

**Sector: Metallurgy - Energy**

**Mytilineos Holdings**

**Attractive despite the uncertainties**

➤ **Energy: waiting for EH developments**

Enel plans to divest non-core activities around Europe with high probability to exit Endesa Hellas JV. Mytilineos Group stated that such a development would provide the opportunity of renegotiating a new international partnership from a stronger position, on the basis of a larger asset portfolio and proven capability. In case Enel breaches EH deal, MG must return about €200m to Enel, the sum of the funds injected to the JV by Endesa till today. Current balance sheet and unused credit lines can support such an outflow, although a potential new deal may fully recover it. Mytilineos track record in reaching successful agreements and the strong positioning of the group in the Greek energy market, make us to assume that a switch to a new partnership with attractive terms is very likely. However, uncertainty remains high at this stage. We expect developments within the summer. In any case, MG remains confident on the prospects of its positioning in the Greek energy sector and continues to invest heavily aiming to have installed 1650MW of thermal capacity by 2012, representing >10% of the market.

➤ **Metal prices recover but still long way to profitability levels**

Aluminum prices stand 22% higher than recent lows (Feb 09), while anticipations for improving economic conditions at a global level may continue to fuel commodity prices. We would expect aluminum prices to recover slowly, as demand remains weak, overcapacity is sustained and inventories have reached record levels. MG hedging portfolio on Aluminum secures high profitability for 2009-10 period, however post 2010 performance (also viability of business) would be subject to market conditions and cost structure (primarily electricity tariffs)

➤ **Metka may have a weak 2009 but big picture is positive**

Metka's current backlog reaches €1.5bn, however tight project financing resulting from the recent credit crunch and other external factors caused delays in project implementation. The management guided for flat revenue growth in 2009, which in our view is the best-case scenario and possible only if Aliveri project resumes. Nevertheless, the big picture suggests that Metka will maintain a high growth profile in the years to come, on the back of a rich backlog, high probability to win new projects (Megalopoli, OMV Turkey) and positive outlook for long-term demand.

➤ **We cut our estimates - we maintain an outperform rating**

We reduce our estimates and we cut target price from €9.5 to €7.2. Uncertainties around: a) unsettled issues in the electricity segment (EH) b) commodity prices and viability of the smelter post 2010 and c) delays in the EPC segment increase the risk profile of the group. However, matching the risks and the sum of the group's potential we believe that Mytilineos forms an attractive case. We maintain an outperform rating.

Issue Date:

**July 1, 2009**

Last Price (close 30/06): €5.80

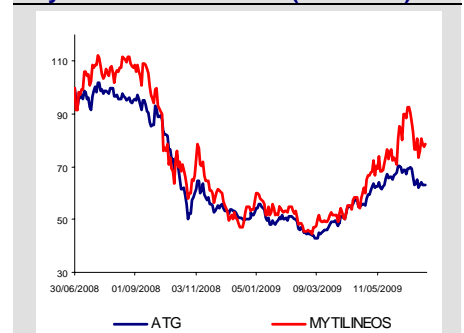
Target Price: €7.20

**Recommendation**

Maintained at:

**Outperform**

**Mytilineos Share Price (52 weeks)**



**Stock Data**

Reuters RIC	MYTr.AT
Bloomberg Code	MYTIL GA
52 Week High	8.28
52 Week Low	3.26
Abs. performance (1m)	7.5%
Abs. performance (YTD)	41.2%
Number of shares (m)	116
Market Cap (€m)	672
Avg Daily Volume (3m)	552
Est. 3yr EPS CAGR	23%
Free Float	60%

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Estimates					
€m	2007	2008	2009e	2010e	2011e
Revenues	913	976	830	1,136	1,260
EBITDA	154	118	112	163	117
Net Profits	194	19	26	66	36
EPS	1.66	0.17	0.22	0.56	0.31
DPS	0.50	0.10	0.10	0.20	0.10

