

AoG's cogeneration unit to be integrated into the national system under improved terms

In accordance with the regulation in force for electricity production licences, Aluminium of Greece (AoG) submitted to the Regulatory Authority for Energy (RAE) an application for the modification of a special term of the Power Production Licence held by the company for its 334 MW Cogeneration station in Agios Nikolaos, Viotia. In particular, the Company requests its unit's designation to be changed from "Autoproducer – Cogeneration producer" to "**Cogeneration producer**".

The Company had opted for the "autoproducer" investment approach at a time when no Code for Electrical Power Transactions was in place. Furthermore, the size of AoG's cogeneration unit, coupled with the need for sourcing additional power as expressed by the Ministry of Development, the Hellenic Transmission System Operator (HTSO), the RAE and the PPC, necessitate the change of the unit's designation. **Following this development, the Company waives any subsidies it would be entitled to as "Autoproducer – Cogeneration producer".**

This decision by the Management of the Company was necessary, as new predictions of the European Union foresee possibilities for improved exploitation of cogeneration units.

More specifically, under article 8 of Directive 8/2004/EC, which is soon to be transposed into the national legislation, AoG submitted an application for its designation as "Cogeneration producer". Operation of the AOG unit as "Cogeneration producer" will contribute primarily to the **protection of the environment**, as greenhouse gas emissions will be reduced, the **improved utilisation of Company assets**, and to **balancing competition** (as the PPC is already supplying heat to housing settlements via teleheating), as well as to the stability of the country's southern power transmission system.

AoG's cogeneration unit is expected to enter into commercial operation in June 2007, in a period during which the system is extremely vulnerable to blackouts (as evidenced by statistical data as well as based on actual data).

In conclusion, it should be stressed that this decision by the Company will greatly help to **provide the system with adequate resources** during the next summer season and, in the long term, will also contribute to the **liberalisation of the market for electrical power**, to **savings of funds to the benefit of the National Economy**, and, ultimately, to the **reduction of the System's marginal price with corresponding benefits for consumers**. Specific mention should also be made of the **environmental importance** of the cogeneration unit.

For more details about his Press Release, please contact:

Mrs Maria Philippi, Group Press Officer (Tel.: 210-6877309, Fax: 210-6877400, e-mail: com@mytilineos.gr).

MYTILINEOS Holdings S.A.

5-7 Patroklou St, 151 25 Maroussi, Greece

Tel.: 210 68 77 300

Fax: 210 68 77 400

Email: info@mytilineos.gr

Website: www.mytilineos.gr