HOLDINGS MYTILINEOS

Press Release

8/8/2012

Financial Results for the First Semester of 2012
DIVERSIFICATION AND EXPORT ORIENTATION SHIELD THE GROUP FROM STRONG PRESSURES IN THE DOMESTIC AND INTERNATIONAL ENVIRONMENT

2012-H1 Highlights:

- **Marginal increase of consolidated Turnover**
- **Launch of operation of all thermal and RES plants (with the exception of the Cogeneration plant) counterbalances the expected decline in turnover for METKA and the Metallurgy & Mining sector**
- **With exports accounting for 80% of activities and having successfully carried out €1 billion of investments in leading-edge energy assets during the last five years, the Group is making huge efforts to maintain its strong export orientation and successful course, despite all the institutional, banking, energy and operational problems in the Greek economy.**

For the 1st Semester of 2012 MYTILINEOS Group posted a consolidated **turnover of €714.4** million, **up 0.5%** from €710.7 million for the same period in 2011, as a result of the increased contribution from the Energy sector. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** for 2012-H1 stood at **€80.0 million**, down from €107.0 million in 2011. **Net profits after tax and minority rights** stood at **€8.5 million**, compared to €30.5 for the same semester of the previous year.

The **EPC Projects Sector** posted an already forecasted decline in turnover from the figures for 2011, which was a year of extraordinary but surely unsustainable performance, especially given the current situation in Greece and in the other countries where METKA operates. Activities in Greece were affected by the recession, which led to cancellation or postponement of any investments planned for projects of interest to the Company. In addition, the projects under way, especially with the PPC, have become a loss-generating activity for METKA, because of significant delays in implementation and financing for which the Company has no responsibility whatsoever.

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Activities abroad performed better than expected and counteracted the losses from the PPC projects. In particular, the **turnover of the Group's subsidiary METKA** in 2012-H1 stood at **€298.7 million**, against €477.8 million in 2011. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** stood at **€50.7 million**, down from €72.3 million last year, while **the EBITDA margin remained high (17.0%)**. **Net profits after tax and minority rights** stood at **€40.1 million** against €49.6 million for the same period in 2011.

The Group's **Metallurgy & Mining Sector** is the business activity area that faces the biggest challenges during 2012. At the global level, around 50% of the sector's companies are posting negative cash costs and cash flows. Within this negative global juncture, the Group's Metallurgy & Mining Sector saw its turnover declining to €232.6 million, from €260.8 million for the same semester in 2011.

In this global environment, the Group has already under full swing **a programme for the drastic reduction of operational costs in its Metallurgy & Mining sector, targeting $145 million annual savings, aimed at ensuring the long-term viability of this important sector for the domestic economy.** In this effort, the Group has to overcome obstacles from the Greek bureaucracy, which is **still holding back the Group's Cogeneration plant** (a €200 investment fully completed four years ago) **from entering into full commercial operation.** As a result, this plant generated €11.5 million of losses for the Group in 2012-H1 alone.

The **Energy Sector, with two of Europe's more efficient thermal plants now in full operation, along with wind farms and photovoltaic parks,** made a significant contribution to the Group's financial results for the 1st Semester of 2012. In particular, the Sector's turnover stood at **€198.5 million, up from €34.6 million** for the same period in 2011, and now accounts for **28% of the Group's total turnover.** It is pointed out here that the 2nd Quarter of 2012 saw the first contribution from the 437 MW plant of KORINTHOS POWER, which entered into commercial operation in April 2012.

Other important developments during the 1st Semester of 2012 were the following:

- The new three-year Joint Management Agreement signed for the supply of natural Gas by the Public Gas Corporation (DEPA) S.A., which ensures the smooth supply of natural gas to the Group's three thermal power plants, while allowing the Group the flexibility to also make its own imports, constantly assessing the conditions that prevail in the Liquefied Natural Gas (LNG) market. At the same time, with the operation of all three thermal plants the Group continues to expand steadily its share of the domestic market for electricity production.

- The significant drop in prices in the London Metal Exchange (LME).

- The intensified strengthening of the US Dollar against the Euro.

- The higher prices for raw materials (mainly for Natural Gas), which are significantly de-escalating as of the mid-year.

- The continuing over-taxation of production (special taxes, charges etc.).

- The continuous upward pressures on borrowing rates, as a result of the Greek crisis.

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- The great difficulty in securing Letters of Guarantee from acceptable Banking Institutions for participation in International Tender Procedures.

In this asphyxiating economic environment, the Group is rising to the challenges it is facing, thanks to the diversification and strong export orientation of its business activities, and to its considerable liquidity (€178 million as at 30/6/12).

For the rest of this year, the significant decline in the prices for raw materials, the launch of the implementation of new EPC projects, the progress in the implementation of the "MELLON" Programme, the increased liquidity and the contribution from the Group's power plants, which will now span the whole of the 2nd Semester, allow the Management to keep the forecast made in the General Meeting of the Shareholders of 12 May 2012, that "every possible effort will be made in order for the Group to maintain the results (Turnover, EBITDA, Net Profits) of 2011, which was a record year in the Group's long history."

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MYTILINEOS Group is a leading Greek industry active in Metallurgy & Mines, Energy and EPC Projects. Established in Greece in 1990, the Group's holding company, MYTILINEOS HOLDINGS S.A., is listed on the Athens Exchange, has a consolidated turnover in excess of €1.6 billion and employs some 2,500 people directly and many more indirectly in Greece and abroad. For more details, please visit the Group's website at: ***www.mytilineos.gr.***