiary **PANELCO** saw its turnover rise by 26% in relation to 2013. Specifically, it rose from € 9.9 million to € 12.4 million while pre-tax results were improved by 55%. This increase is the outcome of synergies between SIDMA and other companies of SIDENOR Group in Greece and abroad.

As regards the subsidiaries in the Balkans, the turnover of **SIDMA Bulgaria** rose by 15% while **SIDMA Romania** saw its turnover fall by 14.6% in relation to 2013. More specifically, the turnover of **SIDMA Bulgaria** amounted to € 14.4 million compared to € 12.5 million in 2013 while the turnover of **SIDMA Romania** stood at € 20.1 million compared to € 23.6 million in 2013. Pre-tax results of **SIDMA Bulgaria** and **SIDMA Romania** were improved by 44% and 27% respectively.

In Bulgaria, the lack of investments and infrastructure works kept the steel market in 2014 at the levels of 2013. Nevertheless, the market share of **SIDMA Bulgaria** increased. This increase is mainly due to the closer commercial collaboration between SIDMA and the steelworks of **STOMANA** (part of SIDENOR Group).

As regards Romania, the country is going through recession for the third running year since 2009, mainly due to the decrease in public and private investments, this leading to a drop in steel consumption. Moreover, the substantial liquidity problems registered in the market played a considerable part in the drop in **SIDMA Romania**'s sales.

In the international steel market, the prices of raw materials remained stable during the first quarter of the year and went down during the other quarters. This was primarily the outcome of reduced demand and a drop in energy cost and scrap price. As a result of the above, in 2014 the average import price of **SIDMA** was lower by 5% in relation to 2013.

In 2014, the consumption of steel products rose by 2.3% in the European Union (EU-28), as indicated above, pursuant to the data of the European Steel Association (Eurofer) while the initial estimate of the World Steel Association stood at around 4%. In Greece, we estimate that the consumption of our industry's products was slightly upward given that motorway projects were launched again.

## B.5 Risk Management

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

| | Risk | Group's Projections |
|---|---|---|
| 1. | Credit Risk<br>(Risk associated with doubtful customers) | The Group covers credit risk in co-operation with insurance companies. During the year a major percentage 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<br>(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 | • The Group in co-operation with local and international banks has secured the necessary credit limits. Moreover, as of 31/12/2014 the Group hold cash deposits of almost € 8.7 million.<br>• The Group makes use of various financial instruments, such as leasing, factoring and reverse factoring etc.<br>• The Group limits its risk through the significant dispersion of its customer base. It is worth noting that SIDMA SA has a great number of active clients with none representing more than 2.5% 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 | 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.<br><br>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. |

## B.6 Objectives and Prospects for 2015

The forecasts for 2015 are extremely difficult. A boost to demand will be given only if the reforms aiming at establishing a more attractive investment and business environment are sped up and gradually funds flow in from abroad as a result of foreign investors' increased trust in the prospects of Greek economy.

In Bulgaria, the World Bank, pursuant to its report "Global Economic Prospects" (GEP), anticipates a growth rate of 1.1% for 2015 while the European Bank for Reconstruction and Development (EBRD) refers to a growth rate of 0.8%. Bulgaria's advantage is that it has a stable macroeconomic base, i.e. low debt, healthy public finances and stable banking system. However, in the sector of investments and private consumption no prospects of substantial development have emerged since the region is still affected by the financial struggles of its neighbouring countries.

As far as Romania is concerned, in its last report "Regional Economic Prospects" (REP) the European Bank for Reconstruction and Development anticipates a growth rate of 2.8% for 2015 while the World Bank cites 2.9%. Romania is the largest economy in the region and these forecasts are based, *inter alia*, on the increased trust and investments by foreign investors. They could also be higher if the geopolitical tensions and uncertainties in the wider area of Eastern Europe were eased.

In this context, **SIDMA** aims at maintaining its position on the domestic front and further developing abroad. Moreover, SIDMA still attaches major importance to its liquidity, the rigorous control of its overheads and also the increase of its profits.

## B.7 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:

### B.7.1 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 2014, 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.

**B.7.2 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 2014, 'Grant Thornton Chartered Accountants', which was elected by the Ordinary General Shareholders' Meeting of the Company held on 27 May 2014, 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.

### B.7.3 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.

### B.7.4 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.

### B.7.5 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:

- 4 are executive members
- 3 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. Nikolaos Mariou, Vice-Chairman, Executive Member
3. Daniel Benardout, Chief Executive Officer, Executive Member
4. Haim Nahmias, Non-Executive Member
5. Konstantinos Karonis, Non-Executive Member
6. Ilias Moissis, Executive Member
7. Efstratios Thomadakis, 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 27 May 2014, and its tenure expires the day of the next Ordinary General Shareholders' Meeting.

The Board of Directors met in session seventy-one (71) times within 2014. Twenty two (22) sessions were attended by all its members in person, while forty nine (49) 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
- Haim Nahmias, Non-Executive 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 2014, achieving full quorum, but was not attended by the regular auditors as foreseen under the Code because they were not invited.

**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.

## B.8 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 | |
|---|---|
| **Company** | **Amount in €** |
| SIDENOR S.A. | 160.659 |
| SOVEL S.A. | 22.129 |
| SIDENOR STEEL INDUSTRY SA | 1.015.989 |
| SIDENOR S.A. REINFORCING | 11.989 |
| CONSULTANT&CONSTRUCTION SOLUTIONS AE | 1.399 |
| ETIL S.A. | 97.782 |
| PANELCO S.A. | 32.882 |
| CORINTH PIPEWORKS S.A. | 542.410 |
| ATTICA METALIC WORKS S.A. | 196.985 |
| PROSAL S.A. | 213.267 |
| ERLIKON WIRE PROCESSING S.A. | 321.684 |
| SIDMA BULGARIA SA | 1.747.833 |
| FITCO SA | 10.044 |
| HELLENIC CABLES S.A. | 18.623 |
| VIOMAL S.A. | 116.932 |
| HALCOR S.A. | 8.958 |
| ELVAL S.A. | 34.631 |
| ARGOS S.A. | 28.079 |
| ETEM SA | 4.064 |
| BIANATT SA | 1.541 |
| SYMETAL SA | 2.394 |
| DOJRAN STEEL LTD | 2.918 |
| FULGOR SA | 169.404 |
| ANAMET SA | 135.458 |
| SIDMA ROMANIA SRL | 15.814 |
| TEKA SYSTEMS S.A. | 1.627 |
| ECORESET SA | 546 |
| **TOTAL** | **4.916.041** |

| Purchases of Goods/Services | |
|---|---|
| **Company** | **Amount in €** |
| SIDENOR S.A. | 79.328 |
| STOMANA S.A | 3.100.175 |
| SIDENOR STEEL INDUSTRY SA | 893.336 |
| CORINTH PIPEWORKS S.A. | 45.348 |
| ERLIKON WIRE PROCESSING S.A. | 9.997 |
| SIDMA Romania S.R.L. | 63.102 |
| SIDMA Bulgaria S.A. | 63.422 |
| TEKA SYSTEMS S.A. | 60.449 |
| ANTIMET S.A. | 80.032 |
| VIEXAL LTD | 3.833 |
| ELVAL S.A. | 132.852 |
| HELLENIC CABLES S.A. | 1.365 |
| PANELCO S.A. | 9.952 |
| SIDERAL SHPK | 24.657 |
| HALCOR S.A. | 9924 |
| ETIL S.A. | 32.958 |
| **TOTAL** | **4.610.729** |

| Receivables | |
|---|---|
| **Company** | **Amount in €** |
| SIDENOR S.A. | -1.272 |
| ETEM SA | 0 |
| PANELCO S.A. | 36.712 |
| CORINTH PIPEWORKS S.A. | 40.392 |
| PROSAL S.A. | -3.636 |
| ERLIKON WIRE PROCESSING S.A. | 18.868 |
| SIDMA ROMANIA SRL | 9.824 |
| SIDMA BULGARIA SA | 36.888 |
| SIDMA WORLDWIDE (CYPRUS) LIMITED | 5.000 |
| ANTIMET S.A. | 595.254 |
| HELLENIC CABLES S.A. | 12.635 |
| HALCOR S.A. | 6.755 |
| ETIL S.A. | 33.576 |
| SOVEL S.A. | 22.546 |
| ATTICA METALIC WORKS S.A. | 74.213 |
| VIOMAL S.A. | 23.312 |
| AEIFOROS SA | 0 |
| ELVAL S.A. | 24.867 |
| ANAMET SA | 49.495 |
| SYMETAL SA | 1.615 |
| FITCO SA | 4.566 |
| BIANATT | 551 |
| PROSAL TUBES S.A. | -316 |
| DOJRAN STEEL LTD | 37 |
| FULGOR AE | 56.584 |
| SIDENOR STEEL INDUSTRY SA | 9.350 |
| TEKA SYSTEMS S.A. | 1.877 |
| **TOTAL** | **1.059.692** |

| Payables | |
|---|---|
| **Company** | **Amount in €** |
| SIDENOR S.A. | 1.060.139 |
| ETIL S.A. | 6.453 |
| SIDENOR STEEL INDUSTRY SA | 4.445.271 |
| SIDENOR S.A. REINFORCING | 246.474 |
| CORINTH PIPEWORKS S.A. | 2.604.783 |
| SIDMA BULGARIA SA | 680 |
| ERLIKON WIRE PROCESSING S.A. | 1.178.493 |
| VIEXAL LTD | 0 |
| TEKA SYSTEMS S.A. | 10.864 |
| PROSAL S.A. | 608 |
| HALCOR S.A. | 12.231 |
| ANTIMET S.A. | 58.663 |
| SIDMA ROMANIA SRL | 23.724 |
| PANELCO S.A. | 8.461 |
| STOMANA S.A | 1.023.692 |
| STHLMET SA | 615 |
| SIDERAL SHPK | 20.667 |
| ELVAL S.A. | 22.347 |
| **TOTAL** | **10.724.165** |

## B.9 Post Balance Sheet Events

There are no events after the end of the reporting period that would have a significant effect on the financial statements or operation of the Company and Group.

## B.10 Explanatory Note

**EXPLANATORY NOTE TO THE MANAGEMENT REPORT**
**FOR THE FISCAL YEAR 2013**
**(ACCORDING TO ARTICLE 4 OF PARAGRAPH 7 OF LAW 3556/2007)**

### (a) Share capital structure

On the 31/12/2014 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 31/12/2014, the Company's share capital structure was the following:

| Shareholders | Shareholder's book No. of shares | 31/12/2014 Stake (%) |
|---|---|---|
| Sovel A.E. | 2.821.008 | 28,21% |
| 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 Steel Industry S.A. | 653.250 | 6,53% |
| Salix Nominees Limited | 555.000 | 5,55% |
| Nelly Amarilio, daughter of Daniil Andrea | 298.614 | 2,99% |
| David Amarilio, son of Daniil Andrea | 298.614 | 2,99% |
| Santy Amarilio, daughter of Andrea | 172.568 | 1,73% |
| Nataly Pizante, daughter of Andrea | 87.427 | 0,87% |
| Viochalco S.A. | 28.992 | 0,29% |
| Victor Pizante, son of Andrea | 4.984 | 0,05% |
| Public Investors | 2.133.895 | 21,34% |
| **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 supervision category. 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 5, 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 31/12/2014 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, 20 March 2015

**CHAIRMAN**

MARCEL-HARIS L. AMARILIO

## C. Independent Auditor's Report

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

**Report on the Financial Statements**

We have audited the accompanying separate and consolidated financial statements of **SIDMA S.A. STEEL PRODUCTS**, which comprise the corporate and consolidated statement of financial position as at December 31, 2014, and the corporate 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 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 European Union, and for such internal control 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 company's 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 at December 31, 2014, and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

**Emphasis of Matter**

We draw your attention to Note 5 to the financial statements, describing the fact that as at December 31, 2014, the total of the Group Equity was recorded as negative as well as to the fact that the total value of the Group current liabilities exceeds the total value of its current assets by an amount of € 8.794k. Note 5 to the financial statements records the actions designed by the Group management in order to further improve its financial position and continue as a Going Concern. Our opinion is not modified with respect to this matter.

