HOLDINGS

MYTILINEOS

# 1H 2011
# IFRS FINANCIAL RESULTS

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- 1H 2011 Results Highlights
- Summary Financial Results
- Business Units Performance
- Q&A

***MYTILINEOS GROUP***

- **Turnover: € 711 m Vs € 383 m Last Year, up 86% yoy.**
- **EBITDA: € 107 m Vs € 79 m Last Year.**
- **Earnings after Tax & Minorities: € 30.5 m Vs € 25.1 m Last Year.**
- **Net Debt: € 707 m.**
- **Equity: € 874 m.**
- **Figures adjusted for the one off (non - recurring) item € 32m on sale of ETADE S.A in 2010.**

***METKA GROUP***

- **Turnover: € 478 m Vs € 224 m Last Year, up 113.2% yoy.**
- **EBITDA: € 72 m Vs € 41 m Last Year.**
- **Earnings after Tax & Minorities: € 49.6 m Vs € 21.8 m Last Year.**
- **Current Backlog: € 1.9 bn.**
- **Net Cash Position: € 40 m.**
- **High margins for an EPC Contractor (recurring EBITDA Margin 15.1%).**
- **Figures adjusted for the one off (non - recurring) item € 32m on sale of ETADE S.A in 2010.**

Source: Company Information.

| | Market/ Environment | Results/Developments |
|---|---|---|
| **M&M** | ➢ Increased LME-based Prices. Global end markets showing improvement. Inventories continue to decline and premium prices remain well supported.<br>➢ Rising input costs (Energy, Raw Materials).<br>➢ Demand driven by well - established trends like population growth, urbanization and increased environmental consciousness. | ➢ Solid operating performance despite the increased cost pressures.<br>➢ Increased Aluminum Sales driven by volumes growth.<br>➢ Reduced Fuel Oil purchases due to the operation of the CHP plant that provides steam to the Alumina Refinery. |
| **EPC** | ➢ Demand in the wider region remains robust.<br>➢ Long term drivers such as the need to reduce carbon emissions, aging installed base and the industrialization of emerging economies remain intact. | ➢ Strong results reported on the back of increasing contribution from projects abroad.<br>➢ Retained solid EBITDA margin 15.1%.<br>➢ Successful delivery of the Ag. Nikolaos project. |
| **ENERGY** | ➢ Stable power demand in the Greek market (-1.85% yoy) despite the adverse macroeconomic environment.<br>➢ Sequentially increased power production from Natural Gas fired plants.<br>➢ EU/IMF/ECB applying strong pressure to ensure the maximum opening of the energy market.<br>➢ Greece has committed to implement an ambitious privatization program including stakes held by the public in PPC and DEPA. | ➢ Increased profitability from the energy sector as the Ag. Nikolaos 444 MW assumed commercial operation in June.<br>➢ Natural Gas corresponds to 30.3% of the Power production mix.<br>➢ Mytilineos Group total power production reached 1.1 TWh during the 1st Half of 2011.<br>➢ IPP's benefited from higher wholesale prices due to the strike in PPC at the end of June.<br>➢ Introduction of the ITO model as a road map towards the effective liberalization of the energy market. |

Source: Company Information.

- 1H 2011 Results Highlights
- **Summary Financial Results**
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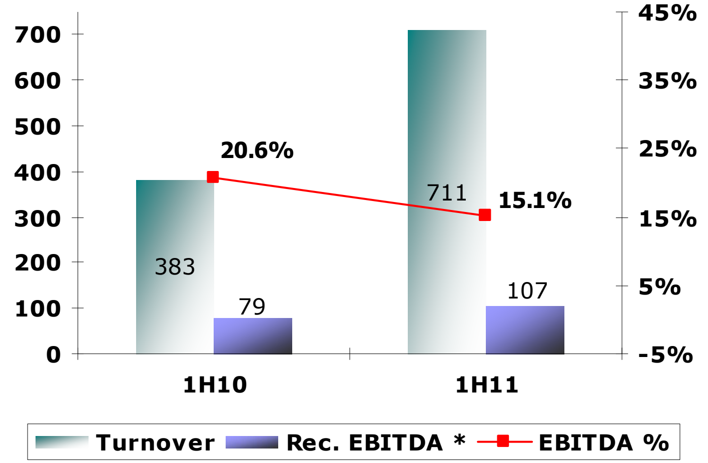
# MYTILINEOS GROUP – SUMMARY FINANCIAL RESULTS

| *(amounts in mil €)* | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **711** | **415** |
| **EBITDA** | **107** | **111** |
| EBIT | 81 | 85 |
| EBT | 62 | 78 |
| EAT Continuing Operations | 50 | 58 |
| ***EATam*** | **31** | **40** |

| ***Margins (%)*** | **1H11** | **1H10** |
|---|---|---|
| **EBITDA** | **15.1%** | **26.8%** |
| EBIT | 11.4% | 20.4% |
| EBT | 8.8% | 18.8% |
| EAT Continuing Operations | 7.0% | 14.0% |
| ***EATam*** | **4.3%** | **9.6%** |

| ***Cash Flows*** | **1H11** | **1H10** |
|---|---|---|
| Cash Flows from Operations | -89 | 57 |
| Cash Flows from Investment | -72 | -28 |
| Cash Flows from Financial Activities | 70 | -6 |
| **Net Cash Flow** | **-91** | **23** |
| ***FCF*** | **-68** | **69** |

**Financial Performance**




**Key Drivers:**

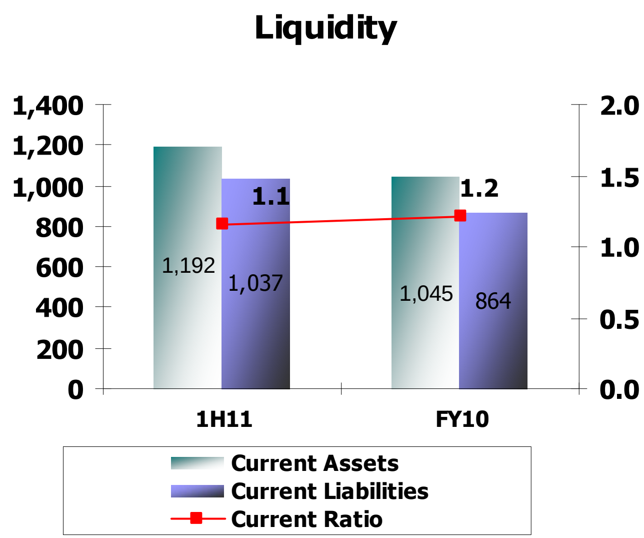
- **Strong Performance from the EPC Sector.**
- **Solid performance from the Metallurgy Sector.**
- **Top line growth helped by EPC Sales and increased Aluminum volumes.**
- **Material contribution from the energy sector.**
- **2010 figures include €32m. non recurring item on sale of ETADE.**

* Recurring EBITDA adjusted for the one off item (€32m. on Sale of ETADE).
Source: Company Information.

