

Press Release

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SPAIN'S ENDESA AND GREECE'S MYTILINEOS CREATE THE LARGEST INDEPENDENT OPERATOR IN THE GREEK MARKET

THE NEW COMPANY WILL HAVE AN INITIAL ENTERPRISE VALUE OF € 1.2 BN

THE STRATEGIC ALLIANCE IS AN IMPORTANT STEP IN THE DEVELOPMENT OF THE ENDESA EUROPEAN EXPANSION PLAN IN THE MEDITERRANEAN AREA AND A STEP FORWARD IN THE LEADING POSITION OF THE MYTILINEOS GROUP IN THE GREEK ENERGY MARKET.

ENDESA, the largest Spanish electricity company, and the Greek metallurgical and engineering company MYTILINEOS HOLDINGS S.A. have announced a strategic alliance for the Greek market which will expand into Southeastern Europe.

The new company, with the largest independent portfolio in the pipeline and under construction and a well-balanced mix between thermal and renewals, will become into the largest independent power operator in Greece.

In the joint venture, which will have an initial capitalization of about € 1.2 bn ENDESA will have a stake of 50,01%. MYTILINEOS will contribute its entire thermal and renewable energy assets and licenses. The contribution of the assets is expected to start immediately and be completed 12 months from now.

The financial power of the new company, the know how of ENDESA (one of the largest private multinational companies, with presence in more than fifteen countries of Europe, America and

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Africa), and the relevant local presence and industrial dimension of the MYTILINEOS group, will allow the new company to face this ambitious development growth project.

The scope of the new company includes the construction and operation of thermal power stations (natural gas and coal), renewables (wind parks, hydro and photovoltaic) as well as electricity and CO₂ emissions trading. Gradual retail penetration is also foreseen after the opening up of EU markets in July 2007.

The asset base of the new venture will include:

- a CHP of 334MW starting operations in June 2007
- a 430 MW natural gas fired power plant under construction, which will be completed in June 2009.
- a portfolio of more than 1000 MW of renewable projects.
- a new coal - fired power plant of 600MW
- additional opportunities for the new venture will include a 310MW trading license, additional natural gas fired power plants license and international coal fired power plants.

Both partners have expressed their satisfaction for the successful conclusion of negotiations and the optimism for the future of the new venture, the biggest so far of its kind in Southeastern Europe.

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