Valuation					
	2007	2008	2009e	2010e	2011e
P/E	3.5	34.9	26.4	10.3	18.7
Price/ BV	0.9	0.8	0.8	0.7	0.7
EV/EBITDA	6.2	8.9	9.8	7.1	9.8
Net Debt /Equity	0.3	0.4	0.5	0.5	0.5
Yield (%)	8.7%	1.7%	1.7%	3.5%	1.7%

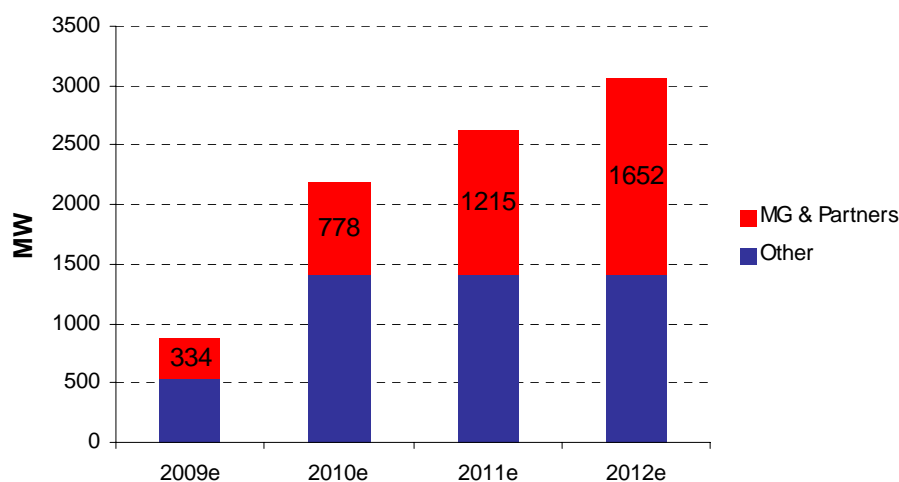
Source: Eurobank EFG Securities Estimates

## Energy portfolio progresses – Endesa Hellas future uncertain

Mytilineos has already installed 334MW of thermal capacity and over 45MW of RES, aiming to exceed 1650MW by 2012, which would represent >10% of the market. The CCGT(444MW) in Viotia will be operating in 2010 and Korinth Power CCGT(437MW) will be completed in 2011. Competition seems to develop at a relatively low pace, given the significant delays in the implementation of PPC's capacity expansion plans and the slow progress of private investments. Mytilineos maintains a strong positioning at this stage, which provides the opportunity of high profitability as an early entrant.

The management seems focused and confident on the expansion process in the electricity market, however the pending issue of Endesa Hellas reduces visibility going forward. Following Enel's announced plan to exit non-core European investments in order to reduce leverage, we believe it is very likely to exit the Greek market and breach the EH deal. Such a development leaves 3 options to MG: a) continue to implement its investment plan in the electricity sector on a stand-alone basis b) enter a partnership with a private equity fund c) enter a partnership agreement with another international utility. In our view, the third option is the most attractive, subject to asset valuation, terms and conditions. We believe that the benefits from a partnership with a reputable international player are significant in both qualitative and quantitative terms (expertise, financing, capex savings, synergies).

### IPP capacity development



Source: Eurobank EFG Securities estimates

MG positioning in the electricity market is definitely more attractive now compared to a few years ago when EH agreement took place, on the back of a larger portfolio and proven capability. On the other hand, asset prices are significantly lower today, following the downturn of the global economy and the related uncertainties raised. In this context, we believe that negotiations with a new partner will be tough and pricing will be a critical factor for a potential agreement. Waiting for better timing is also an option, which however may slowdown the pace of investments.

In case Enel exits EH JV, MG must return approximately €200m already injected to EH by Endesa, funds that can be raised from unused credit lines and hedging positions (in excess of USD200m). Such an outflow is also very likely to be recovered through a new partnership agreement in the energy sector.

