

Strategic growth of the operations of SIDMA S.A. in Bulgaria and commencement of operation of subsid

In the context of pursuing strategic growth and further development of the Company's activities outside Greece, SIDMA SA proceeded in establishing a new company in Bulgaria, in partnership with Pecker Plada Ltd, which holds a leading position in the steel processing and trading sector in Israel. SIDMA holds 75% of the new company, which trades under the name "SID-PAC Bulgaria SA", while the remaining 25% is held by Pecker Plada Ltd. SIDMA holds its participating interest in the new company through its 100% subsidiary in Cyprus, SIDMA Worldwide (Cyprus) Ltd, whose purpose is to participate in the share capital of companies that SIDMA establishes abroad.

The share capital of SID-PAC Bulgaria SA amounts to €200,000 and will soon be increased to approximately €1,300,000. These funds will finance part of the investment for the creation of a modern Steel Service Centre and a sales network in Bulgaria, as set out in the investment program and the use of funds drawn from the listing of SIDMA SA on the Main Market of the Athens Stock Exchange. The outflow is expected to be completed in the next quarter, as the company has already signed a preliminary agreement for the purchase of facilities in the Sofia area.

Through the establishment of SID-PAC Bulgaria SA, SIDMA aims to further expand its activities by taking advantage of the opportunities that emerge in the Balkan countries. In a time of important economic reforms for the wider Balkan area, Greek enterprises are called upon to play an important role in the development of the market. Moreover, the experience and know-how of SIDMA in the sector, the creation of economies of scale in purchasing and the wide array of available products are major competitive advantages.

Packer Plada Ltd was established in 1933 and is active in the steel trading and processing sector. It holds a leading position in its sector in Israel and has been listed on the Tel Aviv Stock Exchange since 1981. The company is also active in Russia and in 2004 its turnover amounted to USD 182 million. Packer Plada Ltd is part of the Africa-Israel Investments Ltd multinational group, which is active in the construction, real estate development, hotel, industry, telecommunications and energy sectors. The consolidated sales of the group in 2004 amounted to USD 750 million.