

ANNOUNCEMENT

In reply to your letter with Ref. No. 40315/24.10.2008 regarding an announcement by the Public Power Corporation S.A. (PPC S.A.) which appeared on the same said date in the Daily Official List of the Athens Exchange, we would like to inform the investing public that until 1 July 2008 the price at which ALUMINIUM S.A. was purchasing power from the PPC was the administratively set tariff (regulated tariff). The Code for the Supply of Power to Customers (Ministerial Decision YA 4524/6.2.2001) laid down the compulsory contents of the agreements for the supply of electrical power, which also included tariff categories and charges. The last compulsory (under the above regulatory provisions) adjustment of the prices and tariffs used by the PPC to sell electrical power to its customers was determined by article 2 of Decision D5/HL/B/F29/23869/30.11.2007 of the Minister of Development (published in Government Gazette Issue no 2332/B/07.12.2007), which provided that *"As of 1 December 2008, the High-Voltage tariffs of 'PPC S.A.' shall be increased by 10%."*

Furthermore, and in accordance with article 14 of the Code for the Supply of Power to Customers, as amended and in force today, it is provided that *"... by decision of the Minister of Development following an opinion from the Regulatory Authority on Energy (RAE), a maximum price limit for customers is determined. For the application of this provision for the first time (i.e. on 1.7.2008), the **maximum price limit** is set to an increase of 10% on the tariffs in force."* This restriction has been set by the Ministerial Decision with the purpose of protecting consumers from abusive practices, as the PPC continues to hold a dominant position (99%) in the domestic market for the supply of electrical power.

In the context of the deregulation of the market and of the abolishment of regulated tariffs, the PPC **has no right to unilaterally determine the percent rate of the increase of the tariffs in force on 1.7.2008, but is obliged to proceed to negotiations and agree separately with each High Voltage Customer the percent rate of this increase**, which in any case can not exceed 10%. This is supported by the applicable laws, the transaction customs and the opinions of the Regulatory Authority on Energy (RAE 31/2007 and RAE 545/2007) concerning the recent amendment of the Code for the Supply of Electrical Power. Nevertheless, the PPC, applying in an abusive manner the above provision on the increase and taking advantage of its dominant position, **has imposed unilaterally and without previous negotiation with ALUMINIUM S.A. the maximum allowed percent rate of increase (10%) on our tariff as in force until 1.7.2008**

(which had already been increased by 10% in accordance with the above).

Following the above, in response to the justified protest and refusal by ALUMINIUM S.A. regarding the unlawfully imposed increase, the PPC, abusing its dominant position in the market for the supply of electrical power and violating all principles of good faith, is threatening unlawfully to discontinue the supply of electrical power to the plant, in an attempt to drive to an impasse one of Greece's largest and most robust production plants.

The Management of the Group has every intention to exhaust all legal remedies in order to reverse the results of the manifestly unlawful and abusive termination by the PPC of the Power Supply Agreement and to safeguard its legitimate interests in general.