

Press Release

26/03/2009

ANNUAL RESULTS FOR 2008

ROBUST FINANCIAL POSITION AND PROSPECTS FOR GROWTH DESPITE THE RECESSIVE ENVIRONMENT

The year 2008 was characterised as the starting year of the strongest economic crisis and global recession since 1929. Nevertheless, **MYTILINEOS HOLDINGS S.A. took the necessary defensive action in a timely manner, and today is showing itself to be particularly resilient to the crisis while in parallel managing to remain profitable and also establish the basis for its further growth.**

Regarding the annual results for 2008, the Group's consolidated **turnover** stood at **€976 million**, up from €913 million in 2007. This increase in sales is even more important considering that it was achieved in the midst of the negative movement of the US Dollar against the Euro (averaging US\$1.48 for 2008), a development which had a negative impact of €50 million on the Group's turnover.

Furthermore, the all-time record-high of over US\$ 140 per barrel posted in oil prices in the previous months led to the substantial increase of cost drivers such as raw materials and shipping/transport costs. The above, coupled with the fact that only €10 million of capital gains from the agreement with Endesa Hellas have been incorporated during the period reported **(the significant contribution of the energy sector is expected to be reflected in the results for 2009)**, drove net profit after tax to €31.3 million, with net profit after tax and minority rights standing at €18.5 million. Finally, earnings before tax, interest, depreciation and amortisation (EBITDA) stood at €117.6 million, down from €153.7 million in 2007, a decrease attributed to the negative impact on the Group of the movement of the US Dollar against the Euro (€29 million) and to the high oil prices during the period reported (€27 million), as well as to the increased price of electricity.

In the **Metallurgy and Mining Sector**, the year 2009 is expected to be one of the most difficult years of the recent decades globally. The combination of reduced demand, expected to decline by as much as 50% (mainly as

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a result of the situation in the automotive and construction industries), the rapidly growing stocks and the monetary instability guarantee low returns for the entire sector.

Despite this extremely unfavourable climate, the Group is expected to benefit significantly from the successful risk-hedging policy which had been applied prior to the outbreak of the crisis and the significant decrease of the prices of aluminium. At the same time, the Group has already taken measures to secure its protection against the currency risk arising from a potential further weakening of the US Dollar, and has managed to drastically reduce its exposure to this currency. The above measures, coupled with the systematic efforts undertaken to curtail major cost components, translate into considerable advantages over the competition and allow the Group to face the future with confidence.

METKA has again confirmed **its establishment as one of the major players in the sector of EPC projects**, and its success in terms of implementation and strategic planning is reflected in the company's financial results for yet another year. Turnover for 2008 reached **€381.5 million, up 34%** from €284.2 million in 2007, with earnings before interest, tax, depreciation and amortisation (EBITDA) standing at **€66.9 million, up 17%** from €57.1 million in 2007. The EBITDA margin remains very high (17.5%), both as an absolute value and in comparison with international competition. Finally, net profit after tax and minority rights stood at €41.4million versus €36.8 million in 2007.

Having established itself as a **specialist contractor** for energy projects in Greece, **METKA is now expanding dynamically to competitive markets abroad.**

It should be noted that the signed backlog of METKA currently stands at **€1.5 billion** signed and awarded contracts, of which more than 60% involves activities abroad. In addition to the above, METKA is in the final negotiation stages for a number of equally large projects in Greece and abroad, with good prospects for a successful outcome that, once established, will drive turnover and profits to new record-high levels in the next years.

In the **Energy Sector**, the year 2009 is expected to prove a turning point in the sector, as the Group's substantial investments in this area will start to bear fruit, strengthening significantly its financial position. More in particular, the 334MW co-generation plant, one of the most modern power plants of its kind in Europe, is expected to enter into commercial operation in June, relieving the pressure placed on the power grid during a particularly difficult period such as the summer and contributing significantly to the financial results for 2009. In

parallel, the Group's ambitious investment plan is continuing at a rapid pace, as construction of its second combined-cycle power plant in Agios Nikolaos (Viotia), with a capacity of 444 MW, is now nearing completion, and construction of a third plant, with a capacity of 395 MW, is about to begin in collaboration with MOTOR OIL. The Group is also strongly involved in the RES sector, where, after its recent acquisition from the Danish firm DONG of four wind parks in Evia with a total capacity of 18.6 MW, the Group's total operational capacity is now standing at 45 MW, with another 800 MW in various licensing stages. All the above help bring closer the Group's goal of an installed operational capacity of more than 1,800 MW by 2013, making a significant contribution towards a solution to the serious social issue of deficits in the power supply system and helping reduce power imports which are expensive for Greece, while in parallel realising the vision of establishing the largest independent electric power producer in the country.

The results for 2008 will be presented in more detail in a **conference call** with market analysts and institutional investors, to be held tomorrow **Friday 27 March 2009 at 17.30 hrs (Greek time)**.

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*The MYTILINEOS Group consists of leading companies active in Metallurgy & Mines, Energy, EPC Projects and the Defence 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 3,000 people in Greece and abroad. For more details, please visit the Group's website at: **www.mytilineos.gr**.*

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