




PRESS RELEASE

FIRST HALF OF 2009 FINANCIAL RESULTS

-  **Substantial growth of liquidity**
 -  **Further reduction of debt and liabilities**
 -  **Ease of Sales and profitability**
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ELASTRON SA announced its first half of 2009 financial results according to the International Financial Reporting Standards (IFRS).

Conditions remained unchanged, as expected, during the 2nd quarter of the current year, due to the global recession. Demand sustained its low levels pursuant to the sluggish construction activity as well as the slowdown of investments both domestic and in the greater Balkan region. Moreover, international steel prices, even though at a slower pace, continued on their sinking path during the 2nd quarter, driving profit margins further down.

All above events have shaped in large Group ELASTRON's 1st half results. More specifically, consolidated turnover formed at € 46.4 mil. versus € 100.1 mil. in the 1st half of 2008 alike most industry peers.

The constantly diminishing international steel prices, which inevitably reflected on sales prices, had an adverse impact on profitability despite the rather small inventories maintained by the Group. Consequently, group gross profit amounted to € 0.5 mil. versus € 18.9 mil. in 2008, while group results before financial and investment results, taxes and depreciation (EBITDA) formed at losses of € 3.8 mil. versus profit of € 12.8 mil. Finally, consolidated net after taxes and minorities results (EATAM) eased to losses of € 4.7 mil. versus profit of € 7.8 mil. in the 1st half of 2008.

It should be highlighted however that the industry's 1st half of 2008 results had reached historic high levels which had been most likely the best, both in terms of sales and profitability as opposed to the respective 1st half of 2009, which seems to be the main period of absorbing the impact from the global crisis and the subsequent recession.

Facing the adverse conjuncture and the negative results, the Group management's planned actions resulted to substantially enhancing liquidity, minimizing debt as well as trimming down overall liabilities. In more detail, the group cash flows from operations formed at € 40.0 mil. versus € 3.8 mil. in the respective 1st half of 2008. Total liabilities eased by 36% and reduced to € 66.7 mil. versus € 104.7 mil. as at 31/12/2008, while net bank debt (bank debt – cash) marked a substantial 50% reduction and amounted to € 37.3 mil. versus € 74.0 mil. as at 31/12/2008. Finally, the Debt/Equity ratio formed at 0.67 versus 1.19 as at 31/12/2008.

The above figures clearly depict the impact of the adverse global conjuncture and the subsequent global economic recession, which has affected most sectors of the economy during the 1st half of 2009. In view of the prevailing adverse conditions, management focuses on its strategy to further enhance liquidity and minimize operating cost to shield the Group and eventually profit from the opportunities arising gradually at the time of recovery. Within this framework the Group recently completed the sale of part of a non core property owned by the company at the area of Piraeus for a total of € 6.4 million while net profit from the sale amounted to € 2.4 million that will boost the 2nd half of 2009 results.

The first signs of the recovery are already evident in the 2nd half of the year. The international raw material prices tend to stabilize and the first uptick has already occurred, while there is material evidence to support the reversal of the adverse conditions and the dawn of the recovery phase for the global economy. Within this framework, management remains focused on its business development plan, knowing that should the conditions internationally improve, the reversal of the current adverse conjuncture is certain and the prospects positive.

Note: ELASTRON SA first half of 2009 "Financial Data and Information" will be published on Friday May 28, 2009 in the newspaper "KERDOS" and will be available together with the "2009 Half Year Interim Financial Report under I.F.R.S." on the company's website, www.elastron.gr and the ATHEX website www.athex.gr on Thursday, August 27, 2009.