

PRESS RELEASE OF SIDMA S.A.

Athens, 31 August 2015

Announcement of the publication of the financial results for the first semester of 2015

In the first half of the year, SIDMA Group registered upward sales figures and a considerable improvement in both operating and pre-tax results, mainly owing to the increased contribution of the parent company and the subsidiary in Bulgaria. In addition, the initiatives to further curtail the operating cost that were first taken in the middle of the previous year have already yielded results. These are considered satisfactory if we take into account that the market was idle in the first half of the year, pending the progress of the Government's negotiations with the creditors.

In this context, SIDMA registered increased operations at the level of both company and Group. Specifically, the consolidated turnover of SIDMA in the first half of the year stood at €50.4 million compared to €51.4 million in the respective period of 2014 or 1.8% lower but the average selling price of its products fell by 3.6%. Together with agency sales, it amounted to €65.9 million, being invariable in relation to the turnover of last year. Moreover, earnings before interest, taxes, depreciation and amortisation amounted to €1,023 thousand from €51,000 last year, mainly due to the drastic reduction in operating and administrative expenses by approximately 14% or €1 million. Finally, pre-tax results were improved by 30% in relation to the respective last-year period or by €1.3 million, registering losses of €3.1 million.

At Company level, in the first half of the year the turnover of SIDMA amounted to €29.2 million from €30.3 million, registering a 3.6% drop; together with agency sales, it amounted to €44.6 million from €44.8 million in the respective period of 2014. Earnings before interest, taxes, depreciation and amortisation amounted to profits of €750,000 from €203,000 in the respective last-year period while pre-tax results were improved by 31% or €0.9 million compared to the respective last-year period and equalled losses of €2.0 million. The improvement of both operating and pre-tax results is mainly the outcome of the further decrease of operating and administrative expenses by 16% or approximately €0.7 million.

The subsidiary PANELCO saw its turnover drop by 16%; specifically, it fell from €5.5 million in the first half of 2014 to €4.6 million in the first half of 2015. With respect to the subsidiaries in the Balkans, SIDMA Bulgaria saw its turnover rise by 13% and SIDMA Romania registered a drop by 13.5% in relation to the first half of 2014. Specifically, the turnover of SIDMA Bulgaria amounted to €8.0 million compared to €7.0 million while the turnover of SIDMA Romania stood at €9.1 million compared to €10.5 million in the first half of 2014.

Group liquidity amounted to €7.1 million. During the last few years, company Management took a number of measures mainly aiming at curtailing drastically the Group's operating cost as well as strengthening the structure of its operating activities. The cost reduction attained since the crisis broke out exceeds 40%. In the first half of the year, cost reduction has already reached €1 million in relation to the respective last-year period, as a result of the measures taken by Management in the second half of 2014. Such measures concerned the reduction of fees and expenses, restructuring and curtailment of administrative expenses, without affecting the Group's smooth operation.

Moreover, company Management takes a series of steps to strengthen the Group's liquidity and financial position including, among others, the distribution of assets, further decrease of the credit granted to customers while also maintaining/ improving the gross profit margin.