

Financial results of SIDMA S.A. for the first quarter of 2005 according to the IAS
Consolidated turnover increases by 3%

The consolidated turnover of SIDMA Steel Products SA increased by 3% during the first quarter of 2005, reaching €31,021 thousand compared to €30,150 thousand during the corresponding period of 2004. At the parent Company level, the turnover of SIDMA recorded an increase of 0.7% and reached €27,608 thousand compared to €27,407 thousand in 2004.

Consolidated earnings before taxes, interest and depreciation (EBITDA) amounted to €3,377 thousand in the first quarter of 2005, compared to €4,785 thousand in the corresponding period of 2004 (a 29% decrease). Consolidated earnings before taxes amounted to €2,293 thousand, recording a fall of 39% compared to 2004 (€3,780 thousand). The decline in the earnings of the Company is attributed to the squeezing of the gross profit margin to 14% from 19% (a 26% fall). This fall is mainly due to the correction in world steel prices.

Commenting on the 2005 first quarter developments, the General Manager of SIDMA, Mr. Daniel Benarouth emphasized that “they are the outcome of a quarter of reduced demand, compared to the corresponding period in the previous year, together with a corrective trend in global steel prices, which during the previous year reached record levels. The Company, under these difficult market conditions, managed to increase its turnover slightly. However, earnings for the quarter were affected by the cyclicity of prices. Cyclicity has always characterized the global steel market and can be partly dealt with through proper management of the Company’s inventory. Moreover, strict monitoring of administration and distribution expenses lead to a 2% reduction compared to the first quarter of 2004”.

It is noted that SIDMA applied the International Financial Reporting Standards for the first time and followed the directions provided by IFRS 1. The adoption of the IFRS improved the shareholders’ funds at the group level (as of 31/12/2004) by 42% to € 37,383 thousand, from €26,369 thousand. This improvement is mainly due to the surplus created by the valuation of the real estate property and machinery of the Company at their current values.