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**ANNOUNCEMENT - INITIAL AGREEMENT FOR THE  
GRADUAL ACQUISITION OF S&B's GREEK BAUXITE  
OPERATIONS BY ALUMINIUM S.A.**

8 November 2011 – MYTILINEOS Holdings S.A. and S&B Industrial Minerals S.A. (“S&B”) announce the initial agreement for the gradual acquisition of S&B’s bauxite operations in Greece by MYTILINEOS’ fully owned subsidiary ALUMINIUM S.A.

The steps foreseen for the implementation of this agreement are as follows:

1. Initially, S&B’s bauxite activity will be contributed to Delphi Distomon (“D.D”), a fully-owned subsidiary of ALUMINIUM S.A.
2. In the resulting corporate structure (“New D.D.”), ALUMINIUM S.A. will buy part of S&B’s share so that its participation in the “New D.D.” reaches 51%, leading in parallel to its control of the “New D.D.”
3. The remaining 49% share held by S&B in “New D.D.” will be acquired gradually by ALUMINIUM S.A. over the next thirty (30) months.

The finalization of the financial terms and implementation of the agreement will be effected after a Due Diligence entailing financial, legal, tax and technical audits of the merging parties. Further information to the investment community, will follow after the completion of the Due Diligence.

Commenting on the initial agreement, Evangelos Mytilineos, CEO of MYTILINEOS Holdings, stated: “Today is an important day for our company, as after 50 years of operation in Greece, ALUMINIUM, upon completion of the deal, will itself be in control of its primary raw material, something it had not managed to do until now. We look forward to further developing the mines and to increasing exports, working together with our employees and with the local communities and always having as our goal to protect of the environment. Our investment in mines is a long-term yield investment. With this deal, ALUMINIUM, which since 2005 is of Greek ownership, is investing in the future of the Greek Economy, demonstrating in this way its firm belief in the country’s potential.”

Kriton Anavlavis, CEO of S&B, commented: “Despite the difficulties faced in our Fokis bauxite activity in recent years, we invested significantly and attained an increase of operational capability and annual production output. As the activity’s financials are recovering, we are in a position to announce the signing of an initial agreement which assures its sustainable future. Our bauxite activity, which represents approximately 8% of Group sales, is therefore contributed to a new corporate structure, in which the majority participation belongs to its largest customer to date. We are convinced that the new structure will further contribute to the long term development of Greek bauxite, benefitting sector employees and the Greek economy. S&B will continue to focus on providing industrial solutions globally, exploiting its international operations, aiming at additional sustainable, profitable growth.”



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