**Regulatory Requirements**

a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by Paragraph 3d of Article 43a of Law 2190/1920.

b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the above mentioned Financial Statements, in the scope of the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, March 23, 2015

The Chartered Accountant

Pavlos Stellakis

I.C.P.A Reg.: No 24941

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Chartered Accountants Management Consultants
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Registry Number SOEL 127

# D. Financial Statements of the year 2014

## D.1 Statement of Financial Position

**S I D M A S.A.**
**Statement of Financial Position**
**for the period from 1st January to 31st December 2014**

(Amounts in EURO)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31.12.2014** | **31.12.2013** | **31.12.2014** | **31.12.2013** |
| **Assets** | **Notes** | | | | |
| **Non Current Assets** | | | | | |
| Tangible Assets | **8.1** | 55.118.776 | 53.292.150 | 37.532.858 | 39.458.425 |
| Intangible assets | **8.3** | 467.111 | 582.194 | 41.870 | 60.266 |
| Investments in subsidiaries | **8.4** | 0 | 0 | 16.505.837 | 17.455.837 |
| Other non current assets | **8.5** | 110.752 | 106.896 | 89.246 | 84.742 |
| Deferred Tax Assets | **8.13** | 0 | 1.623.090 | 94.967 | 1.595.841 |
| | | **55.696.639** | **55.604.330** | **54.264.778** | **58.655.111** |
| **Current Assets** | | | | | |
| Inventories | **8.6** | 18.299.407 | 21.596.062 | 9.555.979 | 11.987.988 |
| Trade receivables | **8.7** | 40.203.963 | 38.856.071 | 27.914.519 | 26.906.104 |
| Other receivables | **8.8** | 1.794.239 | 3.502.050 | 1.340.805 | 2.735.206 |
| Cash and cash equivalents | **8.9** | 8.765.834 | 12.779.032 | 6.256.260 | 9.080.049 |
| Non-current assets held for sale | **8.2** | 2.231.552 | 0 | 2.231.552 | 0 |
| | | **71.294.994** | **76.733.216** | **47.299.115** | **50.709.346** |
| **Total Assets** | | **126.991.633** | **132.337.546** | **101.563.893** | **109.364.457** |
| **EQUITY** | | | | | |
| **Shareholders of the mother company:** | | | | | |
| Share Capital | **8.10** | 13.500.000 | 13.500.000 | 13.500.000 | 13.500.000 |
| Share Premium | **8.10** | 9.875.000 | 9.875.000 | 9.875.000 | 9.875.000 |
| Reserves | **8.11** | 18.658.414 | 12.432.520 | 13.704.110 | 11.457.088 |
| Retaining Earnings | | -51.150.340 | -40.316.107 | -29.845.183 | -21.095.719 |
| | | **-9.116.927** | **-4.508.587** | **7.233.927** | **13.736.369** |
| **Non-controlling interests** | | 173.323 | 147.740 | | |
| | | **-8.943.604** | **-4.360.847** | **7.233.927** | **13.736.369** |
| **Liabilities** | | | | | |
| **Non Current Liabilities** | | | | | |
| Long-term loans | **8.12** | 53.615.633 | 45.955.147 | 45.476.836 | 45.913.986 |
| Grants for investments in fixed assets | **8.13** | 345.674 | 482.346 | 133.934 | 150.986 |
| Deferred Tax Liabilities | **8.14** | 887.332 | 67.577 | 0 | 0 |
| Provision for Retirement benefit obligation | **8.15** | 730.018 | 631.061 | 627.033 | 560.810 |
| Other non current liabilities | **8.26** | 267.000 | 0 | 120.000 | 0 |
| | | **55.845.657** | **47.136.131** | **46.357.803** | **46.625.782** |
| **Current Liabilities** | | | | | |
| Short-term loans | **8.12** | 48.594.033 | 54.814.626 | 23.614.752 | 20.724.058 |
| Trade Payables | **8.16** | 19.155.387 | 21.547.028 | 14.073.138 | 18.088.132 |
| Current installments of long-term loans | **8.12** | 9.702.084 | 9.161.703 | 8.468.124 | 8.088.824 |
| Other Payables | **8.17** | 2.638.076 | 3.391.896 | 1.816.148 | 1.897.577 |
| Income tax and duties | | 0 | 647.009 | 0 | 203.715 |
| | | **80.089.580** | **89.562.262** | **47.972.162** | **49.002.305** |
| **Total Equity and Liabilities** | | **126.991.633** | **132.337.546** | **101.563.892** | **109.364.457** |

*The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements*

## D.2 Statement of Comprehensive Income

**SIDMA S.A.**
**Statement of Comprehensive Income**
**for the period from 1st January to 31st December 2013**

| Amounts in EURO | Notes | Group | | Company | |
|---|---|---|---|---|---|
| | | **1.1 - 31.12.2014** | **1.1 - 31.12.2013** | **1.1 - 31.12.2014** | **1.1 - 31.12.2013** |
| Turnover (sales) | **8.18** | 100.557.840 | 98.788.232 | 56.175.568 | 55.264.443 |
| Cost of Sales | **8.19** | -92.898.093 | -92.011.291 | -51.011.068 | -50.365.802 |
| **Gross Profit** | | **7.659.746** | **6.776.941** | **5.164.500** | **4.898.641** |
| Other income | **8.20** | 4.019.033 | 4.082.429 | 2.638.649 | 2.920.844 |
| Administrative Expenses | **8.21** | -3.708.554 | -4.012.298 | -2.373.918 | -2.455.646 |
| Distribution/Selling Expenses | **8.22** | -8.851.722 | -9.009.247 | -6.103.102 | -6.651.703 |
| Other expenses | **8.23** | -758.033 | -1.158.189 | -346.345 | -526.296 |
| **Operating Profit (EBIT)** | | **-1.639.530** | **-3.320.364** | **-1.020.216** | **-1.814.159** |
| Finance Costs (net) | **8.24** | -6.450.729 | -6.661.007 | -4.406.258 | -4.160.418 |
| Income from investing operations | **8.25** | -101.102 | 10.735 | -949.856 | -1.984.139 |
| **Profit before taxation** | | **-8.191.361** | **-9.970.636** | **-6.376.329** | **-7.958.717** |
| Less: Income Tax Expense | **8.26** | -1.134.186 | -1.295.046 | -981.605 | -853.610 |
| **Profit/(loss) after taxation for continued operations (a)** | | **-9.325.546** | **-11.265.682** | **-7.357.934** | **-8.812.327** |
| **Profit/(loss) after taxation for discontinued operations (b)** | | **0** | **0** | **0** | **0** |
| **Profit/(loss) after taxation (a)+(b)** | | **-9.325.546** | **-11.265.682** | **-7.357.934** | **-8.812.327** |
| Attributable to: | | | | | |
| Shareholders of the mother Company | | -11.154.677 | -11.174.758 | | |
| Non-controlling interests | | -43.172 | -90.924 | | |
| | | **-11.197.849** | **-11.265.682** | | |
| Interest Hedging | | -1 | -1 | -1 | -1 |
| Actuarial gain/losses | | -1 | -1 | -1 | -1 |
| Exchange differences | | 0 | 0 | 0 | 0 |
| Deffered Taxation | | 0 | 0 | 0 | 0 |
| **Other Comprehensive Income after taxes** | | **-2** | **-2** | **-2** | **-2** |
| **Total Comprehensive Income after taxes** | | **-9.325.549** | **-11.265.684** | **-7.357.936** | **-8.812.328** |
| Attributable to: | | | | | |
| Shareholders of the mother Company | | 0 | 0 | | |
| Non-controlling interests | | 890.841 | -327.669 | | |
| | | **890.841** | **-327.669** | | |
| **Profit after taxes per share - (€)** | **0,00** | ***-1,1155*** | ***-1,1175*** | ***-0,7358*** | ***-0,8812*** |
| Depreciation & Amortization Expense | | 0 | 0 | 0 | 0 |
| **EBITDA** | | **-1.639.530** | **-3.320.364** | **-1.020.216** | **-1.814.159** |

*The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements*

## D.3 Statements of Changes in Equity

**SIDMA S.A.**
**Consolidated Statement of changes in net equity for the period from 1 January to 31 December 2014**

| Amounts in EURO | GROUP SHAREHOLDER'S EQUITY | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share Capital | Share Premium | Reserves | Reserves from the revaluation of fixed assets in fair value | F.X. Differences | Retained Earnings | Total | Non-controlling interests | Total Equity |
| **Net Equity Balance at 01.01.2013** | **13.500.000** | **9.875.000** | **12.772.747** | **0** | **-344.949** | **-29.152.855** | **6.649.943** | **238.560** | **6.888.503** |
| **Transactions with the owners** | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| **Profit (+)/Loss (-) after taxation** | | | | | | **-11.174.758** | **-11.174.758** | **-90.924** | **-11.265.682** |
| **Other Comprehensive Income** | | | | | | | | | |
| Interest Hedging (swap) | 0 | 0 | 0 | 0 | 0 | 6.602 | **6.602** | 0 | **6.602** |
| Actuarial gain/losses | 0 | 0 | 0 | 0 | 0 | 15.397 | **15.397** | 181 | **15.578** |
| F.X. Differences | 0 | 0 | 0 | 0 | 4.722 | 0 | **4.722** | 0 | **4.722** |
| Deferred Taxation | 0 | 0 | 0 | 0 | 0 | -10.493 | **-10.493** | -76 | **-10.569** |
| **Other Comprehensive Income after taxes** | **0** | **0** | **0** | **0** | **4.722** | **11.506** | **16.228** | **105** | **16.333** |
| **Total Comprehensive Income after taxes** | **0** | **0** | **0** | **0** | **4.722** | **-11.163.252** | **-11.158.530** | **-90.820** | **-11.249.350** |
| **Net Equity Balance at 31.12.2013** | **13.500.000** | **9.875.000** | **12.772.747** | **0** | **-340.227** | **-40.316.107** | **-4.508.587** | **147.741** | **-4.360.847** |
| **Net Equity Balance at 01.01.2014** | **13.500.000** | **9.875.000** | **12.772.747** | **0** | **-340.227** | **-40.316.107** | **-4.508.587** | **147.741** | **-4.360.847** |
| **Transactions with the owners** | | | | | | | | | |
| Transfers | **0** | **0** | **-430.834** | **0** | **8.555** | **422.279** | **0** | **0** | **0** |
| | **0** | **0** | **-430.834** | **0** | **8.555** | **422.279** | **0** | **0** | **0** |
| **Profit (+)/Loss (-) after taxation** | 0 | **0** | **0** | **0** | **0** | **-11.154.678** | **-11.154.678** | **-43.172** | **-11.197.849** |
| **Other Comprehensive Income** | | | | | | | | | |
| Revaluation of fixed assets | 0 | 0 | 0 | 8.354.751 | 0 | 0 | **8.354.751** | 94.166 | **8.448.917** |
| Interest Hedging (swap) | 0 | 0 | 0 | 0 | 0 | -1.136 | **-1.136** | 0 | **-1.136** |
| Actuarial gain/losses | 0 | 0 | 0 | 0 | 0 | -135.710 | **-135.710** | -1.232 | **-136.942** |
| F.X. Differences | 0 | 0 | 0 | 0 | 10.968 | 0 | **10.968** | 0 | **10.968** |
| Deferred Taxation | 0 | 0 | 0 | -1.717.261 | 0 | 34.725 | **-1.682.536** | -24.180 | **-1.706.716** |
| **Other Comprehensive Income after taxes** | **0** | **0** | **0** | **6.637.490** | **10.968** | **-102.120** | **6.546.337** | **68.754** | **6.615.092** |
| **Total Comprehensive Income after taxes** | **0** | **0** | **0** | **6.637.490** | **10.968** | **-11.256.797** | **-4.608.341** | **25.582** | **-4.582.757** |
| **Net Equity Balance at 31.12.2014** | **13.500.000** | **9.875.000** | **12.341.913** | **6.637.490** | **-320.704** | **-51.150.625** | **-9.116.927** | **173.323** | **-8.943.604** |

*The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements*

## SIDMA S.A.
## Company's Statement of changes in equity for the period from 1 January to 31 December 2013

| Amounts in EURO | | Company | | | | |
|---|---|---|---|---|---|---|
| | Note | Share Capital | Share Premium | Reserves | Retained Earnings | Total Equity |
| **Net Equity Balance at 01.01.2013** | | **13.500.000** | **9.875.000** | **12.860.747** | **-13.700.284** | **22.535.463** |
| Effect from the revaluation of retirement benefit obligation | 8 | 0 | 0 | -1.403.659 | 1.403.659 | **0** |
| Deffered taxation for retirement benefit obligation | 8 | 13.500.000 | 9.875.000 | 11.457.088 | -12.296.625 | **22.535.463** |
| **Restated balances at 01.01.2013** | | **27.000.000** | **19.750.000** | **22.914.175** | **-24.593.250** | **45.070.925** |
| **Transactions with the owners** | | 0 | 0 | 0 | -8.812.327 | **-8.812.327** |
| **Profit (+)/Loss (-) after taxation** | | 0 | 0 | 0 | **0** | **0** |
| **Other Comprehensive Income** | | | | | | |
| Interest Hedging (swap) | | 0 | 0 | 0 | 15.927 | **15.927** |
| Actuarial gain/losses | | 0 | 0 | 0 | -9.295 | **-9.295** |
| Deferred Taxation | | 0 | 0 | 0 | 13.234 | **13.234** |
| **Other Comprehensive Income after taxes** | | **0** | **0** | **0** | **19.866** | **19.866** |
| **Total Comprehensive Income after taxes** | | **0** | **0** | **0** | **19.866** | **19.866** |
| **Net Equity Balance at 31.12.2013** | | **27.000.000** | **19.750.000** | **22.914.175** | **-24.573.384** | **45.090.791** |
| | | | | | | |
| **Net Equity Balance at 01.01.2014** | | **27.000.000** | **19.750.000** | **22.914.175** | **-24.573.384** | **45.090.791** |
| Transfers | | 0 | 0 | -430.834 | 430.834 | 0 |
| **Restated balances at 01.01.2014** | | **27.000.000** | **19.750.000** | **22.483.341** | **-24.142.550** | **45.090.791** |
| **Transactions with the owners** | | 0 | 0 | 0 | 0 | 0 |
| **Profit (+)/Loss (-) after taxation** | | 0 | 0 | 0 | **-1.136** | **-1.136** |
| **Other Comprehensive Income** | | | | | | |
| Interest Hedging (swap) | | 0 | 0 | 0 | -114.148 | **-114.148** |
| Actuarial gain/losses | | 0 | 0 | -940.868 | 29.973 | **-910.895** |
| Deferred Taxation | | 0 | 0 | 2.677.856 | -85.310 | **2.592.546** |
| **Other Comprehensive Income after taxes** | | **0** | **0** | **1.736.988** | **-169.485** | **1.567.503** |
| **Total Comprehensive Income after taxes** | | **0** | **0** | **1.736.988** | **-170.620** | **1.566.368** |
| **Net Equity Balance at 31.12.2014** | | **27.000.000** | **19.750.000** | **24.220.329** | **-24.313.170** | **46.657.159** |

