

Financial results for SIDMA S.A. for the fiscal year 2007

The Consolidated sales of SIDMA SA increased significantly and for the first time in its history surpassed 250 million Euros including the consignment sales.

The total turnover of the company rose considerably together with consignment sales, which exceeded 250 million Euros for the first time. If we add the sales of the subsidiary in Romania, which is consolidated by applying the equity method, to the foregoing, then the consolidated turnover of the Group comes to €269 million. During 2007, the percentage of Group sales in other markets than Greece rose to 16% from 10% in 2006.

In detail, the consolidated turnover of SIDMA SA amounted to €178 million compared to €157 million in 2006, while consignment sales rose from €67 million in 2006 to €74 million in 2007.

Subsidiary Panelco increased its turnover from €23 million in 2006 to €27 million in 2007. The turnover of Romania's SID-PAC Steel and Construction Products S.R.L stood at €18 million in 2007, having risen from €8 million in 2006 while SID – PAC BULGARIA increased its turnover by 251% from €4 million in 2006 to €14 million in 2007.

2007 was a difficult year for steel due to the drop in the prices of raw materials during the second half of the year. As a result, the gross profit margin was reduced with the Group's gross profit margin being decreased from 15.8% in 2006 to 11.5% in 2007. This led to a decrease in both profits before tax and profits after tax and minority interests. More specifically, the Group's gross profit stood at €20.4 million in 2007 from €24.8 million in 2006. Consolidated results before tax stood at €6.3 million in 2007 from €12.4 million in 2006. Consolidated results after tax and minority interests amounted to €3.3 million from €8.8 million. It is worthwhile noting that an amount equal to €1.9 million did not concern the fiscal year 2007 but taxes refunded due to tax free reserves. According to the decision of the European Commission dated 18.VII.2007 the untaxed reserves for the fiscal years 2004 & 2005, pursuant to the provisions of Articles 2 and 3 of Law 3220/2004, are a form of state subsidy and must be recovered. Therefore, without taking into account this additional tax, consolidated results after tax and minority rights amounted to €5.2 million. Finally, earnings before interest, tax, depreciation and amortization (EBITDA) were reduced from €18 million to €14 million.

At company level, results before tax stood at €4.7 million in 2007 from €10.2 million in 2006. Results after tax, without taking into consideration the additional tax of tax free reserves, stood at €4.3 million from €7.3 million during the past respective period. Finally, earnings before interest, tax, depreciation and amortization (EBITDA) were reduced from €14.3 million to €9.4 million.

2007 was an important year for SIDMA S.A. given that the operation of the three new steel processing centres at Inofyta, Sofia and Bucharest was successfully completed, all three covering a surface area of 20,000 m². The company expects that the investment in Inofyta will yield multiple profits such as the rise in its manufacturing activity through the installation of new machinery for processing new products and saving, during 2009, the cost of the rental fees spent for its facilities at P. Ralli street. In addition, the investments in other countries will be the vehicle of further expansion of the company in the Balkans and its overall development beyond Greece.

The financial results will be published in one financial and one political newspaper (EXPRESS and VIMA correspondingly), on Friday 28/3/2008.