*(amounts in mil €)*

| ***Balance Sheet*** | **1H11** | **FY10** |
|---|---|---|
| Non Current Assets | 1,570 | 1,516 |
| Current Assets | 1,192 | 1,045 |
| Available For Sale Assets | 42 | 57 |
| **Total Assets** | **2,803** | **2,619** |

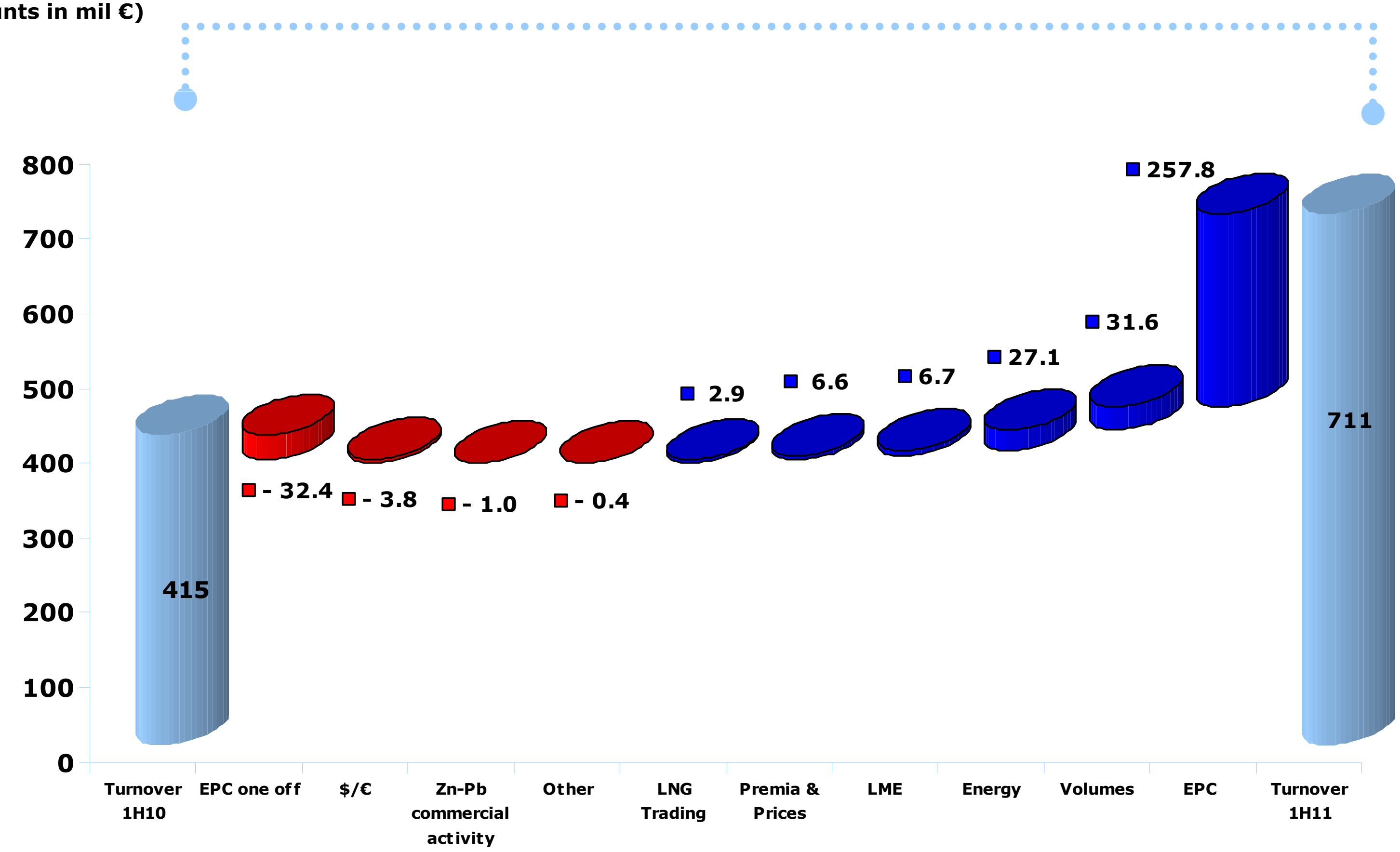
| | | |
|---|---|---|
| Debt | 886 | 741 |
| Cash & Cash Equivalents | 179 | 209 |
| Marketable Securities | 51 | 51 |
| **Equity** | **874** | **844** |
| Adj. Equity | 952 | 966 |
| **Net Debt** | **707** | **533** |




Adj. Equity = Equity + Market Value Adjustment for the Group's Listed Subsidiaries.
Net Debt = Debt – Cash Position.
Source: Company Information.