*The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements*

## D.4 Cash Flows Statements

**S I D M A S.A.**
**Cash Flow Statement**
**for the period from 1st January to 31st December 2013**

| Amounts in EURO | Group | | Company | |
|---|---|---|---|---|
| | | 0,00 | | 0,00 |
| | **1.1 - 31.12.2014** | **1.1 - 31.12.2013** | **1.1 - 31.12.2014** | **1.1 - 31.12.2013** |
| **Operating Activities** | | | | |
| Profit before taxation | -10.063.663 | -9.970.636 | -8.113.385 | -7.958.717 |
| **Adjustments for:** | | | | |
| Impairment of Goodwill | 100.000 | 0 | 0 | 0 |
| Depreciation & amortization | 2.662.579 | 3.111.516 | 1.661.139 | 2.083.028 |
| Depreciation non-current assets held for sale | 0 | 0 | 0 | 0 |
| Depreciation of granted assets | -132.208 | -118.822 | -17.052 | -16.786 |
| Provisions | 719.707 | 1.016.986 | 168.871 | 456.755 |
| Income from prior years' provisions | -126.277 | -141.848 | -86.956 | -87.098 |
| Exchange Differences | 65.733 | -136.469 | 0 | 0 |
| Income and expenses from investing activities | -143.930 | -277.668 | 863.804 | 1.815.636 |
| Other non cash income/expenses | 1.872.302 | 0 | 1.737.056 | 0 |
| Finance Costs | -50.921 | -152.724 | 0 | 0 |
| **Adjustments for changes in working capital** | 6.563.646 | 6.949.235 | 4.505.462 | 4.343.169 |
| Decrease/(increase) in inventories | 0 | 0 | 0 | 0 |
| Decrease/(increase) in receivables | 3.296.655 | 401.422 | 2.432.009 | 485.631 |
| (Decrease)/increase in payables(except bank loans and overdrafts) | -284.436 | 3.448.686 | 244.390 | 3.056.930 |
| Less: | -3.532.653 | 1.756.837 | -4.164.243 | 776.043 |
| Financial Costs paid | 0 | 0 | 0 | 0 |
| Taxes paid | -6.819.390 | -6.276.902 | -4.777.382 | -3.843.189 |
| **Total inflows / (outflows) from operating activities (a)** | **-5.872.856** | **-390.386** | **-5.546.287** | **1.111.403** |
| **Investing activities** | | | | |
| Acquisition of subsidiaries | 0 | 0 | 0 | 0 |
| Purchase of tangible and intangible assets | 0 | 0 | 0 | -3.025.000 |
| Proceeds on disposal of tangible and intangible assets | -126.581 | -291.067 | -69.601 | -161.583 |
| Interest received | 2.686 | 19.535 | 2.686 | 38.439 |
| Dividends received | 130.192 | 239.452 | 73.144 | 143.228 |
| **Total inflows / (outflows) from investing activities (b)** | **6.297** | **-32.080** | **6.229** | **-3.004.916** |
| **Financing Activities** | | | | |
| Share Capital Increase | 0 | 0 | 0 | 0 |
| New bank loans raised | 0 | 0 | 0 | 0 |
| Repayments of loans | 1.853.359 | 0 | 2.716.269 | 0 |
| **Total inflows / (outflows) from financing activities ( c)** | **1.853.359** | **-3.331.989** | **2.716.269** | **-1.316.199** |
| **Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + ( c)** | **-4.013.200** | **-3.754.455** | **-2.823.789** | **-3.209.712** |
| **Cash and cash equivalents at the beginning of the period** | -4.013.200 | -3.754.455 | -2.823.790 | -3.209.712 |
| **Cash and cash equivalents at the end of the period** | **-8.026.400** | **-7.508.909** | **-5.647.579** | **-6.419.424** |

## D.5 Notes of the Financial Statements of the year 2014

### 1 General Information about the Company and the Group

The parent 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 of 2014 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 parent 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.

### 2 Summary of Significant Accounting Policies

#### 2.1 Compliance

The financial statements for the year 2014 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.

#### 2.2 Basis for preparation

The financial statements have been prepared in compliance with the historic cost principle, except for the tangible assets that have been measured at fair value.

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.

For the preparation of the financial statements for the current year, the applied policies are in consistency to those applied in the previous year, except for fixed assets where the accounting policy was changed to fair value.

## 3 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:

**<u>Standards and Interpretations effective for the current financial year</u>**

**IAS 32 (Amendment) "Financial Instruments: Presentation"**

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.

**Group of standards on consolidation and joint arrangements**

The International Accounting Standards Board ("IASB") has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). 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.

**IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance"**

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

**IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities"**

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

**IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets"**

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

**IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"**

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

**Standards and Interpretations effective for subsequent periods**

**IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7** (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. 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 yet been endorsed by the EU.

**IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2017)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements. The standard has not yet been endorsed by the EU.

**IFRIC 21 "Levies"** (effective for annual periods beginning on or after 17 June 2014)

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

**IAS 19R (Amendment) "Employee Benefits"** (effective for annual periods beginning on or after 1 July 2014)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

**IFRS 11 (Amendment) "Joint Arrangements"** (effective for annual periods beginning on or after 1 January 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. This amendment has not yet been endorsed by the EU.

**IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation** (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.

**IAS 16 and IAS 41 (Amendments) "Agriculture: Bearer plants"** (effective for annual periods beginning on or after 1 January 2016)

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments have not yet been endorsed by the EU.

**IAS 27 (Amendment) "Separate financial statements"** (effective for annual periods beginning on or after 1 January 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU.

**IFRS 10 and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"** (effective for annual periods beginning on or after 1 January 2016)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments have not yet been endorsed by the EU.

**IAS 1 (Amendments) "Disclosure initiative"** (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments have not yet been endorsed by the EU.

**IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment entities: Applying the consolidation exception"** (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

**Annual Improvements to IFRSs 2012** (effective for annual periods beginning on or after 1 February 2015)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

*IFRS 2 "Share-based payment"*

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

*IFRS 3 "Business combinations"*

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

*IFRS 8 "Operating segments"*

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

*IFRS 13 "Fair value measurement"*

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

*IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"*

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

*IAS 24 "Related party disclosures"*

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

**Annual Improvements to IFRSs 2013** (effective for annual periods beginning on or after 1 January 2015)

The amendments set out below describe the key changes to three IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project.

*IFRS 3 "Business combinations"*

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

*IFRS 13 "Fair value measurement"*

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

*IAS 40 "Investment property"*

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

**Annual Improvements to IFRSs 2014** (effective for annual periods beginning on or after 1 January 2016)

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

*IFRS 5 "Non-current assets held for sale and discontinued operations"*

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

*IFRS 7 "Financial instruments: Disclosures"*

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

*IAS 19 "Employee benefits"*

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

*IAS 34 "Interim financial reporting"*

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

## 4 Summary of Accounting Policies

### 4.1 Consolidation of 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 non-controlling 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.

Non-controlling interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. Non-controlling 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 non-controlling 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 non-controlling 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 non-controlling shareholders are also posted to owner's equity. As regards the sales made to non-controlling shareholders, the difference between the amounts received and the relevant stake of non-controlling 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.

## 4.2 Group's structure

The parent company and the subsidiaries included in the Consolidated Financial Statements, with the percentage of participation and the country located as in 31st December 2014, 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 1.1.2014 – 31.12.2014 is 24.59%. **Viohalco** Group participates in SIDMA S.A. with 35.03%.

### 4.3 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.

Presentation currency of financial statements: The financial statements of the Group and the Company are presented in euros.

*Transactions in foreign currency - Valuation of assets - liabilities in foreign currency*

Transactions in foreign currencies of consolidated companies are recorded at the exchange rate of foreign currency at the date of transaction. Assets and liabilities in foreign currency at the date of the financial statements are adjusted to reflect the exchange rate at the date of the financial statements. Exchange differences arising on the collection or assessment requirements in foreign currency, as well as those arising on the settlement or valuation of liabilities in foreign currencies are recognized in income.

### 4.4 Property, plant and equipment

Group's and Company's Land, Buildings and Machinery which are held for use in the production process or for administrative purposes are presented in their revalued amounts in the Consolidated and Separate Financial Statements respectively, which are their fair values at the date of the valuation less accumulated depreciation and any impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in Other Comprehensive Income and accumulated in equity as revaluation reserve. However the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in in profit or loss. However, the decease shall be recognised in Other Comprehensive Income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in Other Comprehensive Income reduces the amount accumulated in equity as revaluation reserve.

Group's and Company's transportation means and vehicles and other equipment 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) | 26 - 45 | years |
| Plants | 5 - 14 | years |
| Transportation means - vehicles | 6 - 9 | years |
| Other equipment | 4 - 10 | 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.

### 4.5 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 4-8 years.

### 4.6 Impairment of assets

Except goodwill, which is tested for impairment at least on an annual basis, the book values of other long-term assets are tested for impairment whenever certain events or changes in circumstances indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is posted to the income statement of the year. Recoverable amount shall mean the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties less any additional direct costs of the asset's disposal. Value in use is the net present value of estimated future cash flows expected to arise from the continuing use of an asset and from the proceeds expected to result from its disposal at the end of its estimated useful life.

To determine impairment, assets are grouped at the lower level for which cash flows are separately identifiable. Assets impairment loss recognized in previous years may be reversed only when there are enough indications that the estimates used in the calculation of the recoverable amount have changed. In these cases, the above reversal is recognized as income.

### 4.7 Fair Value

The fair values of financial assets that are traded in active markets are determined by the current market price. For non-traded assets, fair values are determined using valuation techniques such as analysis of recent transactions, reference to other instruments that are traded and discounted cash flows.

### 4.8 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.

### 4.9 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.

### 4.10 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.

### 4.11 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.

### 4.12 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.

### 4.13 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.

### 4.14 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.

### 4.15 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.

### 4.16 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.

### 4.17 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.

For 2014 the deferred tax asset/liability has been calculated by using a 26% tax rate for the Company and the subsidiary PANELCO S.A., a 16% tax rate for the subsidiary SIDMA ROMANIA S.R.L. in Romania and a 10% tax rate for the subsidiary SIDMA BULGARIA E.O.O.D. in Bulgaria.

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.

### 4.18 Employee benefits

- 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.

- 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.

### 4.19 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.

### 4.20 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 collectability 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.

### 4.21 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.

### 4.22 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 Financial risk management

### 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 2,5% in the annual sales turnover. As of 31.12.2014, the Management believes that there is no material credit risk exposure that has not already been covered by provisions for bad debts. The Group's exposure to credit risk is limited to the financial assets analysed as follows:

| | Group | |
|---|---|---|
| **Financial Assets** | 31.12.2014 | 31.12.2013 |
| Cash and cash equivalents | 8.765.834 | 12.779.032 |
| Trade and other receivables | 41.998.202 | 42.358.121 |
| **Total** | **50.764.035** | **55.137.153** |

### II. Cash flow and fair value interest rate risk

The Group’s cash flow interest rate risk arises from short and 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 sensitivity of Group’s Equity and Net Profits by +/- 1% fluctuation of the average borrowing rate is shown below:

| | Effect to P & L | | Effect to Equity | |
|---|---|---|---|---|
| **amounts in thousand €** | **+1%** | **-1%** | **+1%** | **-1%** |
| **31st December 2014** | (1.130) | 1.130 | (1.130) | 1.130 |
| **31st December 2013** | (1.191) | 1.191 | (1.191) | 1.191 |

### III. Liquidity risk

Liquidity risk is kept at low levels, as the Group maintains sufficient cash and credit lines available. As at 31/12/2014, the Group had cash equivalents of approximately € 8,8 million.

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.

Group's current liabilities figure in Consolidated Statement of Financial Position as at 31.12.2014 exceeds the respective current assets figure by amount of € 8,794 m. Group's Equity at the same date has been presented as a negative figure in the Consolidated Statement of Financial Position.

Group's management, except for the cost-saving program that currently has been applied and followed, considers possible actions, which could provide liquidity for the Group. In particular considers a number of possible actions for the improvement of Group's financial position, such as departments realignment, expenses cutting or utilisation of assets in a way that will provide possible additional benefits.

