

Press Release

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EXTROVERT PROFILE BOOSTS GROWTH FOR MYTILINEOS GROUP Exports exceeded €1.2 billion

2011 Highlights:

- Turnover up 62%*
- Operating profitability (EBITDA) up 30%*
- Exports exceeded €1.2 billion, posting an annual growth of 80%
- Record-high results for METKA, which makes it to the world's top 10 companies in the sector
- Significant contribution from the Energy Sector – 14% of Group EBITDA
- Completion of thermal power plants investment plan
- Metallurgy sector under cost pressures due to domestic factors

In 2011, the Group posted significant growth in terms of business volumes for the second year in a row (with turnover more than doubling during the two-year period 2010-2011), benefiting the most from the **strong growth of exports** and the **start of the Energy Sector's increased contribution to the Group's financial results**. This performance was achieved despite the decline in the profitability of the Metallurgy Sector, which was adversely affected by the developments in the global markets as well as by the increased cost pressures which were due to domestic factors and whose negative impact was particularly strong during the second half of the year.

In particular, the Group's consolidated **turnover** for 2011 stood at **€1,571.0 million** against €969.0 million for 2010, with **earnings before tax, interest, depreciation and amortization (EBITDA)** standing at **€208.7 million**, up from €160.3 in 2010. **Net profit after tax and minority rights** stood at **€42.6 million** against €46.2 million in 2010.

It should be noted here that, to ensure comparability, **the figures given above for turnover and EBITDA for 2010 do not include €32.4 million of non-incurring income**, representing

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discounted income from projects of ETADE S.A., a METKA subsidiary sold to TERNA S.A. in January 2010. **The corresponding impact on net profit after taxes and minority rights for 2010 stands at €14.6 million.**

The **EPC Projects Sector** posted the strongest growth of business volumes in 2011, with record-high sales and profitability. In particular, the **turnover of the Group's subsidiary METKA** climbed to **€1,003.7 million** from €581.3 million in 2010, a rise attributed to the significant acceleration in the implementation of signed contracts abroad, especially in the Turkish and Syrian markets. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** stood at **€161.6 million**, up from €101.3 million last year, with **the EBITDA margin sustained at a high level (16.1%)**. Net profit stood at **€115.0 million** against €60.7 million in 2010.

It should be noted here that, to ensure comparability, **the figures given above for turnover and EBITDA 2010 do not include €32.4 million of non-incurring income**, representing discounted income from projects of ETADE S.A., a METKA subsidiary sold to TERNA S.A. in January 2010. **The corresponding impact on net profit after taxes and minority rights for 2010 stands at €26.4 million.**

This performance establishes **METKA** as one of the strongest players in the EPC market for energy projects in Europe and beyond, as well as one of the leading Greek exporting companies, with a **signed backlog** standing at nearly **€1.7 billion**. **METKA is today carrying out simultaneously EPC projects totalling 5,000 MW in 6 countries.**

METKA's recent successes in securing projects in developing markets such as Iraq and Algeria serves as proof of the company's strong competitive international presence and open up good prospects for expanding the share it currently holds in the market of power projects in Europe, Turkey, N. Africa and the Middle East.

The Group's **Metallurgy and Mining Sector** posted an increase of 4% in turnover, which stood at €521 million, mainly driven by the increased aluminium production. Core profitability, however, posted a decline, as a number of domestic factors, such as the delay in arriving at a final agreement with the PPC on the pricing of electricity, the special taxes levied on the consumption of electricity and natural gas, and the increased financial costs, have burdened significantly this particular activity.

The sector's performance was also negatively affected by the global situation, which was characterised by the rise in the prices for energy and raw materials and the weakened US Dollar.

In view of the above negative developments, the Management is **going ahead with a new ambitious programme aimed at curtailing operating costs**. The initial agreement for the acquisition of the bauxite operations of S&B in Greece, **in order to improve the competitiveness of the Metallurgy Sector** for the next twenty years, forms part of this programme. The **"FUTURE"** programme focuses on 10 key areas that the company is addressing in parallel, and is scheduled for completion at the end of 2013.

The **Energy Sector posted for the first time a turnover in excess of €130 million**, and its contribution accounts for **14.4% of the Group's total operating profitability (EBITDA) for 2011**. This performance is considered very satisfactory, considering that it was driven primarily by

the Ag. Nikolaos plant, which started its commercial operation in June. It is pointed out that the 437 MW thermal plant of KORINTHOS POWER is expected to enter into commercial operation during April, while the commercial license for the Ag. Nikolaos high-efficiency Combined Heat and Power Plant (Cogeneration Plant) is still pending.

Given the high efficiency of the Group's plants and the ability to secure Liquefied Natural Gas (LNG) supplies on competitive terms, the Energy Sector is expected to post the highest growth in business volumes and to become the key driver that will shape the financial results for 2012.

The launch of the trial operation of the KORINTHOS POWER plant in December 2011 marked the completion of the first phase of the Group's thermal plants investment plan. The Group has now become the second largest player in the energy sector after the PPC, and is proceeding with new significant investments with a focus on the RES sector.

**The percent changes given in the highlights reflect the comparisons of figures for 2011 to those for 2010 and exclude the non-recurring income from the sale of ETADE S.A.*

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MYTILINEOS Group is a leading Greek industry active in Metallurgy & Mines, Energy and EPC Projects. Established in Greece in 1990, the Group's holding company, MYTILINEOS HOLDINGS S.A., is listed on the Athens Exchange, has a consolidated turnover in excess of €1.6 billion and employs some 2,500 people directly and many more indirectly in Greece and abroad. For more details, please visit the Group's website at: **www.mytilineos.gr**.