# MYTILINEOS GROUP – TURNOVER GAP ANALYSIS

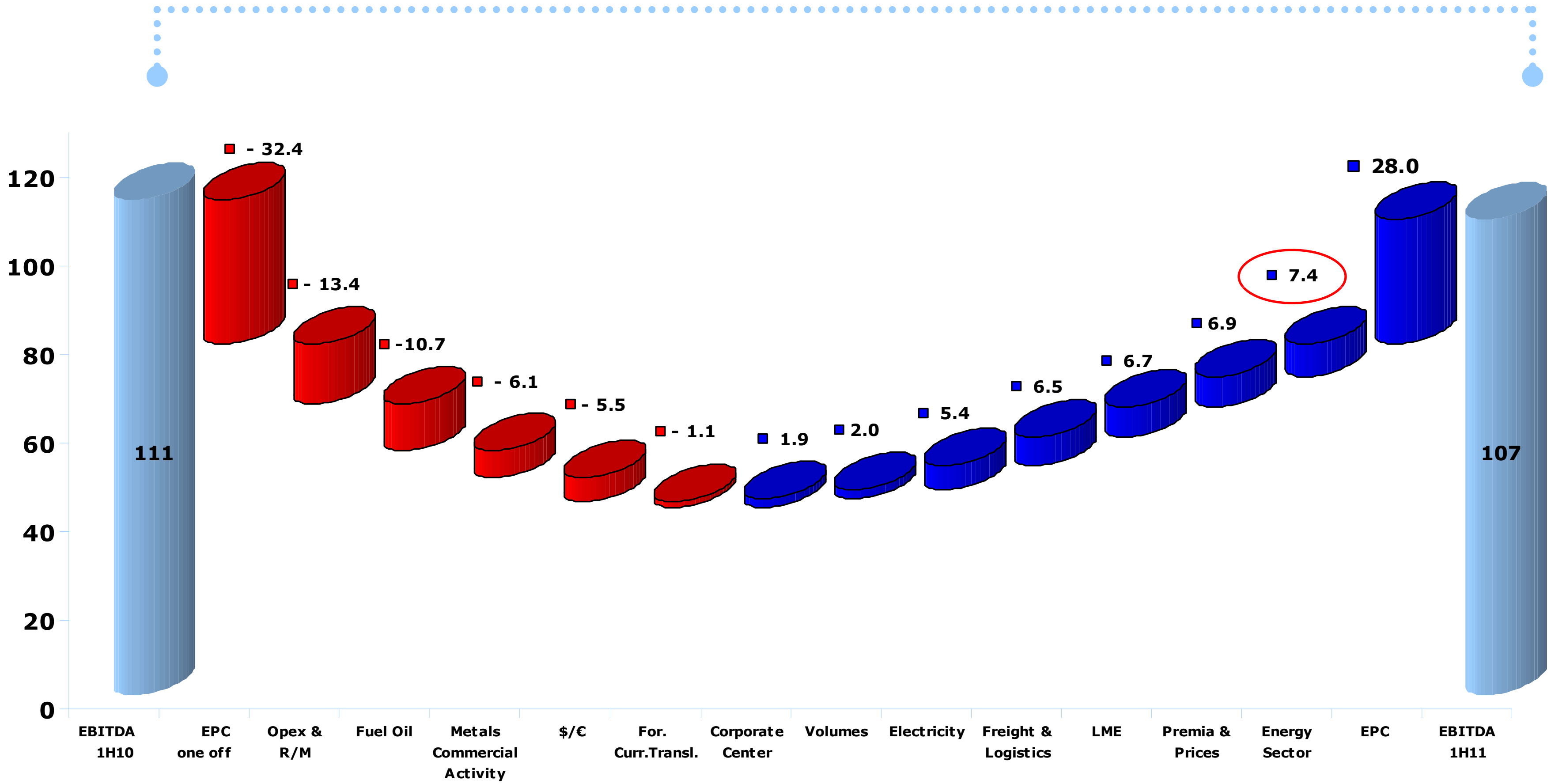
(amounts in mil €)




Source: Company Information.

# MYTILINEOS GROUP – EBITDA GAP ANALYSIS

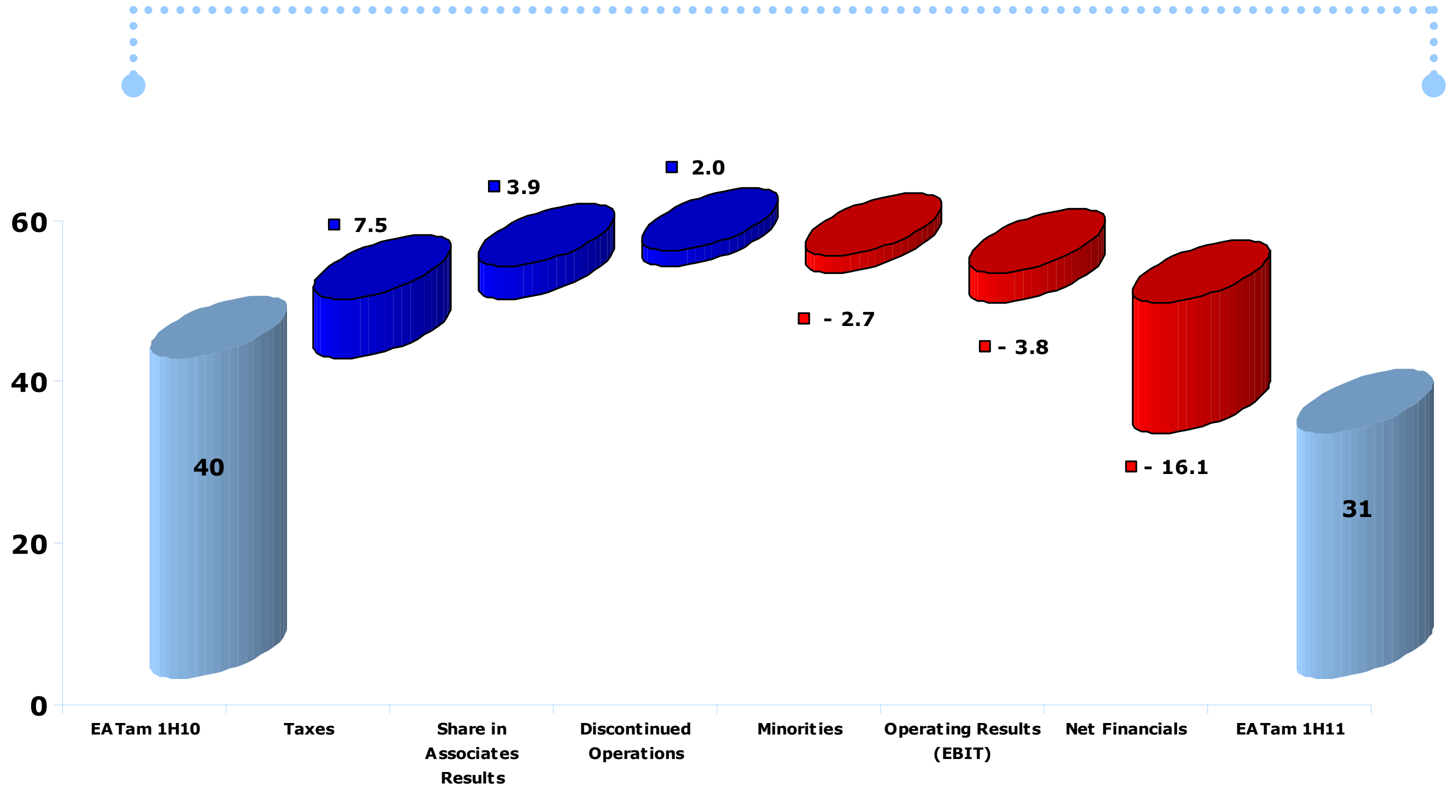
(amounts in mil €)






Source: Company Information.

(amounts in mil €)




Source: Company Information.