The maturity of the Group's financial liabilities is as follows:

| | 31.12.2014 | | | |
|---|---|---|---|---|
| **Group** | **Up to 6 months** | **6-12 months** | **1-5 years** | **More than 5 years** |
| Borrowings | 55.249.494 | 2.874.859 | 53.787.397 | - |
| Trade Payables | 19.155.387 | - | - | - |
| Other Payables | 2.638.076 | - | - | - |
| **Total** | **77.042.957** | **2.874.859** | **53.787.397** | **0** |

| | 31.12.2013 | | | |
|---|---|---|---|---|
| **Group** | **Up to 6 months** | **6-12 months** | **1-5 years** | **More than 5 years** |
| Borrowings | 8.921.253 | 55.055.076 | 45.955.147 | - |
| Trade Payables | 21.547.028 | - | - | - |
| Other Payables | 4.038.905 | - | - | - |
| **Total** | **34.507.186** | **55.055.076** | **45.955.147** | **0** |

### 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.

| | Short-term | | Long-term | |
|---|---|---|---|---|
| **amounts in €** | **USD** | **RON** | **USD** | **RON** |
| **31st December 2014** | | | | |
| Financial Current Assets | 5.351 | 9.042.454 | 0 | 7.300.886 |
| Financial Liabilities | -58.739 | -18.291.835 | 0 | -407.496 |
| **Total** | **-53.388** | **-9.249.380** | **0** | **6.893.390** |

| | Short-term | | Long-term | |
|---|---|---|---|---|
| **amounts in €** | **USD** | **RON** | **USD** | **RON** |
| **31st December 2013** | | | | |
| Financial Current Assets | 357.421 | 11.881.878 | 0 | 6.686.764 |
| Financial Liabilities | -308.509 | -20.154.098 | 0 | -47.765 |
| **Total** | **48.912** | **-8.272.220** | **0** | **6.638.998** |

The

fluctuation in the Group’s net profits and equity from a possible change in foreign currency is as follows:

| | Effect to P & L | | | | Effect to Equity | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | | RON | | USD | | RON | |
| **ποσά σε €** | **,-10%** | **,+10%** | **,-10%** | **,+10%** | **,-10%** | **,+10%** | **,-10%** | **,+10%** |
| **31st December 2014** | 4.063 | -4.792 | - | - | - | - | 51.409 | -53.755 |
| **31st December 2013** | -3.307 | 3.824 | - | - | - | - | -37.365 | 35.730 |

## 5.1 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 non-controlling 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 Societe Anonymes, 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 ½ 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 1/10th 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 1/20th 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 1/3rd 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%.

## 6 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 31.12.2014 concern mainly provisions for contingent taxes, provisions for impairment of reserves and receivables and also estimates regarding the useful life of depreciable fixed assets.

## 7 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 parent 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.

| | 1.1 - 31.12.2014 | | | | 1.1 - 31.12.2013 | | | |
|---|---|---|---|---|---|---|---|---|
| **Amounts in Euros** | Steel | Panels | Intergroup | Total | Steel | Panels | Intergroup | Total |
| Sales to other companies | 88.142.303 | 12.415.536 | 0 | 100.557.840 | 88.922.081 | 9.866.151 | 0 | 98.788.232 |
| Sales to the companies of group | 22.342 | 9.952 | -32.293 | 0 | 18.241 | 0 | -34.305 | 0 |
| Total Sales | **88.164.645** | **12.425.488** | **-32.293** | **100.557.840** | **88.940.321** | **9.866.151** | **-34.305** | **98.788.232** |
| Operational Profits | -1.549.253 | -57.492 | -32.785 | -1.639.530 | -2.372.900 | -952.726 | 5.262 | -3.320.364 |
| Profit before taxation | -9.237.512 | -793.366 | -32.785 | -10.063.663 | -8.505.260 | -1.470.638 | 5.262 | -9.970.636 |
| Profit after taxation | -10.460.817 | -719.529 | -17.502 | -11.197.849 | -9.761.442 | -1.515.397 | 11.157 | -11.265.682 |
| Non Current Assets | 110.785.720 | 16.383.304 | -177.391 | 126.991.633 | 118.496.605 | 13.977.338 | -136.397 | 132.337.546 |
| | **110.785.720** | **16.383.304** | **-177.391** | **126.991.633** | **118.496.605** | **13.977.338** | **-136.397** | **132.337.546** |
| Long-term & Short-term Liabilities | 122.485.827 | 13.494.583 | -45.173 | 135.935.237 | 125.216.600 | 11.515.273 | -33.480 | 136.698.393 |
| | **122.485.827** | **13.494.583** | **-45.173** | **135.935.237** | **125.216.600** | **11.515.273** | **-33.480** | **136.698.393** |

Note: Intra-group transactions have been written-off

Moreover, below are presented the geographic segments.

| Amounts in Euro | 1.1 - 31.12.2014 | | | 1.1 - 31.12.2013 | | |
|---|---|---|---|---|---|---|
| Company | Greece | Abroad | Total | Greece | Abroad | Total |
| SIDMA S.A. | 49.842.224 | 4.585.126 | **54.427.350** | 48.650.364 | 4.566.414 | **53.216.778** |
| PANELCO S.A. | 9.961.165 | 2.444.420 | **12.405.585** | 7.494.114 | 2.364.006 | **9.858.120** |
| SIDMA BULGARIA S.A. | 0 | 13.771.602 | **13.771.602** | 0 | 12.244.129 | **12.244.129** |
| SIDMA ROMANIA SRL | 0 | 19.953.303 | **19.953.303** | 0 | 23.469.205 | **23.469.205** |
| **Total** | **59.803.389** | **40.754.451** | **100.557.840** | **56.144.478** | **42.643.755** | **98.788.232** |

# 8 Additional Information and explanations

## 8.1 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 |
| **Book Value** | | | | | | | |
| **Acquisition cost or deemed cost 1.1.2013** | **17.324.471** | **31.649.786** | **27.743.880** | **1.885.115** | **1.983.797** | **301.822** | **80.888.871** |
| Additions | 0 | 9.259 | 43.856 | 0 | 46.688 | 209.145 | **308.948** |
| Sales or Deletions | 0 | -75 | 0 | -51.200 | 0 | -124.722 | **-175.997** |
| Transfers | 0 | 53.296 | 221.305 | 0 | 0 | -274.601 | 0 |
| **Book value in 31.12.2013** | **17.324.471** | **31.712.266** | **28.009.041** | **1.833.915** | **2.030.485** | **111.644** | **81.021.822** |
| **Depreciation** | | | | | | | |
| **Accumulated Depreciation 1.1.2013** | **0** | **-6.508.662** | **-14.840.051** | **-1.410.347** | **-1.603.637** | **0** | **-24.362.698** |
| Depreciation | 0 | -990.387 | -1.826.440 | -121.613 | -118.014 | 0 | **-3.056.454** |
| Transfer of accumulated depreciation of assets classified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Transfer of accumulated depreciation because of revaluation of fixed assets | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Depreciation of sold or deleted assets | 0 | 10 | 0 | 38.725 | 0 | 0 | **38.735** |
| **Accumulated Depreciaton 31.12.2013** | **0** | **-7.499.039** | **-16.666.491** | **-1.493.235** | **-1.721.651** | **0** | **-27.380.417** |
| **Net book value** | | | | | | | |
| Exchange differencies | -87.071 | -184.315 | -71.607 | -1.953 | -2.751 | -1.560 | **-349.255** |
| **Net book value 31.12.2013** | **17.237.400** | **24.028.912** | **11.270.943** | **338.728** | **306.083** | **110.084** | **53.292.150** |
| **Book Value** | | | | | | | |
| **Acquisition cost or deemed cost 1.1.2014** | **17.324.471** | **31.712.266** | **28.009.041** | **1.833.915** | **2.030.485** | **111.644** | **81.021.822** |
| Additions | 0 | 2.339 | 22.833 | 2.862 | 13.874 | 90.809 | **132.717** |
| Sales or Deletions | 0 | 0 | -2.347 | -119.538 | -73.706 | -250 | **-195.841** |
| Transfer because of classification as held for sale | 0 | 0 | -6.719.183 | 0 | 0 | 0 | **-6.719.183** |
| Revaluation of fixed assets at fair value | 2.925.473 | 920.071 | 2.731.071 | 0 | 0 | 0 | **6.576.615** |
| Transfer of accumulated depreciation because of revaluation of fixed assets | 0 | -8.507.065 | -4.721.286 | 0 | 0 | 0 | **-13.228.351** |
| Transfers | 0 | 26.681 | 109.541 | 1.585 | 993 | -166.156 | **-27.356** |
| **Book value in 31.12.2014** | **20.249.944** | **24.154.292** | **19.429.670** | **1.718.824** | **1.971.646** | **36.047** | **67.560.423** |
| **Depreciation** | | | | | | | |
| **Accumulated Depreciation 1.1.2014** | **0** | **-7.499.039** | **-16.666.491** | **-1.493.235** | **-1.721.652** | **0** | **-27.380.417** |
| Depreciation | 0 | -997.741 | -1.370.701 | -96.170 | -99.694 | 0 | **-2.564.305** |
| Transfer of accumulated depreciation of assets classified as held for sale | 0 | 0 | 4.487.631 | 0 | 0 | 0 | **4.487.631** |
| Transfer of accumulated depreciation because of revaluation of fixed assets | 0 | 8.507.065 | 4.721.286 | 0 | 0 | 0 | **13.228.351** |
| Depreciation of sold or deleted assets | 0 | 0 | 1.971 | 60.262 | 72.480 | 0 | **134.713** |
| **Accumulated Depreciaton 31.12.2014** | **0** | **10.285** | **-8.826.304** | **-1.529.142** | **-1.748.865** | **0** | **-12.094.027** |
| **Net book value** | | | | | | | |
| Exchange differencies | -91.887 | -179.966 | -101.300 | 27.205 | -3.583 | 1.910 | **-347.621** |
| **Net book value 31.12.2014** | **20.158.057** | **23.984.611** | **10.502.066** | **216.887** | **219.199** | **37.957** | **55.118.776** |

| | Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land | Buildings | Machinery | Transportation | Other equipment | Assets under construction | Grand Total |
| **Book Value** | | | | | | | |
| **Acquisition cost or deemed cost 1.1.2013** | **14.447.887** | **21.038.959** | **18.321.484** | **1.328.169** | **1.572.482** | **151.755** | **56.860.737** |
| Additions | 0 | 2.212 | 4.868 | 0 | 21.456 | 114.712 | **143.247** |
| Sales or Deletions | 0 | -75 | -89.889 | 0 | -9.699 | 0 | **-99.662** |
| Transfers | 0 | 49.982 | 110.025 | 0 | 0 | -160.007 | **0** |
| **Book value in 31.12.2013** | **14.447.887** | **21.091.078** | **18.346.489** | **1.328.169** | **1.584.239** | **106.460** | **56.904.322** |
| **Depreciation** | | | | | | | |
| **Accumulated Depreciation 1.1.2013** | **0** | **-3.922.864** | **-9.350.851** | **-935.755** | **-1.283.431** | **0** | **-15.492.901** |
| Depreciation | 0 | -632.540 | -1.186.770 | -117.486 | -93.285 | 0 | **-2.030.080** |
| Transfer of accumulated depreciation of assets classified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Transfer of accumulated depreciation because of revaluation of fixed assets | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Depreciation of sold or deleted assets | 0 | 10 | 67.672 | 0 | 9.402 | 0 | **77.084** |
| **Accumulated Depreciaton 31.12.2013** | **0** | **-4.555.394** | **-10.469.949** | **-1.053.241** | **-1.367.313** | **0** | **-17.445.897** |
| **Net book value** | | | | | | | |
| **Net book value 31.12.2013** | **14.447.887** | **16.535.684** | **7.876.539** | **274.928** | **216.926** | **106.460** | **39.458.425** |
| **Book Value** | | | | | | | |
| **Acquisition cost or deemed cost 1.1.2014** | **14.447.887** | **21.091.078** | **18.346.489** | **1.328.169** | **1.584.239** | **106.460** | **56.904.322** |
| Additions | 0 | 1.880 | 8.200 | 0 | 10.597 | 58.825 | **79.502** |
| Sales or Deletions | 0 | 0 | -4.000 | -18.188 | -60.005 | 0 | **-82.193** |
| Transfer because of classification as held for sale | 0 | 0 | -6.719.183 | 0 | 0 | 0 | **-6.719.183** |
| Revaluation of fixed assets at fair value | 404.185 | 178.249 | 1.299.235 | 0 | 0 | 0 | **1.881.669** |
| Transfer of accumulated depreciation because of revaluation of fixed assets | 0 | -5.189.471 | -6.802.068 | 0 | 0 | 0 | **-11.991.539** |
| Transfers | 0 | 26.681 | 109.541 | 1.585 | 122 | -165.285 | **-27.356** |
| **Book value in 31.12.2014** | **14.852.072** | **16.108.417** | **6.238.214** | **1.311.566** | **1.534.954** | **0** | **40.045.223** |
| **Depreciation** | | | | | | | |
| **Accumulated Depreciation 1.1.2014** | **0** | **-4.555.394** | **-10.469.949** | **-1.053.241** | **-1.367.313** | **0** | **-17.445.897** |
| Depreciation | 0 | -634.077 | -821.765 | -95.794 | -72.981 | 0 | **-1.624.617** |
| Transfer of accumulated depreciation of assets classified as held for sale | 0 | 0 | 4.487.631 | 0 | 0 | 0 | **4.487.631** |
| Transfer of accumulated depreciation because of revaluation of fixed assets | 0 | 5.189.471 | 6.802.068 | 0 | 0 | 0 | **11.991.539** |
| Depreciation of sold or deleted assets | 0 | 0 | 2.016 | 18.179 | 58.787 | 0 | **78.982** |
| **Accumulated Depreciaton 31.12.2014** | **0** | **0** | **0** | **-1.130.856** | **-1.381.508** | **0** | **-2.512.364** |
| **Net book value** | | | | | | | |
| **Net book value 31.12.2014** | **14.852.072** | **16.108.417** | **6.238.214** | **180.710** | **153.446** | **0** | **37.532.859** |

Land, buildings and equipment are valued at fair value. The means of transport and vehicles, other equipment and assets under construction are stated at cost less accumulated depreciation.

## Revaluation of tangible assets

Management of the Company and the Group, to reflect more accurately the fair value of their assets, decided to change the accounting policy on the measurement of land, buildings and equipment from historical cost to fair value. The following factors contributed towards this decision:

- Significant price increases of foreign subsidiaries land values, which previously reported at their separate financial statements at cost values.
- Significant changes in the values of land of companies operating in Greece due to the falling real estate prices at prices below cost.