## Aluminum business in recession – operating uncertainty post 2010

Aluminum prices are 22% above their Feb 09 lows, though aluminum underperformed the recent move of the broader LME universe, as overcapacity and record stock levels continue to weigh on prices. MG has hedged 2009-10 production at prices that are >60% higher than current LME levels, securing the profitability of its aluminum business over the next two years. The smelter now operates at a utilization ratio of 80-85%. The per/ton production cost of aluminum currently stands about 55% higher than current LME prices and 50% higher than the global average cost base. This is due to the relatively high cost of electricity and the Euro cost base. MG dispute with PPC on tariffs is expected to conclude in the following months. We expect the outcome of the related arbitration to be positive for MG. In our view, electricity tariff structure is a vital issue for the future of Aluminum of Greece, as it represents more than 40% of the total production cost. Under the current cost base and market conditions, the operation of AoG does not make business sense post 2010, while potential shut-down of production would be costly and would require a restarting period of several months.

Aluminium of Greece						
	2008	2009e	2010e	2011e	2012e	2013e
<b>Assumptions</b>						
Euro/dollar	1.48	1.35	1.3	1.3	1.3	1.3
AoG Bauxite avg price (€/ton)	31.5	29.3	28.3	28.3	28.5	28.7
Oil prices (\$/b)	95	60	70	75	80	85
AoG Electricity cost (€/MW)	51.4	55.0	55.0	55.0	55.0	55.0
Alumina prices spot (\$/ton)	330	220	250	270	290	320
Alumina price as % of LME 3m						
Aluminum	11.8%	13.8%	13.2%	12.3%	12.1%	12.3%
Aluminum prices LME 3m (\$/ton)	2800	1600	1900	2200	2400	2600
Aluminum effective prices (\$/ton)	2685	2720	2480	2200	2400	2600
<b>AoG operating data</b>						
Alumina production (k tons)	770	780	780	780	780	780
Alumina revenues total	118.2	81.5	95.0	103.8	111.5	123.1
Aluminum production (k tons)	157.2	140	140	140	140	140
Aluminum revenues total (€m)	329	313	298	268	289	311
Alumina production cost (€m)	190.6	166.4	168.0	156.2	157.7	161.3
€/ton	247.5	213.3	215.4	200.2	202.2	206.8
Aluminum production cost (€m)	312.4	259.6	258.8	254.9	255.8	257.5
€/ton	1987	1854	1849	1821	1827	1839
<b>AoG P&amp;L (€m)</b>						
<b>Sales</b>	<b>467</b>	<b>399</b>	<b>398</b>	<b>377</b>	<b>407</b>	<b>441</b>
		-14.5%	-0.4%	-5.4%	8.0%	8.4%
Total COGS	412	346	350	391	394	399
<b>EBITDA</b>	<b>48</b>	<b>52</b>	<b>45</b>	<b>-17</b>	<b>11</b>	<b>40</b>
margin	10.4%	12.9%	11.4%	-4.4%	2.7%	9.1%
Depreciation	12	13	13	11	10	9
EBIT	37	39	32	-28	1	31
Financials net	-5	1	2	2	2	2
EBT	32	40	34	-26	3	33
tax	10	10	9	0	1	8
<b>EAT</b>	<b>22</b>	<b>30</b>	<b>26</b>	<b>-26</b>	<b>2</b>	<b>25</b>

Source: Eurobank EFG Securities estimates

Alumina production output remains at 780k tons. In our calculations, production cost/ton is at least 20% higher than current effective prices, generating annualized organic losses of €25-30m. The operation of the CHP plant will provide low-cost steam that will replace the largest part of the oil consumed, lowering alumina cost base by a mid-single digit rate (depending on fuel prices and tariff formula). Under current conditions (Oil, USD) the long-term supply agreement with Glencore (13.5% of LME) would be profitable for Mytilineos only if Aluminum prices surpass USD2,200/ton (almost 40% above current levels).