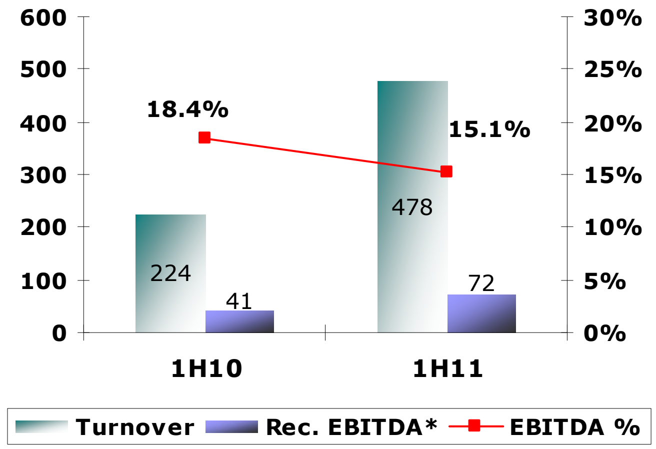
# METKA GROUP – SUMMARY FINANCIAL RESULTS

| *(amounts in mil €)* | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **478** | **256** |
| **EBITDA** | **72** | **74** |
| EBIT | 69 | 71 |
| EBT | 66 | 72 |
| EAT Continuing Operations | 51 | 49 |
| ***EATam*** | **49.6** | **48** |

| ***Margins (%)*** | **1H11** | **1H10** |
|---|---|---|
| **EBITDA** | **15.1%** | **28.7%** |
| EBIT | 14.5% | 27.8% |
| EBT | 13.8% | 28.1% |
| EAT Continuing Operations | 10.7% | 19.0% |
| ***EATam*** | **10.4%** | **18.9%** |

| ***Cash Flows*** | **1H11** | **1H10** |
|---|---|---|
| Cash Flows from Operations | -11 | 9 |
| Cash Flows from Investment | 0 | -1 |
| Cash Flows from Financial Activities | 2 | 20 |
| **Net Cash Flow** | **-10** | **28** |
| ***FCF*** | **56** | **61** |

**Financial Performance**




**Key Drivers:**

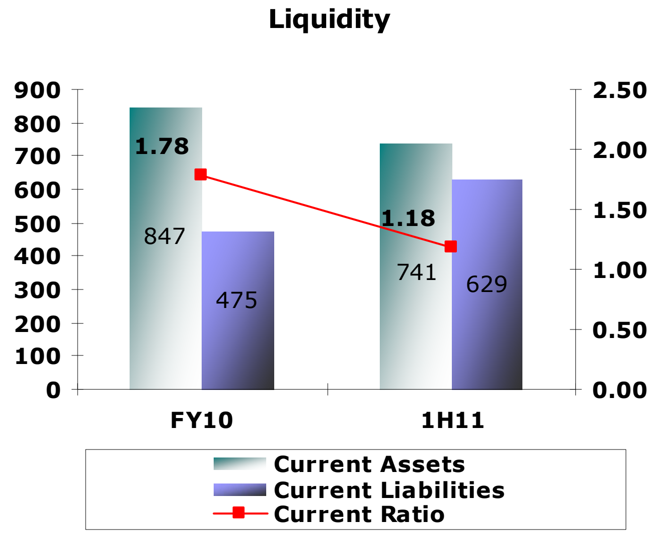
- **Sales up 86% due to backlog execution acceleration.**
- **7 main projects under execution during 2011.**
- **Recurring EBITDA Margin 15.1%.**
- **Net Cash Position as of 30/6/2011: €40 m.**
- **Strong Backlog: € 1.9 bn.**

* Recurring EBITDA adjusted for the one off item (€32m. on Sale of ETADE).
Source: Company Information.

## METKA GROUP – SUMMARY FINANCIAL RESULTS

*(amounts in mil €)*

| ***Balance Sheet*** | **1H11** | **FY10** |
|---|---|---|
| Non Current Assets | 78 | 67 |
| Current Assets | 847 | 741 |
| **Total Assets** | **926** | **808** |
| Bank Debt | 18 | 2 |
| Cash Position | 58 | 68 |
| **Equity** | **274** | **250** |
| **Net Debt** | **-40** | **-66** |
| Current Liabilities | 629 | 475 |
| Total Liabilities | 651 | 557 |




Source: Company Information.

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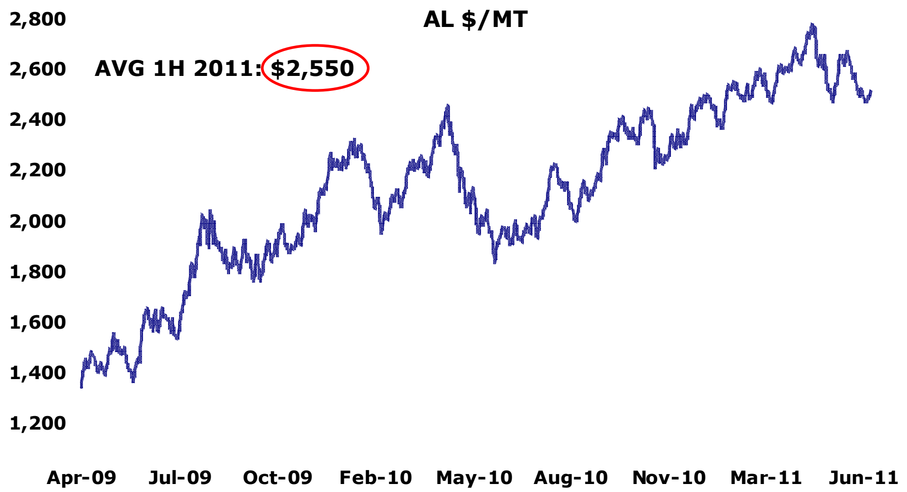
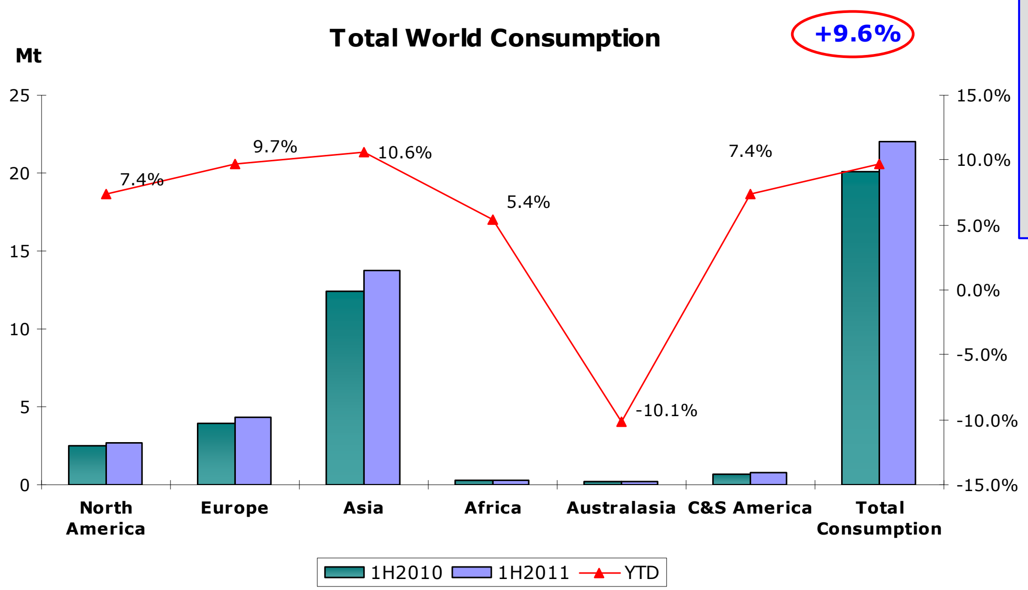
- **Business Units Performance**
- Q&A