- Upgrades and improvements of machinery as well as their level of service, due to which their fair value is significantly higher as of the balance sheet date than the values at historic cost less any accumulated depreciation.

The methods used for assessing the fair value used by the IFRS 13 are the following:

**Land and Buildings**

For land and buildings the fair value of the underlying property was determined by the combined use of the Comparable Principle, the Residual Approach and the Depreciated Replacement Cost method.
According to the methods used, the commercial value was determined based on the available comparative data of both recent trades and disposals, according to data drawn from the active database of the valuing companies. The available data was evaluated as fully sufficient for valid and reliable conclusions.

**Machinery**

For machinery fair values have been determined with the method of the Comparable Principle. This method makes use of time, operational and adjusting impairment factors, in a way that the fair value estimate reflects their market value.

The assessment studies were commissioned to independent and qualified valuers, who have the necessary credentials. The date of the estimates, which resulted in the fair values of land, buildings and machinery of the Company and the Group, was the 31st of December 2014. This date is related to the condition of assets, the situation of the property market, the economic conditions of the economies in which the related assets are located and the demand and supply conditions prevailing in them.

The effect of the revaluation of land, buildings and equipment in the income statement and equity of the Company and the Group is presented below:

| | Group | | |
|---|---|---|---|
| | Income Statement | Statement of Comprehensive Income | Effect to Equity |
| Land | -503.329 | 3.428.802 | 2.925.473 |
| Buildings | -1.216.097 | 2.138.279 | 922.182 |
| Machinery | -152.876 | 2.881.836 | 2.728.960 |
| **Revaluation** | **-1.872.302** | **8.448.917** | **6.576.615** |
| Deffered Tax | 485.818 | -1.742.029 | -1.256.210 |
| **Reserves from revaluation of fixed assets at fair value** | **-1.386.484** | **6.706.888** | **5.320.404** |

| | Company | | |
|---|---|---|---|
| | Income Statement | Statement of Comprehensive Income | Effect to Equity |
| Land | -503.329 | 907.514 | 404.185 |
| Buildings | -1.216.097 | 1.394.346 | 178.249 |
| Machinery | -17.629 | 1.316.864 | 1.299.235 |
| **Revaluation** | **-1.737.056** | **3.618.725** | **1.881.669** |
| Deffered Tax | 451.635 | -940.868 | -489.234 |
| **Reserves from revaluation of fixed assets at fair value** | **-1.285.421** | **2.677.856** | **1.392.435** |

For the assets that are measured at fair value, the carrying value as of 31.12.2014 if stated at cost less accumulated depreciation would be:

For the Company: Land € 14,448 thousand, Buildings € 15,930 thousand and Equipment € 4,939 thousand, and

For the Group: Land € 17,238 thousand, Buildings € 23,062 thousand and Equipment € 7,764 thousand.

The following pledges have been registered on the company's and Group's assets:

A) SIDMA Romania S.R.L. has registered a prenotation on its property equal to € 5 million, as collateral to loans of € 2,7 m. approximately.

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.

Also on 28/11/2013 by the Decision No. 11493/2013 of the Athens district court, the Company has consigned a consensual underwriting mortgage for the property in Thessaloniki Oreokastro (total area 52,855.18 sq.m.) in order to secure the common bond loan of € 49 million. The company's decision has been granted by the Annual General Meeting of 13.06.2013.

c) PANELCO S.A. has registered a prenotation on its property in Industial Area of Lamia (BI.PE Lamias) of 26,180.00 square meters with all the buildings and fittings included on it, of a value of € 4 m. in favour of the banks EUROBANK ERGASIAS S.A. and ETHNIKI TRAPEZA TIS ELLADOS S.A. who act as Bondholders of the subsidiary each bond of nominal value of € 4 m.

### 8.2 Non-current assets held for sale

Based on the decision of the Board of directors, the Company in the second quarter of 2014, recognised machinery of net value equal to € 2,232 thousand as Held for Sale.

The Company presents these assets in the statement of financial position at their acquisition cost less the amount of accumulated depreciation at the date of recognition.

### 8.3 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 1.1.2013 | 519.115 | 1.354.998 | 1.874.113 |
| less: Accumulated depreciation | 0 | -1.256.643 | -1.256.643 |
| Exchange differences | 0 | -24 | -24 |
| **Accumulated Depreciaton 31.12.2013** | **519.115** | **98.330** | **617.445** |
| | | | |
| Additions | 0 | 19.814 | **19.814** |
| Sales or Deletions | 0 | 0 | **0** |
| Depreciation | 0 | -55.061 | **-55.061** |
| Depreciation of sold or deleted assets | 0 | 0 | **0** |
| Exchange differences | 0 | -4 | **-4** |
| Acquisition cost or deemed cost 31.12.2013 | 519.115 | 1.374.812 | **1.893.927** |
| less: Accumulated depreciation | 0 | -1.311.704 | **-1.311.704** |
| Exchange differences | 0 | -29 | **-29** |
| **Book value in 31.12.2013** | **519.115** | **63.079** | **582.194** |
| | | | |
| Additions | 0 | 23.956 | **23.956** |
| Sales or Deletions | -100.000 | -338 | **-100.338** |
| Depreciation | 0 | -39.048 | **-39.048** |
| Depreciation of sold or deleted assets | 0 | 338 | **338** |
| Exchange differences | 0 | 7 | **7** |
| Acquisition cost or deemed cost 31.12.2014 | 419.115 | 1.398.431 | **1.817.546** |
| less: Accumulated depreciation | 0 | -1.350.415 | **-1.350.415** |
| Exchange differences | 0 | -22 | **-22** |
| **Book value in 31.12.2014** | **419.115** | **47.995** | **467.110** |

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.

| | Company | |
|---|---|---|
| | Software programms | Grand Total |
| Acquisition cost or deemed cost 1.1.2013 | 1.176.656 | **1.176.656** |
| less: Accumulated depreciation | -1.081.778 | **-1.081.778** |
| **Accumulated Depreciaton 31.12.2013** | **94.878** | **94.878** |
| | | |
| Additions | 18.336 | **18.336** |
| Sales or Deletions | | **0** |
| Depreciation | -52.947 | **-52.947** |
| Depreciation of sold or deleted assets | | **0** |
| Acquisition cost or deemed cost 31.12.2013 | 1.194.992 | **1.194.992** |
| less: Accumulated depreciation | -1.134.726 | **-1.134.726** |
| **Book value in 31.12.2013** | **60.267** | **60.267** |
| | | |
| Additions | 17.985 | **17.985** |
| Sales or Deletions | | **0** |
| Depreciation | -36.382 | **-36.382** |
| Depreciation of sold or deleted assets | | **0** |
| Acquisition cost or deemed cost 31.12.2014 | 1.212.978 | **1.212.978** |
| less: Accumulated depreciation | -1.171.108 | **-1.171.108** |
| **Book value in 31.12.2014** | **41.870** | **41.870** |

Testing goodwill for impairment conducted annually and when there are indicators of impairment that the carrying value may not be recoverable. In such cases the corresponding forecasts are taken into consideration. At 30.06.2014, the Group proceeded to an impairment of goodwill, because there was a decrease in turnover, in the first half of the year, by 4.3% compared with the budget. The total impairment loss recognized in the current financial year 2014 amounted to € 100 thousand.

The recoverable amount 31.12.2014 determined by the value in use calculated on the basis of projected cash flows of the Group financial budgets approved by management covering a period of five years. 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 pre-tax rate used to discount projected cash flows is 6.6%, while the growth rate in perpetuity (after five years) used is 1.0% and EBITDA margin of 3.9% - 4 , 6%. The above percentages are based on estimates of the Group's and are consistent with independent external information sources.

The calculation of the Value in Use is more sensitive to the assumptions below:

a) Gross profit margin before depreciation

b) Discount rate

c) Market share during the budget period

d) Growth rate on perpetuity.

**Gross profit margin before depreciation –** The gross profit margins before depreciation are based on estimates during the budget 5-year period and are taken fixed throughout such period.

**Discount rate –** Discount rates reflect the assessment of risk current situation with respect to each cash flow generating unit. The discount rate was calculated on the basis of the average percentage of the sector's weighted average cost of capital. This percentage was further adjusted to reflect the market assumptions about each risk of cash flow generating units for which the estimates of future cash flows have not been adjusted. The discount rate used in the impairment test incorporates the creditworthiness of Romania and Eurozone as a whole.

**Market share during the budget period –** Management anticipates a slight upward trend in the market where the segment operates during the budgeting period (4% for 2015, according to Romanian Institute of Statistics and 2% per annum after 2015). Also expecting that segment's position will be strengthened in comparison with its competitors from 1,8 % today to 2,3 % at the end of the budgeting period.

**Growth rate on perpetuity** – The growth rate is based on the Group's long-term prospects about the segment under review.

### 8.4 Investments in Subsidiaries

Investments in subsidiaries are analysed in the following table:

| | Company | |
|---|---|---|
| | 31.12.2014 | 31.12.2013 |
| **Balance at the beginning of the year** | **17.455.837** | **16.430.837** |
| Establishment of a new subsidiary company | | |
| Increase of share capital of subsidiary | -950.000 | -2.000.000 |
| Impairment provision | 0 | 3.025.000 |
| **Balance at the end of the year** | **16.505.837** | **17.455.837** |

The analysis of the investments in company's subsidiaries, for 2014, is shown in the following table:

| | 31.12.2014 | | |
|---|---|---|---|
| | PANELCO S.A. | SIDMA WORLWIDE LIMITED | Total |
| Balance at the beginning of the year | 4.890.798 | 12.565.039 | 17.455.837 |
| Impairment provision | 0 | -950.000 | -950.000 |
| **Balance at the end of the year** | **4.890.798** | **11.615.039** | **16.505.837** |

SIDMA WORLDWIDE LIMITED is participating to the following companies:

| | 31.12.2014 | | |
|---|---|---|---|
| | SIDMA BULGARIA | SIDMA ROMANIA | Total |
| Balance at the beginning of the year | 4.194.954 | 8.130.345 | 12.325.299 |
| Impairment provision | 0 | -950.000 | -950.000 |
| **Balance at the end of the year** | **4.194.954** | **7.180.345** | **11.375.299** |

As of 31.12.2014 a participations impairment test in subsidiaries was held due to impairment indications, which resulted in additional total impairment loss of € 950 thousand in the participation in subsidiary SIDMA ROMANIA SRL. This loss included in the item "Income / (loss) from Investing operations".

In order to test holdings impairment, the recoverable amount was determined according to the value in use which was calculated on the basis of the expected cash flows arising from the Group's financial budgets which are approved by Management and extend over a 5-year period.

The pre-tax interest rate used in the discount of the expected cash flows stands at 6.4% and 6.6% for SIDMA BULGARIA S.A. and SIDMA ROMANIA SRL respectively, while the growth rate on perpetuity (following the lapse of 5 years) that was used stood at 1.7% for SIDMA BULGARIA S.A. and 1.0% for SIDMA ROMANIA SRL, taking into account the Group's long-term prospects.

### 8.5 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** | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Non-current assets (guarantees) | 110.752 | 106.896 | 89.246 | 84.742 |
| **Total** | **110.752** | **106.896** | **89.246** | **84.742** |

### 8.6 Inventories

| | Group | | Company | |
|---|---|---|---|---|
| ***Amounts in Euros*** | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Merchandise | 5.141.535 | 6.163.434 | 3.570.630 | 2.837.823 |
| Finished and semi-finished products | 4.875.748 | 5.641.816 | 3.031.757 | 3.462.684 |
| Raw, auxiliary materials and spare parts | 7.840.773 | 9.327.924 | 2.753.978 | 5.450.720 |
| Payments in advances to suppliers | 441.351 | 462.887 | 199.614 | 236.761 |
| **Total** | **18.299.407** | **21.596.062** | **9.555.979** | **11.987.988** |

The Company agreed on a varying security, in accordance with Law no. 2844/2000, on inventories of € 5,000 thousand under the amended contract of the Common Bond loan of € 49,000 thousand.

## 8.7 Trade Receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Customers | 27.048.603 | 27.028.558 | 16.257.485 | 16.876.237 |
| Notes receivable | 1.220.170 | 1.790.796 | 85.745 | 40.400 |
| Cheques receivable | 15.074.961 | 13.338.553 | 12.573.024 | 11.405.216 |
| Less: Allowances for doubtful trade receivables | -3.139.771 | -3.301.836 | -1.001.735 | -1.415.749 |
| **Total** | **40.203.963** | **38.856.071** | **27.914.519** | **26.906.104** |

The account "Allowances for doubtful trade receivables" is analysed below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| **Balance at the beginning of the year** | 3.301.836 | 6.257.368 | 1.415.749 | 2.566.714 |
| Deletion of doubtful clients/debtors | -815.704 | -3.892.672 | -564.014 | -1.588.965 |
| Provisions for doubtful receivables | 696.619 | 990.809 | 150.000 | 438.000 |
| Income from prior years' provisions | -43.450 | -43.361 | 0 | 0 |
| Exchange differences | 470 | -10.307 | 0 | 0 |
| **Balance at the end of the year** | **3.139.771** | **3.301.836** | **1.001.735** | **1.415.749** |

The Company in the current year made a write-off of doubtful and disputed customers from 2010 to 2012, amounting to € 564 thousand and formed a new provision of € 150 thousand.

