



STEEL SERVICE CENTERS

Wednesday, November 19, 2008

**PRESS RELEASE**

**Sustainable growth course of both activity and earnings marks in the Nine-month of 2008 Group ELASTRON SA amid the deteriorating economic environment**

ELASTRON SA announced its nine-month of 2008 financial results according to the International Financial Reporting Standards (IFRS).

Substantial increase of both the activity as well as the results marked by the Group ELASTRON in the nine-month of 2008, as consolidated turnover amounted to € 155.3 mil. over € 125.1 mil. in the respective period the year before marking a 24.2% increase.

Group gross profit marked substantial increase by 32.2% and formed at € 25.1 mil. over € 19.0 mil. in the respective period the year before, while gross profit margin amounted to 16.2% of the consolidated turnover versus 15.2%.

Accordingly, all other of the group's profitability accounts also marked a positive course as Group profit before interest taxes and depreciation (EBITDA) formed at € 15.3 mil. in the nine-month period of 2008 over € 12.7 mil. in the respective nine-month period of 2007, marking a 20.3% increase. EBITDA margin amounted to 9.8% of the consolidated turnover and appears marginally lower than the respective period a year before when it was formed at 10.2%.

Consolidated profit before interest and taxes (EBIT) marked a 21.0% increase and amounted to € 14.0 mil. in the nine-month period of 2008 versus € 11.6 mil. in the respective nine-month period of 2007. The Group's consolidated pretax profit (EBT) formed at € 11.4 mil. versus € 9.3 mil. marking a 22.0% increase. Last consolidated net after taxes and minorities profit (EATAM) marked a 22.0% increase and amounted to € 8.5 mil. in the nine-month of 2008 period versus € 6.9 mil. in the respective previous year period.

These positive results were realized amid the adverse conditions in the international markets due to the global economic crisis affecting lately the activity of several sectors of the economy. The drop of demand, the declining liquidity, the rising US dollar against the Euro together with the recent sharp drop of international metal prices, inevitably had an impact on sales prices as well as profit margins of the sector's products. As regards the current and the next quarter, it is expected that international metal prices and steel prices in specific, will remain at low levels, which in turn is expected to affect margins.

Amid these conditions, the Group's management is focusing on further reducing operating cost and enhancing liquidity via inventory streamlining and receivables reduction, while the Group's strong capital structure along with its solid clientele base ensure the sustainable growth course of the Group with its main objective being to expand its products and expand its activity into new markets. Alongside, the group remains focused in implementing its € 32 mil. investment plan. This also includes a € 14.8 mil. investment which is at its last phase of completion with a state-of-the-art Steel Service Center already operating that will cover the Greek region's market needs as well as the neighboring countries needs, via subsidiary CORUS KALPINIS SIMOS STEEL SERVICE CENTER SA located in



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Thessalonica, N. Greece. Moreover, additional investments amounting to € 17.2 mil. are also underway in the midst of the current volatile economic environment.

Moreover, pursuant to its strategic goal for expansion in new markets in the SE Europe, the group has underway several investments in Romania, following the joint venture agreement concerning this market between HELLENIC HALYVOYRGIA SA" and "TRIGONIS BROS SA – Iron Steel", via the subsidiary BALKAN IRON GROUP S.R.L." (Distinctive title «B.I.G. S.R.L.»), and progressively will invest in other countries of the area such as in Bulgaria via the subsidiary KALPINIS – SIMOS BULGARIA EOOD.

Note: ELASTRON SA Nine-month of 2008 "Financial Data and Information" will be published on Thursday November 20, 2008 in the newspaper "KARDOS" and they will be available together with the "Financial Statements" for the period on the company's website, [www.elastron.gr](http://www.elastron.gr) and the ATHEX website [www.athex.gr](http://www.athex.gr) on Wednesday, November 19, 2008.