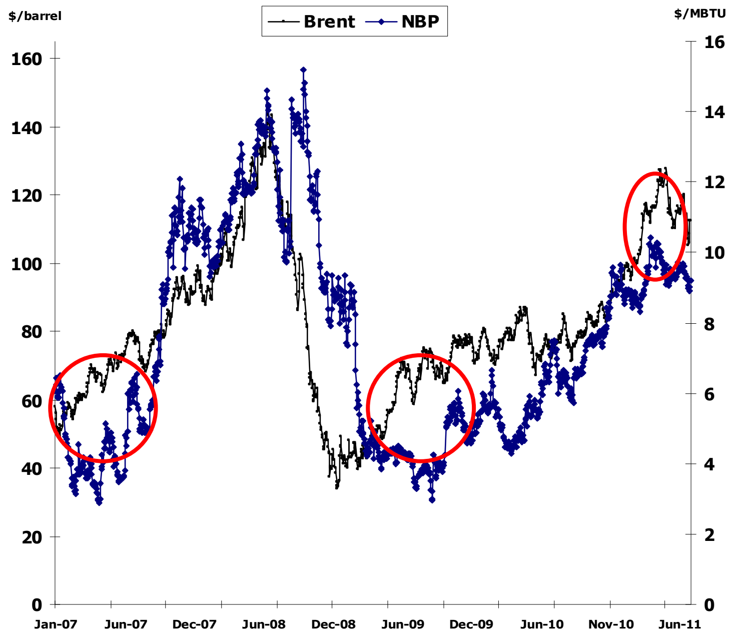




## ALUMINUM

- The average Aluminum price during 1st Half 2011 reached $2,550 up 19.8% y-o-y. Rising energy cost, weakening dollar and higher Copper prices provide uplift potential to Aluminum prices.
- **Inventory Level**: Global Inventories decline at 4.5 mt while the physical tightness on the spot market related to stock financing deals, continues to support Premiums. The average premium for delivered N. Germany billet remains over 450$ per tonne.
- **Supply**: Total world supply increased 3.5% y-o-y. Power restrictions and ambitious energy efficiency targets could lead to smelting disruptions in China.
- **Demand**: Total world consumption was up 9.6%, led by the continuing growth in China and strong performance of the German automotive and machinery sector in Europe. Demand in Asia remained strong despite the impact of the devastating earthquake in Japan. Demand in the US remained firm helped by the improvement of the automotive sector.



Source: Company Information, CRU ANALYSIS.


## EUR/USD:

- €/$: The average parity €/$ during the 1st Half of 2011 settled at 1.40 vs 1.33 in 2010. Going forward the impact of the debt crisis over Europe's peripheral economies, the growth differential between Europe and the US, and the different monetary policies between FED & ECB will largely determine the parity trend. The operation of the power units is helping the Group to reduce substantially the exposure in USD.

## OIL – NATURAL GAS:

- Weak dollar and increased tension over the N. Africa region led to increased Oil prices. The average price for Brent during 1st Half 2011 reached $111 per barrel (up 41.9% yoy) putting also upward pressure on Natural Gas Prices.
- Nuclear accident in Japan had a significant impact on LNG Prices as c. 50% of the lost capacity has been replaced by LNG.
- Shale Gas productivity in the US puts downward pressure on Natural Gas prices.
- China's Natural Gas unconventional production continues to grow.
- MYTILINEOS Group remains active in the LNG market, thus mitigating the impact of the increased pipeline natural gas prices.



Source: Company Information, Deutsche Bank.

# GROUP - BUSINESS UNIT PERFORMANCE

*(amounts in mil €)*

| ***M&M*** | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **261** | **221** |
| **EBITDA** | 31 | 38 |
| ***EAT*** | **19** | **29** |

| ***EPC*** | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **421** | **195** |
| **EBITDA** | 75 | 80 |
| ***EAT*** | **44** | **35** |

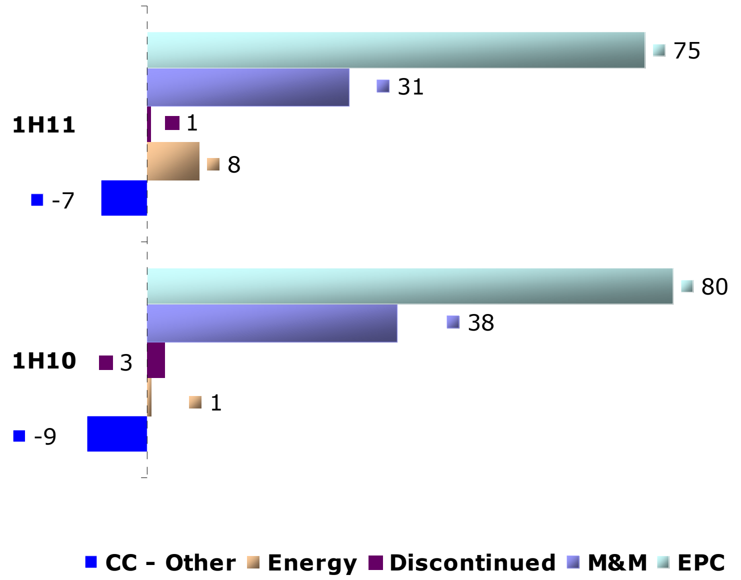
| ***ENERGY*** | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **35** | **2** |
| **EBITDA** | 8 | 1 |
| ***EAT*** | **3** | **0** |

| ***Discontinued*** | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **-5** | **-3** |
| **EBITDA** | 1 | 3 |
| ***EAT*** | **2** | **4** |

| ***CC - Other*** | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **0** | **0** |
| **EBITDA** | -7 | -9 |
| ***EAT*** | **-18** | **-10** |