The Company has specified criteria applying to the credit granted to customers who 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:

| **Aging Analysis 31.12.2014** | 0-120 | 121-150 | 151-180 | 181+ | Σύνολο |
|---|---|---|---|---|---|
| **Amounts in Euros** | | | | | |
| Company | 15.709.675 | 6.865.456 | 2.512.230 | 2.827.157 | **27.914.519** |
| Group | 25.907.599 | 7.252.064 | 2.750.737 | 4.293.563 | **40.203.963** |

| **Aging Analysis 31.12.2013** | 0-120 | 121-150 | 151-180 | 181+ | Σύνολο |
|---|---|---|---|---|---|
| **Amounts in Euros** | | | | | |
| Company | 16.092.274 | 6.145.987 | 1.918.089 | 2.749.754 | **26.906.104** |
| Group | 25.829.436 | 6.571.458 | 2.311.145 | 4.144.032 | **38.856.071** |

Balances up to 150 days from the invoice date are considered as non-matured.

## 8.8 Other Receivables

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Sundry debtors | 399.994 | 2.002.658 | 307.397 | 1.691.628 |
| Receivables from the State (taxes, etc) | 138.342 | 816 | 11.917 | 0 |
| Purchases in transit | 1.017.311 | 943.825 | 924.920 | 943.825 |
| Blocked deposits | 75.219 | 40.885 | 0 | 0 |
| Short-term receivables against associated companies | 15.272 | 20.625 | 15.272 | 20.625 |
| Prepaid expenses | 121.013 | 460.520 | 62.382 | 55.006 |
| Accrued Income | 18.917 | 18.989 | 18.917 | 18.989 |
| Advances account | 8.171 | 13.733 | 0 | 5.134 |
| **Total** | **1.794.239** | **3.502.050** | **1.340.805** | **2.735.206** |

All the above receivables are short term and do not require discounting at the balance sheet date.

## 8.9 Cash and Cash Equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Cash on hand | 25.589 | 57.999 | 3.608 | 5.706 |
| Short-term deposits | 8.740.245 | 12.721.033 | 6.252.652 | 9.074.343 |
| **Total** | **8.765.834** | **12.779.032** | **6.256.260** | **9.080.049** |

## 8.10 Share Capital and Share Premium

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| 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.

## 8.11 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 | Goodwill from merger subsidiary | Goodwill from Acquisition of Subsidiary | Total |
| **Balance in 1.1.2013** | **2.433.330** | **239.720** | **866.370** | **9.233.328** | **958.285** | **26.679** | **2.338.444** | **(934.785)** | **15.161.370** |
| Changes during the year | 0 | 0 | 0 | 0 | (958.285) | (366.906) | (2.338.444) | 934.785 | **(2.728.850)** |
| **Balance in 31.12.2013** | **2.433.330** | **239.720** | **866.370** | **9.233.328** | **0** | **(340.227)** | **0** | **0** | **12.432.520** |
| Changes during the year | 0 | 0 | 0 | (430.834) | 6.637.205 | 19.523 | 0 | 0 | **6.225.893** |
| **Balance in 31.12.2014** | **2.433.330** | **239.720** | **866.370** | **8.802.493** | **6.637.205** | **(320.704)** | **0** | **0** | **18.658.413** |

| | Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Legal Reserve | Extraordinary Reserves | Special Reserves | Tax-free reserves under special laws | Difference from the revaluation of assets | Goodwill from merger subsidiary | Total |
| **Balance in 1.1.2013** | **2.164.759** | **239.720** | **866.379** | **8.186.230** | **0** | **1.403.658** | **12.860.746** |
| Changes during the year | 0 | 0 | 0 | 0 | 0 | (1.403.658) | **(1.403.658)** |
| **Balance in 31.12.2013** | **2.164.759** | **239.720** | **866.379** | **8.186.230** | **0** | **0** | **11.457.088** |
| Changes during the year | 0 | 0 | 0 | (430.834) | 2.677.856 | 0 | **2.247.022** |
| **Balance in 31.12.2014** | **2.164.759** | **239.720** | **866.379** | **7.755.396** | **2.677.856** | **0** | **13.704.110** |

According to paragraph 11 of Article 70 of N.4172 / 2013, Tax-free reserves formed under the provisions of L.2238 / 1994 can offset tax losses by a tax rate of 26% or distributed or capitalized by paying 19% tax. Under this provision, the company set off Tax-free reserves formed up to 31/12/2013 amount of € 431 thousand to Tax losses.

### 8.12 Borrowings & Financial Leases

The borrowings of the Group and of the Company as of 31/12/2014 and 31/12/2013 are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| **Long-term loan liabilities** | | | | |
| Bond loans | 61.106.011 | 53.997.796 | 53.938.811 | 53.997.796 |
| Long-term bank loans | 2.205.558 | 1.114.040 | 0 | 0 |
| Derivative Financial Instruments | 6.149 | 5.014 | 6.149 | 5.014 |
| **Less: Current installments of long-term loans** | **-9.702.084** | **-9.161.703** | **-8.468.124** | **-8.088.824** |
| **Total long-term liabilities (a)** | **53.615.633** | **45.955.147** | **45.476.836** | **45.913.986** |
| **Short-term loan liabilities** | | | | |
| Short-term bank loans | 37.882.366 | 40.440.779 | 13.658.601 | 13.753.912 |
| Bond loans | 0 | 7.403.700 | 0 | 0 |
| Financing through factoring | 10.711.667 | 6.970.147 | 9.956.151 | 6.970.147 |
| **Total short-term liabilities (b)** | **48.594.033** | **54.814.626** | **23.614.752** | **20.724.058** |
| **Plus: Current installments of long-term loans (c)** | **9.702.084** | **9.161.703** | **8.468.124** | **8.088.824** |
| **Grand Total (a)+(b)+(c)** | **111.911.750** | **109.931.476** | **77.559.711** | **74.726.868** |

Regarding total debt (short and long term loans) the following table shows the future payments for the Group and the Company as at 31/12/2014 and 31/12/2013 respectively:

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Up to 1 year | 58.296.117 | 63.976.329 | 32.082.875 | 28.812.882 |
| Between 1 and 2 years | 53.480.072 | 3.729.984 | 45.341.275 | 3.688.824 |
| Between 2 and 5 years | 135.561 | 42.225.163 | 135.561 | 42.225.163 |
| 5 years + | 0 | 0 | 0 | 0 |
| **Total** | **111.911.750** | **109.931.476** | **77.559.711** | **74.726.869** |

Bond Loans issued by the Company and the Group are simple, non-convertible and are divided in simple bearer bonds, offering the holders the right to obtain the interest, they have a duration of three (3) to five (5) years and the greatest part of them is due at their expiry.

The terms of bond loans provide for events of termination including, *inter alia*, overdue payments, non-compliance with the general and financial collateral provided, etc. In addition, the terms of the € 49 million Bond Loan of the Company, as well as of the bond loans of the subsidiary PANELCO S.A. amounting to € 8 million, include financial covenants in order to comply with certain rations at predetermined levels such as: Current Assets/ Short Term Liabilities, Total Liabilities/ Equity, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")/ Net Payable Interests.

The Group's loans in foreign currency amounted to € 7,563 thousand (RON 27,314 thousand and BGN 2,876 thousand).

**A) Bond Loans presented in long term liabilities and long term liabilities payable next year.**

<u>Company's Bond Loans</u>

- Based on the decision dated 16.06.2011 of the shareholders' Ordinary General Meeting of SIDMA S.A. and the resultant special authorization to its Board of Directors, on August 30, 2011 the company entered into a common, 5-year ordinary bond loan totalling € 49,000,000 with the following bondholders: "EUROBANK ERGASIAS S.A.", "NATIONAL BANK OF GREECE S.A.", "PIRAEUS BANK S.A.", "EMPORIKI BANK OF GREECE S.A.", "ALPHA BANK S.A." and "HSBC BANK PLC"; EUROBANK ERGASIAS S.A. assumed the role of payment manager and representative of bondholders. The aforementioned common bond loan was issued in order to refinance an existing bank loan of SIDMA SA. On 31/12/2014 the net balance of the loan amounted to € 48.791 k.

  On 17/11/2014 the Company proceeded to the signing of a contract of the bond loan of € 49 million which amends the terms of the bond loan. The amendment mainly refers to a change in the repayment of the loan until September 2016. As a collateral to this amendment and in favor of the bondholders, Company agreed on a varying security, in accordance with Law no. 2844/2000, on inventories of € 5,000 thousand.
  On 19/12/2014 the bondholders consented to the deviation (tolerance – waiver) from non-compliance with financial ratios for the date 31/12/2014.

- On 1/3/2012 the Company issued a € 1.100.000 Bond Loan with five years total duration with "COMMERCIAL BANK OF GREECE S.A.", in order to finance the Photovoltaic installations. On 31/12/2014, the outstanding balance of the loan amounted to € 647,06 k.

- According to the decision of the Annual General Meeting of the shareholders, which took place on 12/6/2008, as well as to the relative authorization to the Board of Directors, the Company issued a € 8,000,000 Bond Loan, on 09/09/2008, with five years total duration with HSBC BANK PLC. The agreement mentioned above, was modified on 28/05/2012, by reducing the total amount of the loan to € 6,000,000 and on 28/06/2014 setting its maturity date on 01/07/2015. The bond loan mentioned above is wholly guaranteed with the cession of securities and on 31.12.2014 the outstanding balance of the loan amounted to € 4.500 k.

Bond Loans of PANELCO S.A.

- According to the decision of the Annual General Meeting of the shareholders of the subsidiary "PANELCO S.A", which took place on 16/6/2011, and the relative authorization to its' Board of Directors, the Company issued on December 28th 2011 a 4,000,000 € Bond Loan with five years total duration with the" NATIONAL BANK OF GREECE S.A.". The agreement has been amended on 04/11/2014, under which the subsidiary agreed with the bondholders a change in the repayment of the loan until December 2016, under the precondition of a prenotation on its property in BI.PE Lamias. On 31/12/2014 the outstanding balance of the loan amounted to € 3,513 k.
- According to the decision of the Annual General Meeting of the shareholders of the subsidiary "PANELCO S.A", which took place on 16/6/2011, as well as to the relative authorization to its' Board of Directors, the Company issued on October 22nd 2012 a 4,000,000 € Bond Loan with three years total duration with "EUROBANK ERGASIAS BANK S.A." The agreement has been amended on 02/09/2014, under which the subsidiary agreed with the bondholders a change in the repayment of the loan until February 2016, under the precondition of a prenotation on its property in BI.PE Lamias. On 31/12/2014 the outstanding balance of the loan amounted to € 3,654 k.

For these loans the subsidiary was given the consent of the bondholders (waiver) dated 18/12/2014, in order to avoid a complaint which would be the case due to its failure to comply with the financial covenants as of 31/12/2014.

The average loan interest for the Group amounted to 5.2% and for the Company amounted to 5.1%. The cost at Group level is increased because a part of the subsidiaries' liabilities in Bulgaria and Romania (39% in Bulgaria and 43% 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.

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. Moreover it keeps cash and cash equivalents at a percentage of at least 10% compared to its total debt.

The property of the Group and the Company is submitted to mortgages of real assets, as described in the abovementioned paragraph 7.1

In addition, in order to guarantee a bond loan of € 4.5 million, regarding the company, there were given guarantees of € 5.9 million. Correspondently, for the guarantee of the € 10.5 million bank loan of the subsidiaries in Romania and Bulgaria, there are guarantees given of a total amount of € 5.1 million (postdated checks and clients' invoices).

The derivative financial instruments are related to interest rate swaps for the cash flow offset of € 647 thousand value as at 31/12/2014.

## 8.13 Government Grants

The amount of € 211.7 thousand 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 € 133.9 thousand refers to Government Grants received from the parent Company for its investment in photovoltaic energy.

