

Press Release

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RESULTS OF THE THIRD QUARTER OF 2009

RESILIENCE AGAINST MARKET DOWNTURN, INCREASED PROFITABILITY, DECREASED OPERATING EXPENSES & ACCELERATION OF INVESTMENTS

In the 3rd Quarter, with the world's strongest economies now showing clear signs of recovery, the Greek economy makes its late entrance in the deepest phase of the recession, as indicated by the most recent statistical data. In spite of this adverse economic juncture, the Group continues for yet another Quarter to draw significant benefits from the successful risk-hedging policy which had been applied prior to the outbreak of the crisis and the collapse of the prices of metals and ores and the upward course of METKA's financial figures, as the acceleration in the implementation of projects from the huge backlog which the company had succeeded in signing during the previous months, has boosted considerably the financial figures of the Group, which now increases its profitability while also improving significantly its operating profit margin (18.4%, up from 10.8% last year). With the advantage of its strong financial position, the Group is responding to the economic recession by accelerating the implementation of its investment plan, a fact highlighted by the launch of construction of the new thermal power plant in Korinthos.

In what more in particular concerns the 9-Month results for 2009, the Group's consolidated **turnover** stood at **€486 million**, against €734 million for the same period in 2008. This decline is due primarily to delays faced by the Group's subsidiary METKA in the implementation of projects because of unforeseen events during the first half of the year (accounting for €102.8 million), and secondarily to the suspension of the operation of the Group's subsidiary SOMETRA in Romania (accounting for €95.0 million).

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Earnings before tax, interest, depreciation and amortisation (EBITDA) stood at **€89.4 million**, up from €79.6 million for the same period in 2008, an increase which is all the more significant considering the steep drop in the prices for aluminium in the LME, which on average stood at \$1,554/ton against \$2,821/ton in the previous year, the coincidental weak performance in the EPC Projects sector (down by €-16.6 million compared to last year), and the widespread climate of recession in the international markets and economies. Finally, net profit after tax and minority rights stood at **€18.3 million**, up from €15.3 for the same period in 2008 (the latter amount, however, also included €13.3 million of non-recurring profits).

In what regards the Group's subsidiary METKA, the company's turnover stood at **€202.9 million** against €299.1 million in 2008, a decrease mainly attributed to delays in the implementation of specific projects. However, **the significant acceleration in the implementation of signed contracts during the 3rd Quarter of the year should be noted** (with sales increasing by 95.8% compared to the 2nd Quarter), and is indicative of a trend that is expected to continue. Earnings before interest, tax, depreciation and amortisation (EBITDA) stood at €36.1 million, down from €51.5 million in for the same period in 2008. Nevertheless **the EBITDA margin returned to very high levels (17.8%)**, both as an absolute value and in compared to the international competition, despite of the company's expansion abroad and the lack of major defence projects during the period reported. In terms of profits, net profit after tax and minority rights stood at €19.9 million. Finally, the strong net cash position of METKA (€31 million at the end of 2009Q3) should also be stressed.

After the recent signature of the contracts in Syria and Turkey, **METKA's signed backlog currently stands at €2.2 billion** (including the Megalopolis project, the signature for which is pending), of which more than 50% involve activities abroad while only 27% accounts for PPC's projects, the dominant METKA's client few years ago. Despite the unfavourable economic environment, METKA succeeds in entering new and highly promising markets abroad, while in parallel expanding and enhancing the quality of its portfolio of clients. In what concerns Turkey, the private market for electricity in Greece's neighbouring country is growing rapidly and, having secured such a major project from a client with the international status of RWE, METKA is undoubtedly a strong contender for new projects. Finally, it should be stressed that on the basis of its signed contracts, the company expects its **sales abroad to reach some €1.3 billion** during

the next three years, a development signalling METKA's establishment as a reliable international player in the EPC Projects sector and one of the **largest exporting companies in the Greek economy**.

In the **Energy Sector**, the Group's investment plan is being accelerated considerably, as the 334 MW co-generation plant, one of the most modern plants of its kind in Europe, has already entered into operation since April 2009 and is contributing significant amounts of electrical power to the national system.

In addition, the second combined-cycle 444 MW power plant in Agios Nikolaos (Viotia) is now at an advanced construction stage and cold-commissioning is scheduled to take place during the 2nd quarter 2010, while the Group has also launched the construction of a third 437 MW plant in Agioi Theodoroi, in collaboration with MOTOR OIL. The Group is also strongly active in the RES sector, where its total operational capacity now stands at 45 MW, with 26 MW being under construction and another 800 MW in various licensing stages.

All the above help make feasible the Group's goal of an installed operational capacity of more than 1,800 MW by the year 2013, which will allow it to make a positive contribution to the efforts to address the deficit in the country's supply of power, while at the same time realising its vision of creating the largest independent producer of electrical power in Greece.

Finally, in what regards the profitability targets as these had been set in 2008 for the operating results of 2009, the Group after examining the evolution of the variables regarding the evolution of aluminium and fuel prices and the Euro/US\$ parity and taking into account the sensitivity analysis assumptions announces that **the Group's new, revised forecast of EBITDA for 2009 varies within a range from €115 million to €125 million**.

The results for the 3rd Quarter of 2009 will be presented in more detail in **a conference call session** with market analysts and institutional investors, to be held tomorrow **Thursday 12 November 2009 at 18.00 hrs (Greek time)**.

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*The MYTILINEOS Group consists of leading companies active in Metallurgy & Mines, Energy, EPC Projects and the Defence Industry. Established in Greece in 1990, the Group's holding company, MYTILINEOS Holdings S.A., is listed on the Athens Stock Exchange, has a consolidated turnover of approximately €1 billion and employs over 2,700 people in Greece and abroad. For more details, please visit the Group's website at: **www.mytilineos.gr**.*

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