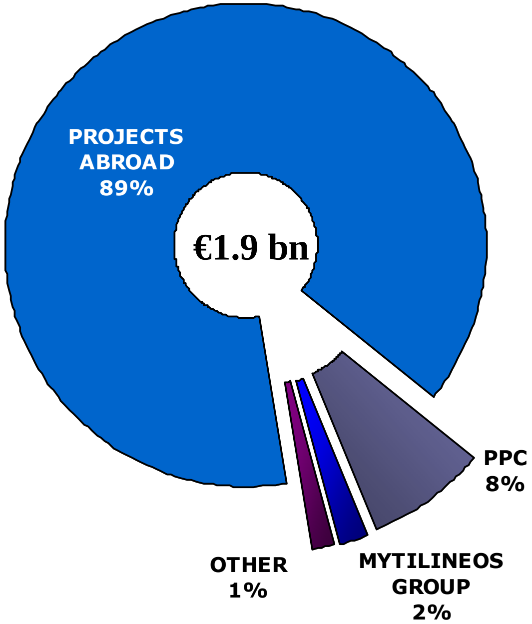
| ***TOTAL GROUP*** | **1H11** | **1H10** |
|---|---|---|
| **Turnover** | **711** | **415** |
| **EBITDA** | **107** | **111** |
| ***EAT*** | **50** | **58** |

**EBITDA PER ACTIVITY**

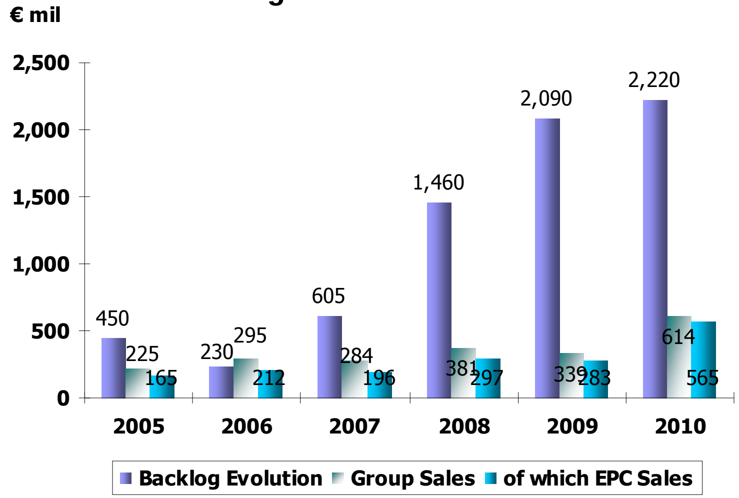



Corporate Centre includes all other activities that are not directly linked to M&M, EPC and Energy.
1st Half 2010 figures include the €32.4m item of ETADE.
EPC does not include intercompany transactions.
Source: Company Information.

| | Fundamentals | Prospects |
|---|---|---|
| **Greece** | • Flat energy demand despite the adverse macro environment.<br>• Fuel mix changing with new gas-fired CCGT projects coming on-line, and increasing penetration of renewables – wind and PV.<br>• Existing capacity is old and inefficient. | • PPC: new/replacement highly efficient lignite fired plants.<br>• New gas fired projects may emerge, but at slower rate.<br>• EPC opportunities for renewables, e.g CSP. |
| **South-East & Central Europe, Turkey** | • EU membership and convergence impose obligations for plant upgrades and/or closures.<br>• Years of under-investment and slow progress to upgrade capacity.<br>• Government support and relatively high level of acceptance for nuclear. | • SEE: gas fired projects: potential combined cycle and co-generation projects, e.g. district heating.<br>• Turkey is expected to be the fastest growing electricity market in Europe driven by GDP growth, population increase and urbanisation - potential CCGT projects. |
| **Middle East** | • Generally strong demand - emphasis on mega-projects.<br>• Need to diversify fuel sources and increasing emphasis on fuel efficiency.<br>• Possible re-emergence of Iraq as a significant market in the medium-long term. | • Possibilities for conversion of open cycle plants to combined cycle across the Middle East.<br>• Numerous large Integrated Water & Power Plant (IWPP) projects in the Gulf. |
| **Africa** | • Strong fundamental power demand growth, often constrained by supply limitations.<br>• Widespread power shortages.<br>• Massive need for energy infrastructure investments. | • Africa: typically smaller projects with fast-track profile. |




Backlog - Sales Evolution




Source: Company Information.

### Strong Backlog – Visibility – International Profile

- **PPC: 417 MW in Aliveri, Natural Gas Fired combined cycle. Alstom sub supplier for the main equipment. Contract value of €219 m.**
- **PROTERGIA: 444 MW in Ag. Nikolaos, Natural Gas Fired combined cycle. GE sub supplier for the main equipment. Contract value of €232 m.**
- **KORINTHOS POWER: 437 MW in Ag. Theodoroi, Natural Gas Fired combined cycle. GE sub supplier for the main equipment. Contract value of €285 m .**
- **OMV PETROM: 860 MW in Romania, Natural Gas Fired combined cycle. 50-50 Consortium with GE. Contract value of €210 m.**
- **PEEGT: 700 MW in Syria, Natural Gas Fired combined cycle. METKA leader of Consortium with Ansaldo. Contract value of €650 m .**
- **RWE & Turcas Güney Elektrik Uretim A. Ş. : 775 MW in Turkey, Natural Gas Fired combined cycle. Siemens sub supplier for the main equipment. Contract value of €450 m .**
- **OMV (BORASCO): 870 MW in Turkey, Natural Gas Fired combined cycle. GE sub supplier for the main equipment. Contract value of €475 m.**
- **PEEGT: 724 MW in Syria, Natural Gas Fired combined cycle. METKA leader of Consortium with Ansaldo. Contract value of €678 m .**