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Governments Grants | 345.674 | 482.346 | 133.934 | 150.986 |
| **Total** | **345.674** | **482.346** | **133.934** | **150.986** |

## 8.14 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 for the Company to 26%.

| | Group | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Fixed Assets | Investments | Retirement Benefits to personnel | Provision for doubtful debtors | Losses | Interest Hedging | other provisions | Total |
| **1/1/2013** | **(2.398.247)** | **0** | **138.756** | **110.772** | **5.018.251** | **2.323** | **4.470** | **2.876.326** |
| (Credit)/Debit of profit - loss statement | 43.649 | (144.557) | (12.353) | 0 | (1.163.844) | 0 | 3.265 | **(1.273.839)** |
| Effect from the change in Tax Rate in profit - loss statement | (723.964) | 144.557 | 45.864 | 33.231 | 479.207 | 0 | 0 | **(21.104)** |
| **(Credit)/Debit of profit - loss statement** | **(680.315)** | **0** | **33.512** | **33.231** | **(684.637)** | **0** | **3.265** | **(1.294.943)** |
| (Credit)/Debit of Comprehensive Income | 0 | 0 | (14.176) | 0 | 0 | (1.716) | 0 | **(15.892)** |
| Effect from the change in Tax Rate in Comprehensive Income | 0 | 0 | 4.626 | 0 | 0 | 1.277 | 0 | **5.903** |
| **(Credit)/Debit of Comprehensive Income** | **0** | **0** | **(9.550)** | **0** | **0** | **(439)** | **0** | **(9.989)** |
| FX differences | 0 | 0 | 0 | 0 | (14.720) | 0 | 0 | **(14.720)** |
| **31/12/2013** | **(3.078.562)** | **0** | **162.718** | **144.003** | **4.318.894** | **1.884** | **7.735** | **1.556.673** |
| | | | | | | | | |
| **1/1/2014** | **(3.078.562)** | **0** | **162.718** | **144.003** | **4.318.894** | **1.884** | **7.735** | **1.556.673** |
| (Credit)/Debit of profit - loss statement | 405.520 | 0 | (12.373) | 296.883 | (1.432.642) | 0 | 51 | **(742.562)** |
| (Credit)/Debit of Comprehensive Income | (1.742.029) | 0 | 35.018 | 0 | 0 | 295 | 0 | **(1.706.716)** |
| FX differences | 0 | 0 | 0 | 0 | 5.272 | 0 | 0 | **5.272** |
| **31/12/2014** | **(4.415.071)** | **(0)** | **185.362** | **440.886** | **2.891.525** | **2.179** | **7.786** | **(887.332)** |

| | Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Fixed Assets | Investments | Retirement Benefits to personnel | Provision for doubtful debtors | Losses | Interest Hedging | other provisions | Total |
| **1/1/2013** | **(2.198.402)** | **481.858** | **124.840** | **110.772** | **3.937.357** | **2.323** | **0** | **2.458.748** |
| (Credit)/Debit of profit - loss statement | (332) | 520.000 | (12.340) | | (1.400.000) | 0 | | **(892.671)** |
| Effect from the change in Tax Rate in profit - loss statement | (659.521) | 144.557 | 41.587 | 33.231 | 479.207 | 0 | 0 | **39.062** |
| **(Credit)/Debit of profit - loss statement** | (659.853) | 664.557 | 29.247 | 33.231 | (920.793) | 0 | 0 | **(853.610)** |
| (Credit)/Debit of Comprehensive Income | 0 | 0 | (12.411) | 0 | 0 | (1.716) | 0 | **(14.127)** |
| Effect from the change in Tax Rate in Comprehensive Income | 0 | 0 | 4.135 | 0 | 0 | 697 | 0 | **4.832** |
| **(Credit)/Debit of Comprehensive Income** | 0 | 0 | (8.276) | 0 | 0 | (1.019) | 0 | **(9.295)** |
| **31/12/2013** | **(2.858.255)** | **1.146.416** | **145.811** | **144.003** | **3.016.564** | **1.304** | **0** | **1.595.843** |
| | | | | | | | | |
| **1/1/2014** | **(2.858.255)** | **1.146.416** | **145.811** | **144.003** | **3.016.564** | **1.304** | **0** | **1.595.843** |
| (Credit)/Debit of profit - loss statement | 331.938 | | (12.461) | 90.541,38 | (1.000.000) | | | **(589.981)** |
| **(Credit)/Debit of profit - loss statement** | 331.938 | 0 | (12.461) | 90.541 | (1.000.000) | 0 | 0 | **(589.981)** |
| (Credit)/Debit of Comprehensive Income | (940.868) | 0 | 29.678 | 0 | 0 | 295 | 0 | **(910.895)** |
| **(Credit)/Debit of Comprehensive Income** | (940.868) | 0 | 29.678 | 0 | 0 | 295 | 0 | **(910.895)** |
| **31/12/2014** | **(3.467.185)** | **1.146.416** | **163.029** | **234.544** | **2.016.564** | **1.599** | **0** | **94.967** |

## 8.15 Pensions obligations

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Present Value of Obligations | 730.018 | 631.061 | 627.033 | 560.810 |
| Fair value of plan assets | | | - | - |
| | **730.018** | **631.061** | **627.033** | **560.810** |
| Presented as: | | | | |
| **Long-term liability** | 730.018 | 631.061 | 627.033 | 560.810 |

The change in the present value of the liability for the defined benefit plans is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| Reconciliation of Benefit Obligation | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| **DBO at start of period** | **631.061** | **693.761** | **560.810** | **624.197** |
| Service Cost | 28.502 | 29.756 | 18.871 | 18.755 |
| Interest Cost | 22.895 | 23.683 | 20.160 | 20.883 |
| Actuarial (gain)/loss- financial assumptions | 139.401 | (17.074) | 116.583 | (15.224) |
| Actuarial (gain)/loss- experience | (2.459) | 1.496 | (2.435) | (703) |
| Benefits paid directly by the companies | (185.606) | (250.018) | (177.282) | (192.198) |
| Settlement/Termination loss/(gain) | 96.225 | 149.457 | 90.326 | 105.100 |
| **DBO at end of period** | **730.018** | **631.061** | **627.033** | **560.810** |

The amounts recognized in the Income Statement are:

| | Group | | Company | |
|---|---|---|---|---|
| Amounts recognized in P & L Statement | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Service Cost | 28.502 | 29.756 | 18.871 | 18.755 |
| Net interest on the net defined benefit liability/(asset) | 22.895 | 23.683 | 20.160 | 20.883 |
| **Total P & L Charge** | **51.397** | **53.439** | **39.031** | **39.638** |

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are:

| | Group | | Company | |
|---|---|---|---|---|
| Amounts recognized in OCI | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Actuarial (gain)/loss- financial assumptions | -139.401 | 17.074 | -116.583 | 15.224 |
| Actuarial (gain)/loss- experience | 2.459 | (1.496) | 2.435 | 703 |
| **Total amount recognized in OCI** | **-136.942** | **15.578** | **-114.148** | **15.927** |

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

| Assumptions | 31.12.2014 | 31.12.2013 |
|---|---|---|
| Discount Rate | 1,91% | 3,60% |
| Rate of compensation increase | 1,75% | 2,00% |
| Price Inflation | 1,75% | 2,00% |
| Plan duration | 15,15 | 14,43 |

The amount of the obligation is particularly sensitive to the assumptions used, and especially in cases of compensation increase and the discount rate. Specifically the obligation for the Group decreased by € 155 thousand and for the company by € 131 thousand if the discount rate had remained at the previous level. The obligation for the Group increased by € 29 thousand and for the Company by € 25 thousand if the salaries growth rate increases by 0.25 percentage units.

## 8.16 Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Trade Suppliers | 19.080.028 | 21.525.807 | 14.008.934 | 18.078.060 |
| Notes payable | 75.359 | 21.222 | 64.204 | 10.073 |
| **Total** | **19.155.387** | **21.547.028** | **14.073.138** | **18.088.132** |

The terms of payment of domestic suppliers vary in line with the type of supplier from 60 to 90 days. As regards international suppliers, settlement days range from cash up to 90. Average weighted settlement days of international suppliers come to 53 while the respective days for domestic suppliers come to 63.

## 8.17 Other Current Liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Short-term payables from related parties | 111.106 | 1.232.787 | 111.106 | 99.733 |
| Advances from trade debtors | 215.265 | 319.777 | 116.018 | 251.714 |
| Social Security | 228.770 | 323.292 | 173.739 | 215.796 |
| Dividends payable | 0 | 2.567 | 0 | 2.567 |
| Sundry debtors | 1.288.883 | 909.304 | 948.377 | 777.405 |
| Accrued Expenses | 122.842 | 595.295 | 136.872 | 541.487 |
| Other | 659.252 | 0 | 318.078 | 0 |
| Other accruals or deffered income | 11.958 | 8.874 | 11.958 | 8.874 |
| **Total** | **2.638.076** | **3.391.896** | **1.816.148** | **1.897.577** |

## 8.18 Turnover (Sales)

Sales for the period ended 31.12.2014 and 31.12.2013 are analysed by category of products and services (using Greek Statistical Service Codes) as follows:

| | | 1.1 - 31.12.2014 | | 1.1 - 31.12.2013 | |
|---|---|---|---|---|---|
| | | Group | Company | Group | Company |
| 27.10 | Manufacture of basic iron, steel and ferro-alloys | 46.939.731 | 33.147.223 | 50.511.383 | 35.218.343 |
| 51.52 | Wholesale of metals and metal ores | 38.057.031 | 19.253.930 | 34.577.611 | 16.014.173 |
| 28.11 | Manufacture of metal structures and parts of structures | 11.786.663 | 0 | 9.667.065 | 0 |
| 28.51 | Treatment and coating of metals | 2.955.764 | 2.955.764 | 3.280.198 | 3.279.952 |
| 35.11 | Prodution of Electricity | 388.427 | 388.427 | 585.728 | 585.728 |
| 27.22 | Manufacture of steel tubes | 430.225 | 430.225 | 166.247 | 166.247 |
| | **Σύνολο** | **100.557.840** | **56.175.568** | **98.788.231** | **55.264.443** |

The turnover amounts as appeared in the Statement of Comprehensive Income, do not include the sales made by the parent company on behalf of third parties (consignment) amounting to € 28,348,301. The respective amount of the previous year 2013 was € 29,636,674. The above amounts should be considered for the calculation of any ratios based on the turnover of the Group and the Company.

### 8.19 Cost of Sales

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Cost of Goods | 88.636.287 | 87.121.582 | 48.991.080 | 48.041.293 |
| Payroll & Related Expenses | 1.302.611 | 1.563.666 | 561.510 | 593.511 |
| Third Party Fees & Related Expenses | 808.900 | 661.817 | 439.860 | 395.788 |
| Utilities - Services | 508.979 | 528.447 | 233.406 | 270.361 |
| Taxes - Stamp Duties | 38.029 | 223.766 | 1.795 | 174.275 |
| Various Expenses | 192.320 | 236.522 | 109.669 | 97.260 |
| Depreciation | 1.410.968 | 1.675.490 | 673.747 | 793.313 |
| **Total** | **92.898.093** | **92.011.290** | **51.011.068** | **50.365.802** |

### 8.20 Other Income

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Income from rendering services to third parties | 617.442 | 664.077 | 627.982 | 674.660 |
| Agency Fees | 1.847.811 | 1.866.211 | 1.545.523 | 1.694.724 |
| Rentals | 14.352 | 10.200 | 14.352 | 10.200 |
| Invoiced expenses for dispatching goods | 1.008.033 | 901.182 | 287.466 | 272.575 |
| Incidental activity income | 18.708 | 2.934 | 0 | 0 |
| Prior year's income | 18.375 | 66.781 | 17.588 | 51.407 |
| Income from the depreciation of granted assets | 0 | 0 | 0 | 0 |
| Other non-operating income | 368.034 | 378.211 | 58.783 | 130.180 |
| Income from prior years' provisions | 126.277 | 192.832 | 86.956 | 87.098 |
| **Total** | **4.019.033** | **4.082.429** | **2.638.649** | **2.920.844** |

### 8.21 Administrative expenses

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Payroll & Related Expenses | 1.656.977 | 1.699.891 | 1.092.389 | 1.111.232 |
| Third Party Fees & Related Expenses | 713.237 | 843.784 | 411.813 | 465.697 |
| Utilities - Services | 434.341 | 429.769 | 167.929 | 166.383 |
| Taxes - Stamp Duties | 317.335 | 336.315 | 247.346 | 253.507 |
| Various Expenses | 207.765 | 324.359 | 112.832 | 117.218 |
| Depreciation | 353.256 | 351.003 | 322.737 | 322.854 |
| Provisions | 25.643 | 27.176 | 18.871 | 18.755 |
| **Total** | **3.708.554** | **4.012.297** | **2.373.918** | **2.455.646** |

### 8.22 Selling/Distribution expenses

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Payroll & Related Expenses | 3.321.568 | 3.804.128 | 2.385.478 | 2.805.086 |
| Third Party Fees & Related Expenses | 915.233 | 379.435 | 318.072 | 218.891 |
| Utilities - Services | 1.245.403 | 1.470.818 | 917.801 | 888.214 |
| Taxes - Stamp Duties | 45.816 | 45.427 | 45.410 | 45.227 |
| Various Expenses | 2.425.348 | 2.224.046 | 1.771.687 | 1.727.424 |
| Depreciation | 898.354 | 1.085.394 | 664.654 | 966.860 |
| Provisions | 0 | 0 | 0 | 0 |
| **Total** | **8.851.723** | **9.009.247** | **6.103.102** | **6.651.703** |

## 8.23 Other expenses

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Prior year's expenses | 194.830 | 7.996 | 194.830 | 7.996 |
| Non-operating losses | 0 | 0 | 0 | 0 |
| Other non-operating expenses | 35.062 | 155.015 | 1.515 | 80.300 |
| Impairment provision for Assets hold for sale | 0 | 0 | 0 | 0 |
| Provisions for doubtful receivables | 528.141 | 995.177 | 150.000 | 438.000 |
| **Total** | **758.033** | **1.158.189** | **346.345** | **526.296** |

## 8.24 Finance expenses (net)

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Credit interest | 159.008 | 288.197 | 99.204 | 182.720 |
| Other related income | 0 | 32 | 0 | 32 |
| **Financial Income** | **159.008** | **288.228** | **99.204** | **182.751** |
| Interest Expense | -6.458.642 | -6.259.505 | -4.505.462 | -4.013.672 |
| Other bank expenses | -104.954 | -486.550 | 0 | -329.497 |
| F.X. differences | -46.142 | -203.180 | 0 | 0 |
| **Financial Expenses** | **-6.609.737** | **-6.949.235** | **-4.505.462** | **-4.343.169** |
| **Total** | **-6.450.729** | **-6.661.007** | **-4.406.258** | **-4.160.418** |

## 8.25 Investing Activities

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Extraordinary Profits | 565 | 10.837 | 565 | 15.963 |
| Extraordinary Losses | -1.667 | -103 | -420 | -103 |
| Impairment provision for subsidiaries | -100.000 | 0 | -950.000 | -2.000.000 |
| **Total** | **-101.102** | **10.735** | **-949.856** | **-1.984.139** |

## 8.26 Taxation

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Deferred Tax | -742.562 | -1.294.944 | -589.981 | -853.610 |
| Other Taxes | -391.623 | -102 | -391.623 | 0 |
| **Total** | **-1.134.186** | **-1.295.046** | **-981.605** | **-853.610** |

The tax of the Group and the Company differs from the theoretical amount that would arise using the basic tax rate as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Income tax of the year | 0 | 0 | 0 | 0 |
| Deffered tax | 742.562 | 1.294.944 | 589.981 | 853.610 |
| Other taxes | 391.623 | 102 | 391.623 | 0 |
| **Total** | **1.134.186** | **1.295.046** | **981.605** | **853.610** |
| | | | | |
| Profit before taxation | -10.063.664 | -9.970.636 | -8.113.385 | -7.958.717 |
| Tax rate | 26% | 26% | 26% | 26% |
| **Expected Tax Cost** | **-2.616.553** | **-2.592.365** | **-2.109.480** | **-2.069.266** |
| | | | | |
| Extra taxes & penalties for previous years | 391.623 | 102 | 391.623 | 0 |
| Previous years' losses without recognition of a deffered tax asset | 1.661.241 | 2.136.215 | 1.699.462 | 1.522.876 |
| Taxes of previous years | 1.432.642 | 1.400.000 | 1.000.000 | 1.400.000 |
| Other | 265.232 | 351.094 | 0 | 0 |
| **Total** | **1.134.185** | **1.295.046** | **981.605** | **853.610** |

### 8.27 Basic EPS

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| Profit to the Shareholders of the mother company | -11.154.677 | -11.174.758 | -9.094.990 | -8.812.327 |
| Weighted number of shares | 10.000.000 | 10.000.000 | 10.000.000 | 10.000.000 |
| Basic Earnings Per Share (EURO/share) | -1,1155 | -1,1175 | -0,9095 | -0,8812 |

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.

