

## Press Release

**04/08/2005**

### **FINANCIAL RESULTS FOR THE 1st SEMESTER 2005**

Mytilineos Group marked an impressive increase in profit and turnover during the first semester of 2005, in its financial statements that conform to the International Financial Recording Standards (IFRS). These statements include comparative information for the respective period of the previous year and consolidate, Aluminum of Greece S.A., with the method of full consolidation, and Greek Vehicle Industry (ELVO S.A.), with the method of net position.

The consolidated turnover reached € 368.7 million compared to € 147 million of the previous period, showing an increase of 150,8%, while the consolidated earnings before taxes and minority rights reached € 78.5 million compared to the € 14.3 million of the 1st semester of 2004.

To this considerable increase of the Group's profits, which is mainly due to the increase of the gross profit margin from 21,5% to 23,3%, one should add the amount of € 136.9 million which resulted as a surplus value from the acquisition of Aluminum of Greece S.A bringing the total earnings before taxes and minority rights of the 1st semester to € 215.5 million.

More specifically, the earnings before interest and taxes (EBIT) quadrupled reaching € 72.2 million compared to € 18 million during the first semester of 2004, while the earnings before interest, taxes, depreciation and amortisation (EBITDA) came up to € 82.3 million compared to € 21 million of the previous period. Furthermore, the considerable increase of the gross profit margin combined with a holding back of expenses contributed to the impressive increase of the profit margin before taxes (21,3% from 7,9%), while especially important was the increase of earnings after taxes and minority rights which reached € 159.5 million from € 8.1 million.

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It should be pointed out that the increase of short-term bank debt which come up to € 122.5 million is attributed to the acquisition of Aluminum of Greece, while the Group's cash position for the 1st semester of 2005 is € 122.5 million.

The total Assets for the current period surpassed € 1.130 billion compared to € 564 million of the previous period. The Group's total Equity comes up to € 642.2 million compared to the € 250.2 million of last year.

**METKA** Group showed also a considerable increase in turnover and profit. The turnover increased by 80% and reached € 125.2 million compared to the € 69.6 million of the previous period, while the net earnings after taxes and minority rights increased by 226,5% reaching € 20.6 million (from € 6.3 million in the 1st semester of 2004). It should be also noted that, the earnings before interest and taxes (EBIT) tripled reaching € 26.2 million compared to € 9.1 million during the first semester of 2004, while the earnings before interest, taxes, depreciation and amortisation (EBITDA) came up to € 28.6 million compared to € 11.3 million of the previous period. The company has zero bank debt, while the cash position for the 1st semester of 2005 amount to € 23.3 million.

It should be pointed out that METKA has a backlog of signed contracts worth of € 530 million, including the construction of a co-generation plant of 320MW (the construction has already begun) with a budget of € 190 million for Aluminum of Greece S.A, while much higher is the value of the projects under negotiation which METKA has serious possibilities of signing in the near future.

Finally, there was also a considerable increase of the earnings after taxes and minority rights of **Aluminum of Greece S.A.** which reached € 23 million from € 14,2 million showing a percentage increase of 61,1%. The turnover slightly increased compared to previous year and this is due to the negative effect of the U.S. dollar's fall vis-à-vis the Euro on the Company's sales. It should be also noted that, the earnings before interest and taxes (EBIT) reached € 34.1 million compared to € 27 million during the first semester of 2004, while the earnings before interest, taxes, depreciation and amortisation (EBITDA) came up to € 40.4 million compared to € 34.1 million of the previous period.

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The Company has no bank debt, while the cash position at the end of the 1st trimester come up to € 82.7 million.

The prospects of Mytilineos Group for the current year are especially favourable.

The acquisition of Aluminum of Greece S.A. and its smooth integration to the Group's Metallurgical sector, will turn the group into the leading verticalised producer of base metals in Southeastern Europe, and will bring it closer to its goal of extending its activities to the wider area.

In the Energy sector, Mytilineos Group realizing the advantages offered by the premises of the Aluminum of Greece, both in location as well as in terms of the electric load, proceeded in the submission of a new proposal to RAE and the Ministry of Development in order to get a licence for a new independent power production gas fired unit of 412MW, for which it has received a positive first response from RAE, in order to benefit of the comparative advantages both for the production of aluminum as well as for the energy market. Regarding the renewable energy projects, the Group has already begun the construction of the first Wind Park of the Company at Korifi Sidirokastrou which will be completed December 2005. Its power will be 17MW and the budget € 17 million.

In the Defence sector, Mytilineos Group has already worked-out and promotes the approval of a new business plan, which aims at ensuring a long-term and profitable operation for the ELVO subsidiary, as well as creating important synergies with the other companies of the Group.

The results of the 1st semester are a clear indication, given the market's current situation, for the results of the whole of 2005, which will be discussed in detail in the conference call that will be held on Thursday, August 4 at 16:30 Athens time.

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