

## Press Release

05/08/2009

### RESULTS FOR THE FIRST SEMESTER OF 2009

### SUSTAINED PROFITABILITY, IMPROVED PROFIT MARGIN AND INCREASED LIQUIDITY

In the 1<sup>st</sup> Semester of 2009, with the level of economic activity going through the most weak phase of the recessionary cycle that has been plaguing the global economy after the crisis of 2008, the Group has gained significant benefits through the successful risk-hedging policy which had been put in place prior to the outbreak of the crisis and the nosedive in the prices of metals and ores, as well as through the measures that had been taken to secure protection against the currency risk that may arise from a potential further weakening of the US Dollar. The timely adoption of these measures, coupled with the suspension of certain non-profitable activities, helped the Group remain profitable and achieve a significant improvement in terms of profit margin (up from 11.4% to 14.5%), while at the same time raising considerable liquidity, necessary for executing its demanding investment plan and be ready to benefit from the forthcoming economic recovery.

In particular, the Group's **consolidated turnover** for 1H 2009 stood at **€328** million against €490 million for the same semester in 2008. This drop was the result of delays in the implementation of projects by the Group's subsidiary METKA S.A. due to unforeseen events (€81.2 million), and of the suspension of the Group's Romania-based subsidiary Sometra (€65.1 million).

Earnings before tax, interest, depreciation and amortisation (EBITDA) stood at **€47.7** million, down from €56.0 million for the same period in 2008, a decrease considered to be particularly limited taking into account the sharp drop of the price of aluminium in the London Metal Exchange (LME), which on average stood at US\$1,422/ton compared to US\$2,729/ton in the previous year, the rise in the electricity prices which burdened operating costs by an additional €6.4 million, the incidental

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weak performance of the EPC projects sector (down by €26.3 million from last year), and the overall environment of recession in the international markets and economies, which by all indications bottomed out in the 1<sup>st</sup> Quarter of 2009. The reduction of the Group's net borrowing was also reduced substantially to €342 million, down from €403 million at the end of the 1<sup>st</sup> Quarter, with the **cash position standing at over €230 million**. Finally, net profit after tax and minority rights stood at **€10.4** million against €24.1 million for the same semester in 2008 (which however also included €20.3 million in non-recurring profit).

In what regards the Group's subsidiary METKA S.A., its turnover for 1H 2009 reached **€101.8 million** compared to €211.9 million for the same period in 2008, a decrease attributed mainly to delays in the implementation of specific projects. It is pointed out, however, that **implementation of the company's signed backlog is expected to accelerate significantly in the second half of 2009**. Earnings before interest, tax, depreciation and amortisation (EBITDA) stood at €15.1 million, down from €38.7 million for the same period in 2008, while the EBITDA margin remains very high (14.9%), both as an absolute value and in comparison with international competition, despite the expansion of the company's activities abroad and the lack of projects in the defence sector during the period reported. Net profitability stood at € 8.1 million. Finally, the Company's strong net cash position (€46 million in the 1<sup>st</sup> Semester of 2009) should also be stressed. Despite the challenges and the difficulties that arise from the adverse economic environment, during 2009 METKA is once again expected to confirm its dominant position in the **EPC** Sector.

It is pointed out that, after the recent signature of a major contract in Syria, the signed backlog of METKA currently stands at **€1.4 billion**, of which more than 60% represents projects implemented abroad. It is also pointed out that METKA is in the final negotiation stages, with good prospects for a successful outcome, for a number of equally large and important projects in Greece and abroad which, once secured, will drive the company's financial figures to new record-high levels in the following years.

For the **Energy Sector**, the year 2009 is expected to prove a milestone year, as the Group's substantial investments in sector have already started to perform, strengthening significantly the Group's financial position.

More in particular, the 334MW co-generation plant, one of the most modern power plants of its kind in Europe, is already in trial operation and since April 2009 has been contributing significant volumes of electrical power to the country's national system. This plant is expected to enter full commercial operation during the summer, and will thus significantly boost the financial results for 2009. In parallel, the Group's ambitious investment plan is continuing at a fast pace, as its second combined-cycle power plant in Agios Nikolaos (Viotia), with a capacity of 444 MW, is now at an advanced construction stage, and construction of a third plant, with a capacity of 437 MW, is about to begin in collaboration with MOTOR OIL in Agioi Theodoroi (Korinthia). The Group is also strongly active in the RES sector, where its total operational capacity is now standing at 45 MW, with another 800 MW in various licensing stages.

All the above help make feasible the Group's goal of an installed operational capacity of more than 1,800 MW by the year 2013, thus making a significant contribution to the efforts to address the deficit in the country's supply of power, while at the same time realising the Group's vision of creating the largest independent producer of electrical power in Greece.

Finally, in what regards the profitability targets as these had been set in 2008 for the operating results of 2009, it is pointed out that, according to the Group, EBITDA for 2009 could be as high as €188 million, on the condition that the co-generation plant would have entered full commercial operation, and under the specific sensitivity analysis applied regarding the evolution of aluminium and fuel prices and the Euro/US\$ parity. By adjusting this forecast in accordance with the sensitivity analysis published by the Group, **the expected EBITDA target result for 2009 varies within a range from €100 million to €110 million.** The EBITDA obtained by applying the sensitivity analyses to the above scenario of forecasts for 2009 is not a new, revised forecast, but instead demonstrates the trend in the evolution of the Group's results based on the evolution of the parameters to which these results are sensitive. The Group's policy is to assess its results and performance on a monthly basis, identifying promptly and effectively any deviations from the targets set and taking corresponding corrective action.

The results for the 1<sup>st</sup> Semester of 2009 will be presented in more detail in a conference call with market analysts and institutional investors, to be held tomorrow **Thursday 6 August 2009 at 17.30 hrs (Greek time).**

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*The MYTILINEOS Group is active in Metallurgy & Mines, Energy, EPC Projects and the Vehicle Manufacturing 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 2,700 people in Greece and abroad. For more details, please visit the Group's website at: **[www.mytilineos.gr](http://www.mytilineos.gr)**.*

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