

Results for 2008

Athens, 31 August 2009

The first half of 2009 turned out to one of the worst periods for the global steel market during the last decades. The financial recession hit demand for steel products, which in turn led to a rapid drop in prices from the record high levels of the first half of 2008. This cut income and profits of the sector's companies on a worldwide scale. More specifically, the international recession caused a drop in the demand for most steel products as much as 40% in relation to 2008, while the fall of prices over the first half of 2009 exceeded 50% from the peak of July 2008.

These international circumstances led to a considerable decrease of the turnover of SIDMA in comparison with the respective last-year period which is qualified as one of the best of the last years. The decrease is less in the subsidiaries in Bulgaria and Romania since they are going through a stage of development and they hold a small market share. The strategy to bolster the presence of SIDMA abroad is confirmed, with the Group's sales share in markets outside Greece standing at 26% of the total during the first half of 2009, compared to 17% over the first half of 2008.

In detail, the consolidated turnover of SIDMA S.A. amounted to € 61 million compared to € 115 million in 2008, thus being decreased by 46%; together with consignment sales it stood at € 81 million compared to € 159 million in 2008.

At Company level, the turnover of SIDMA S.A. together with consignment sales amounted to € 59 million compared to € 133 million in 2008, thus registering a 55% decrease. The results were burdened by a provision equal to € 1 million, which concerned the depreciation of inventories due to the persisting drop of raw material prices also during the first half of the year, and by a provision for doubtful debts equal to € 0.7 million. Post-tax results, following the effect of deferred assets, stood at losses amounting to € 9.4 million in comparison with profits of € 6.8 million while earnings before interest, tax, depreciation and amortization (EBITDA) were equal to losses of € 9.1 million compared to profits of € 11.3 million over the respective last-year period.

At Group level, post-tax results stood at losses amounting to € 12.4 million in comparison with profits of € 8.0 million while earnings before interest, tax, depreciation and amortization (EBITDA) were equal to losses of € 10.1 million compared to profits of € 14.5 million over the respective last-year period. At Group level, a provision of € 1.1 million, which concerns the depreciation of inventories, was charged to results.

Amid the positive aspects of the first half we can record the drastic fall of loans in relation to December 2008 by € 12 million at both Group and Company level. At Company level, net

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loans amounted to € 69 million, being reduced by 14% with more than 90% concerning long-term loans expiring within two years from today. In addition, at Group and Company level, operating cash flows amounted to € 16 million and € 14 million respectively.

By implementing a detailed overhead cost containment plan, we also attained to decrease operating expenses by around 20% in relation to the respective last-year period.

The significant drop in the production of steel products from the beginning of the year which, on many occasions, reached 50% has currently restored the balance between supply and demand to a large extent. At the same time, the steps taken to reenergize the financial activity in various countries consuming large quantities of steel such as China have gradually improved demand. More specifically, in China which is the largest producer and consumer of steel products all over the world, government aid exceeds € 400 billion. As a result of the foregoing, since early June considerable increases have been registered in the prices of raw materials. Many steel products are up to 30% higher than the minimum prices registered during the first half of 2009. This trends, however, will be maintained only if actual consumption is increased, even slightly, at a global level.