

Press release

29 June 2012

Commentary on the Annual Shareholders' Ordinary General Meeting of SIDMA SA

On Thursday, 28 June 2012, the Annual Ordinary General Meeting of Shareholders of SIDMA S.A. was held at PRESIDENT Hotel (44, Kifisias Avenue, Athens) during which decisions were made on all items on the agenda. 17 shareholders who represent 78.82% of the share capital and voting rights were attending.

The activity report of the Board of Directors and Auditors and the Annual Financial Statements of the fiscal year 2011 were unanimously approved.

During presentation of Company results to the General Meeting, the Management stressed the main events that marked 2011 and the period of 2012 to date.

It was reported that the crisis-struck Greek economy and the effect of the measures imposed throughout 2011 led, for one more year, to decreased demand for steel products, this entailing a 9% drop approximately of the Group's turnover in relation to 2010. The continuous cuts of the Public Investment Plan, the failure of the State to make payments and the heavy taxes on real estate properties have led the steel product market at the levels of the 90s.

Company Management also referred to the fluctuations of the international prices of its raw materials which affect to a large extent the financial results of the sector's companies. Steel product prices registered limited fluctuations in the international market during the largest part of 2011. During the first quarter of 2011, a 10-15% rise was registered and was followed by a milder correction. During the second half, the prices remained relatively stable and registered a slight drop during the last two months. It was also reported that the partial absence of China from the European market during the year has helped to avoid sharp ups and downs in the prices that had been registered in the previous years when China channelled a part of its huge production into the European market.

Further, the Group's turnover was broken down into domestic and international sales and the Meeting stressed the importance attached by the Company to a stronger presence in the Balkans, laying emphasis on the growth of its exports, which resulted in their 63% increase in 2011. In 2012, the Company aims at further increasing it by 25%. As regards its international subsidiaries, it was reported that in early 2012, the new warehouse of SIDMA Romania started operating in Timisoara in order to increase

Press release

sales in the region which is marked by considerable commercial and industrial activity. In the future, the Company aims at establishing warehouses in various industrial zones in Romania and increasing sales to industries-craft industries with specialized demands. The Company's strategy remains focused on strengthening its international presence as much as possible given that the protracted crisis in the Greek market leaves little room for optimism for the near future.

Thereafter, the activities of the Parent company and the Group in 2011 and the objectives for 2012 were reported. The reductions in the Company's and the Group's operating expenses, which amounted to 30% or € 5 million per annum in the period 2008-2011, were presented in detail. In addition, it was reported how the Company secured adequate funding in 2011 and also the goals of 2012. Special emphasis is laid on the Company's strategy to further reduce the credit days to the clientele in order to boost its liquidity. Moreover, among the activities of 2012 to date, reference was made to the completion of the construction of a photovoltaic 900-KW plant in the Company's facilities at Oreokastro, Thessalonica with income for the second half of the year estimated at around € 250,000.

In the context of the Annual Shareholder's Ordinary General Meeting, the following items were also approved:

- Discharge of the members of the Board of Directors and the Chartered Auditor for 2011;
- Election of Chartered Auditors and approval of their fees for 2012;
- The fees paid to BoD members associated with dependent labour relation for 2011 and preliminary approval of their fees for 2012;
- Election of a new Board of Directors;
- Election of the members of the audit committee in line with article 37 of Law No. 3693/2008;
- Modification of the terms of HSBC bond loan.