

Press Release

25/02/2008

MYTILINEOS Group presents and clarifies its position on matters related to energy

The Management of the MYTILINEOS Group has no intention of entering into a public argument with the Management of the PPC, whose actions and decisions are a matter for approval or otherwise by its shareholders and for acceptance by its personnel.

However, to set the record straight regarding energy-related matters that concern the Group and have been the subject of frequent publications in the Press, we feel that we must present as clearly as possible certain points that have recently attracted the interest of investors and of the general public.

1. **The Combined Heat and Power (CHP) Co-generation Unit of ENDESA HELLAS (which no longer belongs to Aluminium of Greece - AoG) is the largest and most modern unit of its kind in Europe.** Representing an investment value that currently exceeds €300 million, the unit's operation is expected to:
 - Improve significantly **the region's environmental performance**, as it will help reduce fuel-oil consumption by 100,000 tons annually.
 - **Reduce the cost of electricity imports by the PPC by €30 million** annually (as calculated and announced by the Regulatory Authority for Energy).
 - **Make a significant contribution to reducing the power deficit of the Greek electrical power system, and thus prevent the risk of blackouts** during the crucial summer periods of 2008 and 2009. It should be pointed out that according to our estimates, until 2010 there are no plans for addition of a single MWh of thermal power to the system, either by the PPC or by private power producers.
 - Will reduce the **alumina production cost** for the AoG plant, through the steam to be made available.
2. Concerning the **pricing of electrical power by AoG:**

In 2004, when the MYTILINEOS Group acquired AoG, the **average price for electrical power** did not exceed \$28.83/MWh.

Today, this price has risen to **\$69.54/MWh** (up **245%** in 3 years), with the PPC claiming yet further increases in various ways, primarily through State intervention.

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According to the latest survey of the Commodities Research Unit, London's leading authority on commodities trading (CRU – January 2008), the prices per MWh used by the world's 171 Aluminium plants for pricing purposes (against \$69.54 paid by AoG today), are as follows:

GEOGRAPHICAL REGION	Average Price (in \$/MWh)
EASTERN EUROPE	41.33
WESTERN EUROPE	34.36
NORTH AMERICA	25.48
LATIN AMERICA	33.77
OCEANIA	22.70
MIDDLE EAST	23.42
AFRICA	20.60
ASIA	34.17
CHINA	44.49
RUSSIA	20.52
WORLD PRICE in \$/MWh (avg)	34.58

- During the relevant negotiations with the PPC, which, in contrast to the recent public statements and irregular interventions of the PPC, were held in a very good climate, **the MYTILINEOS Group accepted a proposal for immediate signature**, if the PPC considers this to be necessary, **of a memorandum between the PPC and AoG for referral of the dispute to International and/or Greek Arbitration chaired by the President of the Supreme court, which shall issue a final ruling on AoG's pricing** for the next years.

Our acceptance of this proposal still stands.

- We consider the **PPC's interventions during the RAE recommendation process and, indirectly, to the Ministry of Development, to lie outside the boundaries of ethical conduct and business ethics**. The MYTILINEOS Group, fully adhering to the principles of Corporate Governance, shall not follow this line of reasoning and shall not adopt similar practices.

The manner in which a **monopoly** (which currently controls 99% of the market) **exercises the authority** deriving from its monopolistic power is a very serious matter. This matter becomes all the more important considering that the PPC is speaking in the name of the "public interest" when 49% of its shares belong to private funds, which are also expressed –in addition to the Greek State– through the Management of the PPC.

We have every confidence in the Greek State and the Greek Judiciary. The institutions in a modern European country can not allow monopolies to operate uncontrolled.

For more details, please contact:

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*The MYTILINEOS Group consists of leading companies active in Metallurgy & Mines, Energy, EPC Projects and the Vehicle Industry. Established in Greece in 1990, the Group's holding company, MYTILINEOS Holdings S.A., is listed on the Athens Exchange, has a consolidated turnover of approximately €1 billion and employs over 3,000 persons in Greece and abroad. For more details, please visit the Group's website at: **www.mytilineos.gr**.*