

Press release

Athens, 31 May 2012

The uncertainty about the performance of the economy, the bleak forecasts for the unemployment and the reflections on the implementation of the Memorandum amid political developments have shaped an environment of limited consumer credit in Greece. Although the Economic Climate Indicator has been giving signs of stabilisation during the last 3-4 months according to the Foundation for Economic and Industrial Research, it is still at very low levels without leaving much room for optimism. Given these circumstances combined with the poor climatic conditions in North Greece and in the Balkan subsidiaries which prohibited any transport of goods during the greatest part of the first quarter, SIDMA Group did not manage to resume operating profitability although its results were improved in relation to the last quarter of 2011.

During the first quarter, the consolidated turnover of SIDMA stood at € 23 million compared to € 29 million in the respective period of 2011, registering a 21% decrease and, together with agency sales, stood at € 29 million from € 37 million last year.

At Group level, in relation to the respective last-year period, pre-tax results registered losses equal to € 3.8 million compared to losses of € 0.4 million while earnings before interest, taxes, depreciation and amortization (EBITDA) registered losses equal to € 1 million. It should be noted that operating results became worse owing to the 50% increase of financial expenses arising from the increased borrowing cost, although borrowing remained at the same levels compared to the respective last-year period, and also owing to extraordinary, non-recurring expenses amounting to € 0.9 million, a part of which concerned indemnities in the context of reorganisation of the company's organisational structure.

At Company level, during the first quarter the turnover of SIDMA stood at € 13 million, compared to € 17 million in the respective period of 2011, registering a 23% decrease and, together with agency sales, stood at € 20 million from € 26 million last year, thus registering a 22% decrease. In relation to the respective last-year period, pre-tax results registered losses equal to € 2.5 million compared to losses of € 0.5 million while earnings before interest, taxes, depreciation and amortization (EBITDA) were equal to losses of € 0.9 million. The losses became worse due to the reasons stated above;

however, if we exempt extraordinary expenses the company's operating results are marginally positive.

Given the current market circumstances, the Company's strategy consists in maintaining the leading position held in a shrinking domestic market and in helping the international subsidiaries grow as much as possible, since the Company believes that its growth will originate from the Balkans, at least in the short run. The contribution of the subsidiaries to the Group's turnover already stands at 32% of the total and its objective is to raise it to 36%, namely attain a 12% increase, for the entire 2012.

At the same time, given the lack of liquidity of both banks and its clientele, SIDMA Group believes that an important goal is to secure adequate liquidity on an ongoing basis. In this direction the Group keeps high liquid assets while also planning to exploit some of its own properties, such moves offering the Group additional liquidity and reducing its borrowing. Moreover, the Group is under the continuous process of improving its working capital by reducing the credit days of its clientele.

Finally, by the end of the first half of the year, SIDMA will complete the installation of photovoltaic panels in its facilities in Oreokastro, a project expected to generate income of approximately € 250,000 in the second half of the year (€ 500,000 on an annual basis). SIDMA also envisages alternatives for exploiting the Group's other licenses it has obtained for photovoltaic farms of a total capacity of 2.5 MW.