HOLDINGS MYTILINEOS

Press Release

16/11/2011

RECORD-HIGH SALES FOR 9MONTHS 2011

GROUP SALES ALREADY OVERCAME TOTAL 2010 SALES MARK

- **Turnover up 56%***
- **EBITDA rise by 38%***
- **Energy Sector's significant contribution of 26% to 2011-Q3 Group EBITDA**
- **€85 million investments**
- **Exports represent more than 80% of total sales**

The third quarter of 2011 saw the continuation of very satisfactory results for the **MYTILINEOS Group**. Thus, at the close of the nine-month period, the Group's business volume indicators are already reaching new record-highs. As regards the overall 9M 2011 results for the Group, the following stand out: (1) **The strong performance of the Group's subsidiary METKA,** which continues at a fast pace the implementation of projects abroad; (2) the first **major contribution of the Energy Sector** to the Group's results; and (3) the **sustained positive performance of the Metallurgy Sector.**

In particular, the Group's consolidated **turnover** for 9M 2011 stood at **€1,139 million, up 56%** from €732 million for the same period in 2010, with **earnings before tax, interest, depreciation and amortisation (EBITDA)** standing at **€164.6 million,** up from €119.6 million in 2010. **Net profit after tax and minority rights** stood at **€46.1 million** against €42.7 million for the same period in 2010, despite the impact from the significant increase in financial costs, stemming from rising interest rates.

It should be noted here that, to ensure comparability, **the figures given above for turnover and pre-tax results for 9M 2010 <u>do not include</u> €32.4 million of non-incurring income,** representing discounted income from projects of ETADE S.A., a METKA subsidiary sold to TERNA S.A. in January 2010. **The corresponding impact on net profit for 2010 stands at €14.6 million.**

The Group's **Metallurgy & Mining Sector** posted an increase of 15% in turnover, as a result of increased production and higher product premia. Operating profitability remained satisfactory, considering the significant cost pressures deriving from the rise in prices for energy and raw materials and the weakened USD/Euro parity, which is now recovering in the aftermath of Eurozone's increasing problems. Further negative effects on the performance of the Metallurgy

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Sector are coming from the dispute with the PPC, concerning electricity pricing (currently referred for settlement to the arbitration of the Regulatory Authority for Energy) and the unprecedented delays from the Public Administration regarding the commercial operation of the Cogeneration Plant (already in trial operation for third consecutive year).

The recent conclusion of the preliminary agreement for the **acquisition of the S&B bauxite operation in Greece** is expected to help **further improve the Metallurgy Sector's competitiveness,** which currently faces significant cost pressures. The Excise Duty on Electricity and Natural Gas alone amount to a minimum annual burden of €15 million for the Sector, which of course cannot be transferred to end-consumers, meaning the international commodities markets.

The **EPC Projects Sector** posted the strongest growth of business volumes in 9M 2011, as the **turnover of the Group's subsidiary METKA** climbed to **€719.6 million,** against €454.8 million for the same period in 2010. This increase is attributed to the significant acceleration in the implementation of signed contracts abroad. **Earnings before interest, tax, depreciation and amortisation (EBITDA)** stood at **€112.7 million,** up from €75.4 million last year, with **the EBITDA margin standing at a high level (15.7%).** Net profit stood at **€79.7** million against €43 million for 9M 2010.

With this performance, **METKA,** which was posting €30 million of turnover and €1 million of profits at the time of its acquisition by MYTILINEOS Group in 1998, has now become one of the strongest European companies in the sector of energy projects (EPC), and its strong international presence, advanced know-how and robust capital structure are opening up great prospects for further growth.

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METKA's first project in the power-thirsty Iraqi market, which the company secured recently, is proof of its competitiveness at a global level. The **signed backlog** of METKA currently stands at nearly **€1.9 billion,** further reducing its dependence on developments in the domestic market.

The operating profitability of the **Energy Sector** accounts for **13% of the total Group profitability in 9M 2011 and for 26% in 2011-Q3.** This was made possible by the commercial operation of the Ag. Nikolaos plant and by the contribution from the Group's RES currently in operation. It should be pointed that the particular plant's high efficiency offers a significant advantage, along with the Group's capability to secure LNG supplies (liquefied natural gas) under very competitive terms.

Over the next months, the Energy Sector is expected to have a crucial impact on financial results, as it will be further strengthened by the launch of the commercial operation of the KORINTHOS POWER plant and the Cogeneration plant, currently under trial operation. **The operation of all three thermal plants, representing a total installed capacity of 1,200 MW, will mark the completion of the first phase of the Group's investment plan** and will create the conditions that allow the Group to expand its market share and consolidate its position in the Greek energy market, in which now ranks second, following PPC.

**It is noted that figures mentioned in subtitles are adjusted for the discounted income from the sale of ETADE in 2010.*

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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 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.***