

Press Release

27/05/2009

RESULTS FOR THE FIRST QUARTER 2009

IMPROVED OPERATING MARGIN AND GROWTH PROSPECTS DESPITE THE RECESSIVE ENVIRONMENT

In the first quarter of 2009 with the consequences of the global recession already visible on the real economy, the Group capitalizes significant gains from the successful risk-hedging policy, which had been applied prior to the outbreak of the crisis and the significant decrease of the prices of metals, as well as from the effective strategy to secure protection against the currency risk arising from a further potential weakening of the US Dollar. The above measures, coupled with the decrease on major cost components (raw materials, Oil and shipping/transport costs), help the Group not only to remain profitable but also to improve significantly its operating margin (13.7% against 11.3% last year).

Regarding the quarterly results for 2009, the Group's consolidated **turnover** stood at **€154 million**, down from € 227 million for the same quarter in 2008. This was mainly due to the negative impact from projects delays that the subsidiary METKA faced for reasons not related to the company's actions (€ 35.9 million), and secondly due to the suspension of Sometra activities (€ 26.6 million).

Earnings before tax, interest, depreciation and amortisation (EBITDA) stood at €21.1 million, down from €25.7 million for the same quarter in 2008, a decrease which is quite moderate taking into account the sharp decrease of aluminium prices which on average settled at \$ 1,360/tn, the negative impact of the increased electricity cost that affected the Groups EBITDA by € 7.3 million, the circumstantial weak quarterly performance of the EPC sector as well as the general recessive environment both in the financial markets and world economies which potentially hit "bottom" in the first quarter of 2009.

As far as METKA is concerned in the first quarter of 2009 turnover stood at **€50.1 million** against €87.9 million in the same quarter of 2008, a decrease which is mainly attributed to specific projects delays. It should be noted however that backlog execution is expected to accelerate significantly in the 2nd half of the year. Earnings before

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interest, tax, depreciation and amortisation (EBITDA) stood at **€8.5** million, from €16.5 million in the same quarter of 2008, while the EBITDA margin remains very high (17.0%), both as an absolute value and in comparison with international competition. Finally it should be noted that METKA's net cash position reached **€23** million at the end of the 1st quarter of 2009. Despite the challenges, METKA in 2009 is set to confirm its **dominant position** in the **EPC** sector for yet another year.

Furthermore, it should be also noted that the signed backlog of METKA currently stands at **€1.4 billion** signed and awarded contracts, of which more than 60% involves activities abroad. In addition to the above, METKA is in the final negotiation stages for a number of equally large and important projects in Greece and abroad, with good prospects for a successful outcome that, once established, will drive the company's performance to new record-high levels in the next years.

In the **Energy Sector**, the year 2009 is expected to prove a turning point in the sector, as the Group's substantial investments in this area will start to pay off, strengthening significantly its financial position.

Specifically the 334MW co-generation plant, one of the most modern power plants of its kind in Europe, is expected to start its commercial operation in June, relieving the pressure placed on the power grid during a particularly difficult period such as the summer and contributing significantly to the financial results for 2009. In parallel, the Group's ambitious investment plan is continuing at a rapid pace, as construction of its second combined-cycle power plant in Agios Nikolaos (Viotia), with a capacity of 444 MW, is now nearing completion, and construction of a third plant, with a capacity of 437 MW, is beginning in collaboration with MOTOR OIL. The Group is also strongly involved in the RES sector, where the Group's total operational capacity is now standing at 45 MW, with another 800 MW in various licensing stages. All the above help bring closer the Group's goal of an installed operational capacity of more than 1,800 MW by 2013, making a significant contribution towards a solution to the deficits in the power supply system in Greece, while in parallel realising the vision of establishing the largest independent electric power producer in the country.

The results for the first quarter of 2009 will be presented in more detail in a **conference call** with market analysts and institutional investors, to be held tomorrow **Thursday 28 May 2009 at 17.15 hrs (Greek time)**.

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

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