# EPC - BUSINESS UNIT PERFORMANCE

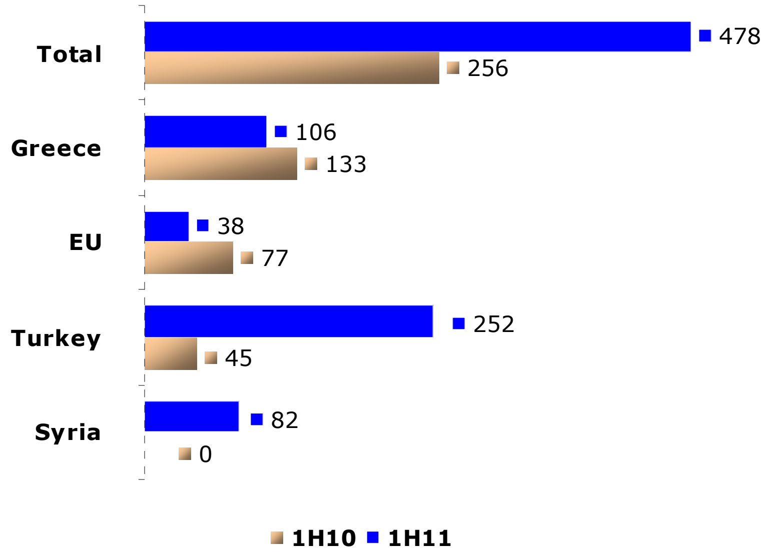
| ENERGY | 1H11 | 1H10 |
|---|---|---|
| Turnover | 451 | 240 |
| EBITDA | **68** | **73** |
| EATam | 47 | 45 |

| DEFENSE | 1H11 | 1H10 |
|---|---|---|
| Turnover | 9 | 1 |
| EBITDA | **3** | **0** |
| EATam | 2 | -1 |

| INFRASTRUCTURE | 1H11 | 1H10 |
|---|---|---|
| Turnover | 18 | 16 |
| EBITDA | **1** | **1** |
| EATam | 1 | 4 |

| TOTAL EPC | 1H11 | 1H10 |
|---|---|---|
| Turnover | **478** | **256** |
| EBITDA | **72** | **74** |
| *EATam* | **50** | **48** |

**Geographical Turnover Analysis**




**METKA Performance Analysis:**

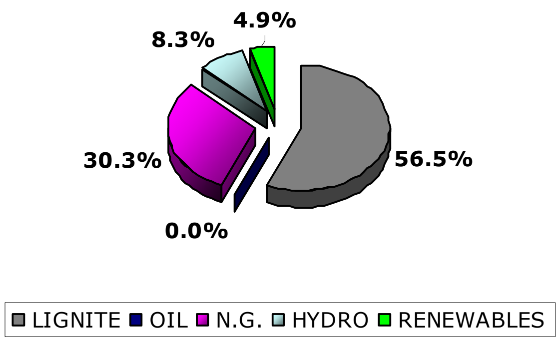
- ✓ **94% of Turnover refer to energy projects.**
- ✓ **78% of Turnover derived form projects abroad.**
- ✓ **80% of Net Profits derived from projects abroad.**

Excluding Management Fees (1H 2011: €3.0 m vs 1H 2010: €6.2 m).
Source: Company Information.

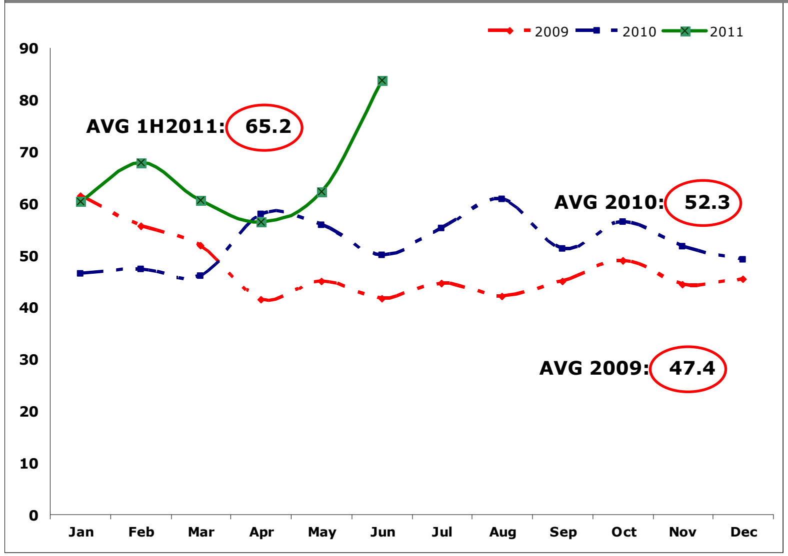
| | Key Characteristics and Trends | Future Outlook |
|---|---|---|
| **Demand** | • Consumption has grown with a yearly average of 3,7% in the decade 1998-2008, peaking during the summer (strong air cooling penetration in the commercial and residential sectors). The recession coupled with mild weather have resulted in 7% drop during the two year period 2009-10. | • Despite the adverse macro environment, the reference scenario calls for electricity demand to remain almost flat during 2011. |
| **Supply** | • The percentage of domestic lignite in generation, in the interconnected System, is around 53-63%, and Greece has reserves for another 50 years.<br>• Gas's share is rising, as most recent investments have been in CCGTs. In 2011 the share has risen to 27.9% against 22.2% in 2010 and 19.4% in 2009.<br>• Greece is importing gas, mainly from Russia and Turkey via pipeline and LNG from Algeria and occasionally from the spot market.<br>• RES (excluding large hydro) participate with just 5% in the mix, but Greece hopes on important wind and solar potential. Up to 6.000 MW of RES (mostly wind) would be necessary in 2020 so as Greece to achieve the 18% penetration of RES in total energy demand.<br>• Imports, primarily from northern interconnections, and exports, primarily to Italy, are made for commercial purposes, with traders benefiting from price differences in these interconnected countries. | • Lignite will remain a cornerstone, though its share will decrease.<br>• Gas's share is expected to remain on a positive trend given that all the new conventional capacity added up to 2014, at least, will be in CCGTs and perhaps some hundreds MW of OCGTs.<br>• Renewable generation is also set to rise as a very favorable framework has been put into place. Feed-in tariff for the produced energy and up to 30% subsidy for construction of wind and hydro parks.<br>• The interconnection between Greece and Turkey has assumed commercial operation. |
| **Competitive Dynamics** | • PPC is the incumbent with >97% market share in retail and around 75% in the wholesale market. Currently, there are 6 independent units with a total installed capacity of 2.3 GW.<br>• Foreign players have entered the market since 2006, teaming up with local (non-operator) investors (Endesa-Mytilineos, Edison-ELPE, …). Mytilineos has replaced Iberdrola in the joint venture with Motor-Oil and also acquired the full control of Protergia (ex. Endesa Hellas) buying out ENEL's participation. GDF-Suez cooperates with the Greek company Terna. | • PPC is looking for strategic partners to finance new commissioning plan.<br>• Private players might concentrate.<br>• EU - IMF escalating the pressure towards full liberalization of the electricity market.<br>• The Government opted for the ITO model as a road map for the implementation of the 3rd Energy Package that sets to pave the way towards the effective liberalization of the Energy market. |

Source: Company Information.

