

Press Release

Athens November 26, 2015

For the first nine months of the year, SIDMA S.A. presented a significant improvement in its operating results both on a consolidated basis and at parent level despite weak demand for steel products in the domestic market, following the imposition of the restriction on capital movements and despite the continuing problems of lack of liquidity for Greek businesses.

More specifically, the consolidated turnover of SIDMA amounted to €71.7 million compared to €74.8 million, presenting a drop by 4% compared to the same period of 2014, mainly due to the fall in sales prices by 3.5%. Along with dealership sales, it amounted to €93.2 million from €96.7 million last year. Compared to the same period last year, earnings before taxes showed a loss of €4.7 million from losses of €6.3 million, improved by 25%, while earnings before interest, taxes, depreciation and amortization (EBITDA) showed profits of €1,242 thousand from €466 thousand, improved by 167%, mainly due to lower administrative and selling expenses by 15% or €1.6 million.

At parent level, the turnover of SIDMA stood at €38.7 million from €42.0 million in the corresponding period of 2014, while together with dealership sales it amounted to €60.1 million from €63.8 million last year. At EBITDA level, the parent company recorded a profit of €717 thousand from €355 thousand in the corresponding nine months of 2014, improved over 100%, while at pre-tax level it recorded losses of €3.3 million from €4.2 million in 2014, improved by 21%, with selling and administrative expenses decreased by 17% or €1.2 million.

The subsidiary PANELCO showed a drop in turnover by 11.8% to €7.7 million in the first nine months of 2015 from €8.8 million in the first nine months of 2014, and income losses of €704 thousand from €445 thousand in the first nine months of 2014. The decrease in turnover is due to the continuing decline in domestic construction activity. By contrast, exports rose by 7% approximately, but this was not enough to cover the deficit in domestic sales. As previously announced, PANELCO will be absorbed by the parent company SIDMA at the end of the year, which will bring economies of scale and improved market presence.

With regard to the Balkan subsidiaries, SIDMA Bulgaria presented an increase in its turnover by 17% to €12.5 million from €10.7 million and a decrease in its losses by 69% to €117 thousand from €387 thousand compared to the same period of 2014. SIDMA Romania showed a

decrease in its turnover by of 11% to €13.8 million from €15.6 million, firstly due to the limited demand in the Romanian market and secondly due to the fall in the average selling price of its products by 4%. In terms of income, losses fell drastically by 30% or €243 thousand to €558 thousand in September 2015 due to both the increase in the percentage gross profit by 11% and also the decrease in its operating costs by 29% or €410 thousand.

By the end of 2015, operating results are expected to keep on showing improvement compared to those of 2014.

For the next six months, it is estimated that demand will remain low in Greece. We hope that gradually, after the recapitalization process of the banks, the inflow of funds in the real economy and the implementation of projects will set forth both in the private and in the public sectors.