

SIDMA SA: 3rd Quarter Profit and Loss Account for 2007

- **The Consolidated turnover of SIDMA SA stood at 130 million Euros, increased by 18%;**
- **Including trade agency sales, the Group's turnover has reached 187 million Euros, up by 27 million Euros compared to the corresponding period in 2006, presenting an increase of 17%.**

SIDMA SA, a leading company in the field of trading and industrial processing of steel products with a dynamic presence in the Balkans, published today the 3rd Quarter Profit and Loss Account for year 2007.

In particular, the consolidated turnover of SIDMA SA amounted to 130 million Euros, increased by 20 million Euros or 18% compared to that of the corresponding period in year 2006, whereas trade agency sales increased by 7.4 million Euros or 15%, reaching 57 million Euros.

The Group's gross profits reached 15.9 million Euros, earnings before taxes reached 7 million Euros, whereas income after taxes and minority interests stood at 3.6 million Euros, reduced by 35%.

Income after taxes and minority interests is reduced compared to that of the same period last year, mainly due to taxation on tax-free reserves of previous years. Without this unforeseen taxation, which amounts to 1.9 million Euros, this income would have been slightly below that of last year, i.e. reduced by 4%. Lastly, earnings before taxes, interest and depreciation (EBITDA) reached 12.3 million Euros, down by 7.6 % compared to the same period last year.

More specifically, the gross profit margin, on Group level, fell by 4% compared to that of the 3rd quarter of 2006, which, combined with the 33% increase in financial expenses mainly caused by the increase in interest rates, has led to a 24% reduction in earnings before taxes. The gross profit margin was mainly affected by the depreciation of steel prices on the global market during the last two quarters.

The results of the last three quarters were affected by the implementation of the European Commission decision of 18.VII.2007, whereby the Commission held that, subject to articles 2 and 3 L. 3220/2004, all tax-free reserves from fiscal years 2004 & 2005 constitute government subsidies and are therefore refundable. Hence, the company's – and therefore Group's - earnings after taxes were reduced by 1.9 million Euros.

The company's subsidiaries abroad have continued to contribute to SIDMA's development, presenting an improved performance compared to last year. In particular, SID-PAC Steel and Construction Products in Romania more than doubled sales (from 5.3 million Euros to 12.7 million Euros), whereas SID-PAC Bulgaria presented sales of 9.8 million Euros at the end of the 3rd quarter, compared to the 4.5 -million turnover in the last two quarters of 2006 when the company began operations.

On company level, turnover exceeded 100 million Euros and together with trade agency sales has reached 158 million. Earnings before taxes stood at 5.3 million Euros whereas earnings after taxes for the current year and after taxes on tax-free

reserves of previous years stood at 3.1 million Euros. Lastly, earnings before taxes, interest and depreciation (EBITDA) stood at 8.6 million Euros.