**Power Production Mix**
**Total Production 2011: 23.1 TWh**




**Monthly SMP data 2009 – 2011 (EUR)**




## Energy Market – Developments in 2011

- **Total Power demand 1H2011: 24.6 TWh (posting a moderate drop of 1.85% y-o-y) despite the severe economic contraction. Increased demand from Industrial clients.**
- **Average SMP increased at 65.2 €/MWh (up 29% y-o-y ), mainly due to the increased natural gas prices.**
- **Lignite production remained stable while Hydro production decreased at 1.9 TWh (down 44.7% y-o-y).**
- **Natural Gas production increased significantly reaching 7.0 TWh (up 61.4% y-o-y) on the back of increased installed capacity and the new operational framework.**
- **Net imports amounted 1.5 TWh (down 52.3%).**
- **The CHP and Ag. Nikolaos CCGT produced 1.1 TWh thus capturing 4.8% share of the domestic power production.**



Source: Company Information, HTSO.

## Financial Data Ag. Nikolaos June

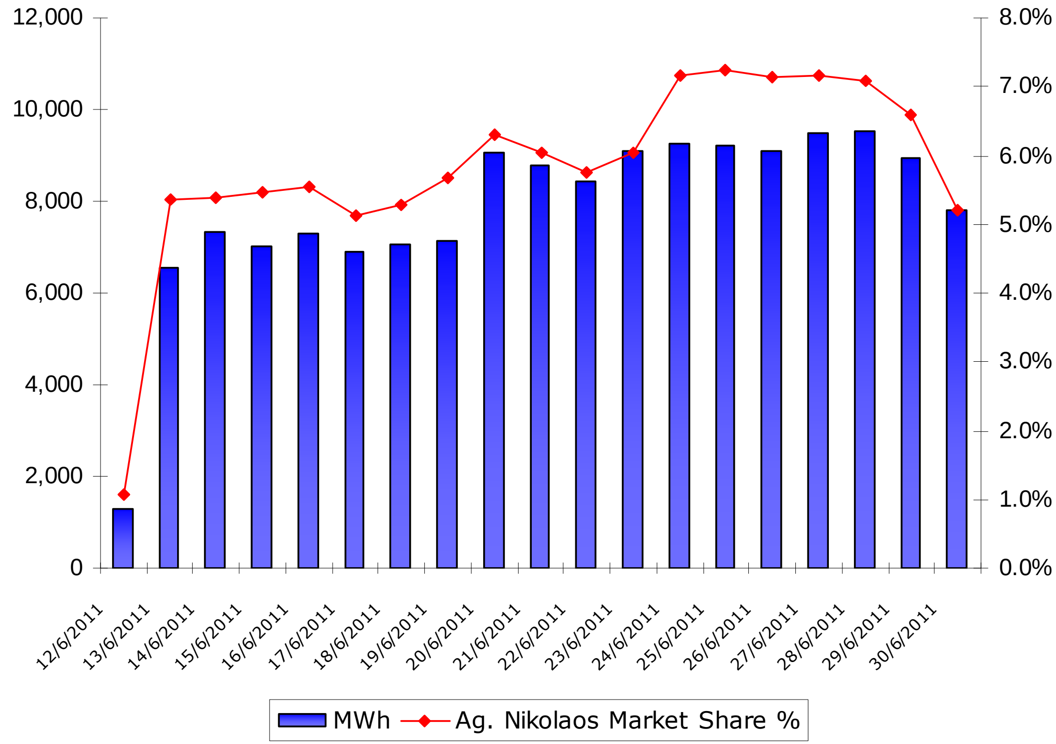
*(amounts in mil €)*

| | |
|---|---|
| **Revenues from Electricity** | **13** |
| Capacity Charges | 1 |
| **Total Revenues** | **14** |
| Gas Cost | -9 |
| Opex | -1 |
| **EBITDA** | **5** |

## Financial Data June

| | |
|---|---|
| **Net Power Production (MWh)** | **149,333** |
| Avg SMP Realized (€/MWh) | 86.7 |
| Clean spread (€/MWh) | 31.7 |

### Ag. Nikolaos Production (MWh)




Source: Company Information, HTSO.

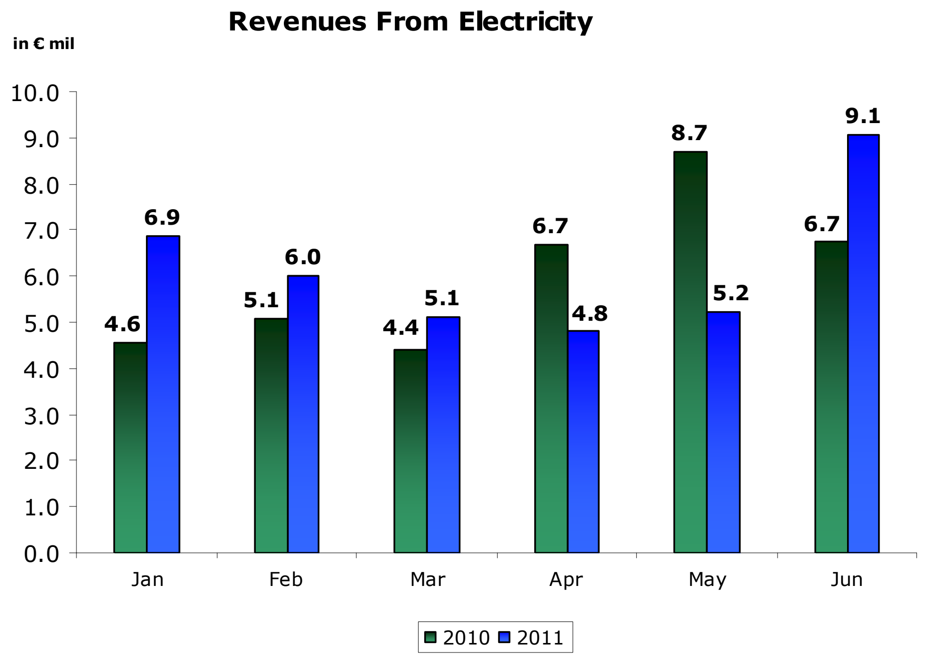
### Financial Data 1H 2011

*(amounts in mil €)*

| | |
|---|---|
| **Revenues from Electricity** | **37** |
| Revenues from Steam | 22 |
| Capacity Charges | 5 |
| **Total Revenues** | **64** |
| Gas Cost | -58 |
| Opex | -3 |
| **EBITDA** | **3** |

### Operational Data 1H 2011

| | |
|---|---|
| **Net Power Production (MWh)** | **648,072** |
| Avg SMP Realized (€/MWh) | 57.2 |
| Clean spread (€/MWh) | 4.2 |




*Capacity Charges are subject to the commercial operation of the Unit.
* Revenues from steam calculated under the assumption that steam is sold at Cost.
Source: Company Information.

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- Business Units Performance
- **Q&A**

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