### 8.28 Dividends per share

In 2014 as in 2013, the Board of Directors decided to refrain from distributing any dividend, due to losses.

Moreover, Group subsidiaries are not able to distribute any dividend due to losses.

### 8.29 Non-Audited Fiscal Years

The parent company, as well as PANELCO S.A., has been audited by the Tax Authorities up to Fiscal Year 2007. FY 2008, 2009 and 2010 remain unaudited.

The parent company, as well as PANELCO S.A., has been audited for the Fiscal Years 2011 and 2012 by SOL SA according to Article 82, paragraph 5 of Law 2238. As a result no variation arisen from the provision already posted to the Company's and PANELCO's financial results. For the fiscal year 2013, the parent company, as well as PANELCO S.A., has been audited in accordance with Article 82 para. 5 2238/1994 by GRANT THORNTON S.A. The conduct of the investigation did not reveal any tax liabilities beyond what was included in these financial statements as illustrated.

For the year 2014 the companies of the Group in Greece are currently being tax-audited by GRANT THORNTON SA. After the completion of a tax audit, the Management of the Group do not expect any significant tax liabilities beyond those recorded and reported in the financial statements.

Among the other consolidated companies, SIDMA WORLDWIDE CYPRUS has been tax audited up to FY 2010, 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 2005-2014 and because of its losses, no more taxes are going to arise.

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. These provisions are presented in the item "Other non-current liabilities" in the Statement of Financial Position.

### 8.30 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.
Regarding contingent liabilities of the Group and the Company that are referred as collaterals to existing Loans, see note 7.1 and 7.2.

The Group and the Company as at 31/12/2014, had the following guarantees:

Assets

- Letters to secure claims € 1,941 thousand for the Group and € 1,900 thousand for the Company.

Liabilities

- Performance bonds amounting to € 197 thousand for the Group and the Company.
- Letters of guarantee as security for liabilities € 8,356 thousand for the Group and € 7,148 thousand for the Company.

### 8.31 Classification of financial instruments based on their valuation at fair value

Financial assets and liabilities that were measured at fair value in the statement of financial position were classified into three levels of hierarchy. Table of classification of financial assets is defined by the quality of the data used to determine the fair value, as follows:
Level 1: financial instruments measured at fair value using prices in active markets;
Level 2: financial instruments measured at fair value using other indisputable objective values outside active market;
Level 3: financial instruments measured based on estimates of the Company, as there are no observable market data.

Cited for the Group, the following classification tables of financial assets that were measured at fair value, based on the three levels indicated:

| | Group | | | |
|---|---|---|---|---|
| 31.12.2014 | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | |
| Tangible Assets | 0 | 54.636.024 | 0 | **54.636.024** |
| **Total** | **0** | **54.636.024** | **0** | **54.636.024** |
| | | | | |
| **Liabilities** | | | | |
| Interest Rate Swaps | 0 | -6.149 | 0 | **-6.149** |
| **Total** | **0** | **-6.149** | **0** | **-6.149** |
| | | | | |
| **Fair Values** | **0** | **54.629.874** | **0** | **54.629.874** |

| | Group | | | |
|---|---|---|---|---|
| 31.12.2013 | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | |
| Tangible Assets | 0 | 0 | 0 | **0** |
| **Total** | **0** | **0** | **0** | **0** |
| | | | | |
| **Liabilities** | | | | |
| Interest Rate Swaps | 0 | -5.014 | 0 | **-5.014** |
| **Total** | **0** | **-5.014** | **0** | **-5.014** |
| | | | | |
| **Fair Values** | **0** | **-5.014** | **0** | **-5.014** |

Derivative financial liabilities relating to interest rate swaps used for cash flow hedges, because of their low value, are classified in the account "long-term liabilities".

## 8.32 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** | 1.1-31.12.2014 | 1.1-31.12.2013 | 1.1-31.12.2014 | 1.1-31.12.2013 |
| Average no. of personnel | 212 | 220 | 113 | 116 |

## 8.33 Intra-Group Transactions and Balances

### Intra-Group Sales

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Sales of goods** | | | | |
| Subsidiares | 0 | 1.748.218 | 0 | 2.046.194 |
| Other companies of the group | 2.351.045 | 1.066.223 | 2.774.387 | 988.065 |
| **Total** | **2.351.045** | **2.814.441** | **2.774.387** | **3.034.259** |

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Sales from services rendering** | | | | |
| Subsidiares | 0 | 48.311 | 0 | 21.193 |
| Other companies of the group | 2.546.477 | 2.053.289 | 2.341.988 | 2.335.505 |
| **Total** | **2.546.477** | **2.101.600** | **2.341.988** | **2.356.698** |

### Intra-Group Purchases and Expenses

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Purchases of goods** | | | | |
| Subsidiares | 0 | 135.308 | 0 | 48.400 |
| Other companies of the group | 17.421.524 | 4.260.914 | 17.023.462 | 4.470.162 |
| **Total** | **17.421.524** | **4.396.222** | **17.023.462** | **4.518.563** |

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Receiving of services** | | | | |
| Subsidiares | 0 | 1.168 | 0 | 0 |
| Other companies of the group | 237.290 | 213.339 | 223.348 | 203.894 |
| **Total** | **237.290** | **214.507** | **223.348** | **203.894** |

### Intra-Group Sales and Purchases of Assets

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Sales of fixed assets** | | | | |
| Subsidiares | 0 | 466 | 0 | 28.439 |
| Other companies of the group | 120 | 0 | 0 | 0 |
| **Total** | **120** | **466** | **0** | **28.439** |

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Purchases of fixed assets** | | | | |
| Subsidiares | 0 | 0 | 0 | 0 |
| Other companies of the group | 9.358 | 9.358 | 4.819 | 4.508 |
| **Total** | **9.358** | **9.358** | **4.819** | **4.508** |

**Intra-Group Receivables & Payables**

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Receivalbes** | | | | |
| Subsidiares | 0 | 88.424 | 0 | 394.119 |
| Other companies of the group | 1.529.398 | 971.268 | 1.630.445 | 1.066.092 |
| **Total** | **1.529.398** | **1.059.692** | **1.630.445** | **1.460.211** |

| | 1.1-31.12.2014 | | 1.1-31.12.2013 | |
|---|---|---|---|---|
| **Amounts in euros** | **Group** | **Company** | **Group** | **Company** |
| **Payables** | | | | |
| Subsidiares | 0 | 32.865 | 0 | 7.751 |
| Other companies of the group | 13.701.039 | 10.691.300 | 13.733.827 | 10.824.724 |
| **Total** | **13.701.039** | **10.724.165** | **13.733.827** | **10.832.475** |

### 8.34 Management and Board of Directors' fees

| | Group | | Company | |
|---|---|---|---|---|
| | 1.1-31.12.2014 | 1.1-31.12.2013 | 1.1-31.12.2014 | 1.1-31.12.2013 |
| Board of Directors fees (short-term) | 236.856 | 298.052 | 195.857 | 251.052 |
| Management Fees (short-term) | 709.518 | 888.399 | 387.786 | 465.104 |
| **Total** | **946.375** | **1.186.451** | **583.643** | **716.156** |

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

### 8.35 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 | 40.000 | 23.000 | **63.000** |
| PANELKO | 20.000 | 14.000 | **34.000** |
| SIDMA CYPRUS | 1.577 | 0 | **1.577** |
| SIDMA BULGARIA | 5.130 | 30.827 | **35.957** |
| SIDMA ROMANIA | 12.750 | 1.693 | **14.443** |
| **Total** | **79.457** | **69.520** | **148.977** |

## 8.36 Post Balance Sheet Events

There are no post balance sheet events which require disclosure in accordance with IFRS.

## 8.37 Information According to Article 10 of Law 3401/2005

| DATE | SUBJECT | Path in the http://www.sidma.gr |
|---|---|---|
| | **Announcements & Press Releases** | |
| 9/1/2014 | Press Release - Decisions of the Extraordinary General Meeting of Shareholders | Home page/Investor Relations/News/Press Releases/2014 |
| 26/3/2014 | Press Release-IR Release 12M 2013 | Home page/Investor Relations/News/Press Releases/2014 |
| 26/3/2014 | Press Release - Announcement according to the article 4.1.4.4 of ASE Rulebook. | Home page/Investor Relations/News/Press Releases/2014 |
| 26/3/2014 | Press Release - Financial Results for SIDMA S.A. for the fiscal year 2013 | Home page/Investor Relations/News/Press Releases/2014 |
| 26/3/2014 | Announcement - Financial Calendar 2014 | Home page/Investor Relations/News/Announcements/2014 |
| 5/5/2014 | Press Release - Notice to the General Meeting of Shareholders | Home page/Investor Relations/News/Press Releases/2014 |
| 20/5/2014 | Press Release - Financial Results for SIDMA S.A. for the first quarter of 2014 | Home page/Investor Relations/News/Press Releases/2014 |
| 20/5/2014 | Press Release - Announcement according to the article 4.1.4.4 of ASE Rulebook. | Home page/Investor Relations/News/Press Releases/2014 |
| 28/5/2014 | Press Release- Decisions of Annual General Meeting of SIDMA S.A. | Home page/Investor Relations/News/Press Releases/2014 |
| 28/5/2014 | Announcement - Board of Directors composition | Home page/Investor Relations/News/Announcements/2014 |
| 23/6/2014 | Press Release - Notice to Extraordinary General Meeting of Shareholders | Home page/Investor Relations/News/Press Releases/2014 |
| 22/7/2014 | Press Release - Decisions of the Extraordinary General Meeting of Shareholders | Home page/Investor Relations/News/Press Releases/2014 |
| 28/8/2014 | Press Release - Announcement according to the article 4.1.4.4 of ASE Rulebook. | Home page/Investor Relations/News/Press Releases/2014 |
| 28/8/2014 | Press Release - Results for the First Semester of 2014 | Home page/Investor Relations/News/Press Releases/2014 |
| 25/11/2014 | Press Release - Announcement according to the article 4.1.4.4 of ASE Rulebook. | Home page/Investor Relations/News/Press Releases/2014 |
| 25/11/2014 | Press Release - Results for the Third Quarter of 2014 | Home page/Investor Relations/News/Press Releases/2014 |
| | **SIDMA - Financial Statements IFRS** | |
| 26/3/2014 | Notes to the Financial Statements of 31/12/2013 | Home Page/Investors Relations/Financial Statements/2013 |
| 26/3/2014 | Financial Statements Group & Parent Company as of 31/12/2013 | Home Page/Investors Relations/Financial Statements/2013 |
| 20/5/2014 | Notes to the Financial Statements of 31/03/2014 | Home Page/Investors Relations/Financial Statements/2014 |
| 20/5/2014 | Financial Statements Group & Parent Company as of 31/03/2014 | Home Page/Investors Relations/Financial Statements/2014 |
| 28/8/2014 | Notes to the Financial Statements of 30/06/2014 | Home Page/Investors Relations/Financial Statements/2014 |
| 28/8/2014 | Financial Statements Group & Parent Company as of 30/06/2014 | Home Page/Investors Relations/Financial Statements/2014 |
| 25/11/2014 | Notes to the Financial Statements of 30/09/2014 | Home Page/Investors Relations/Financial Statements/2014 |
| 25/11/2014 | Financial Statements Group & Parent Company as of 30/09/2014 | Home Page/Investors Relations/Financial Statements/2014 |

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

**Halandri – March 20, 2015**

| PRESIDENT OF THE BOARD OF DIRECTORS | VICE PRESIDENT OF THE BOARD OF DIRECTORS |
|---|---|
| MARCEL L. AMARIGLIO | NIKOLAOS P. MARIOU |

| CHIEF EXECUTIVE OFFICER | THE CHIEF FINANCIAL OFFICER | ACCOUNTING DEP. HEAD |
|---|---|---|
| DANIEL D. BENARDOUT | MICHAEL C. SAMONAS | PARIS G. PAPAGEORGIOU |