Sometra production line remains closed, saving the group from €20m bottom line losses p.a. Zinc prices are 41% above Dec 08 lows and Lead prices increased by 88% over the same period, both trading around Sept 08 levels. Nevertheless, we would expect Sometra to restart production only when market conditions show signs of stabilization at levels that make the operation profitable. A regular flow of low-cost raw materials is also a basic requirement (local mines also shut-down operations).

### EPC remains promising despite the current slowdown

Metka reported a significant drop in Q109 revenues, due to external delays in the implementation of the ongoing projects – Aliveri, Viotia, Romania. The recent financial crisis and the ongoing economic recession have caused major delays in the execution of investment plans in the energy sector, as well as in the assignment of new projects. Nevertheless, the long-term prospects of the EPC market remains positive given the regional needs for new capacity in electricity production (>11GW) over the next decade. We believe Metka is well positioned (good reputation, low cost base) to capture a respectful share from potential new tenders in the following years.

<b>METKA P&amp;L</b>						
€m	2008	2009e	2010e	2011e	2012e	2013e
<b>Sales</b>	<b>381</b>	<b>368</b>	<b>581</b>	<b>625</b>	<b>638</b>	<b>627</b>
growth	34%	-4%	58%	8%	2%	-2%
Cost of sales	299	293	476	517	525	513
Gross profit	82	75	105	108	113	114
Administrative cost	13	13	15	17	19	20
Distribution cost	5	5	6	7	8	9
<b>EBITDA</b>	<b>67</b>	<b>57</b>	<b>84</b>	<b>84</b>	<b>86</b>	<b>85</b>
growth	17%	-15%	48%	0%	2%	-2%
margin	18%	16%	15%	14%	14%	14%
Depreciation	5	4	3	3	3	3
EBIT	62	53	81	81	83	82
Investment income	1	2	2	3	3	3
Financial expenses	4	1	1	1	1	1
EBT	58	54	83	84	86	84
Tax	13	13	19	18	18	18
Minority interests	3	2	2	2	2	2
<b>EAT</b>	<b>41</b>	<b>39</b>	<b>62</b>	<b>63</b>	<b>66</b>	<b>64</b>
growth	13%	-6%	58%	3%	4%	-2%

Source: Eurobank EFG Securities estimates

Metka's management guided for flat revenue growth in 2009, provided that Aliveri project resumes. PPC stated that works in Aliveri will commence soon, however there is still no specific date announced. We expect Q1 weakness to persist one or two more quarters, while performance should improve significantly towards the end of the year (revenues from Korinth Power and Romania), partially offsetting the poor H1.

Despite the delays, current backlog reaches €1.5bn (4x 2008 sales), which secures Metka's performance over the next 3-year period. The projects of Korinth Power, OMV Romania and Viotia will hit mostly 2010, which we expect to be strong. The recently signed project in Syria will be a main contributor for the period 2010-13. Potential settlement of Mytilineos partnership in the energy sector may also be a positive catalyst for acceleration of investments and new additions to Metka's backlog post 2011.

METKA EPC projects										
Project	Description	Mw	Budget		2009e	2010e	2011e	2012e	2013e	
<b>Future potential EPC</b>				<b>Probability</b>						
OMV	Combined Cycle / Turkey	800	470	High		150	205	115		
NUON	Combined Cycle / Germany	440	160	High		0	70	90		
PEEGT	Combined Cycle / Syria	800	650	Low		0	50	250	250	
Endesa Hellas - Volos	Combined Cycle / Greece	437	265	High		90	110	65		
PPC Megalopoli	Combined Cycle / Greece	800	520	High		150	240	130		
PPC replacement 2	Combined Cycle / Greece	400	280	Low		50	150	80		
PPC replacement 3	Combined Cycle / Greece	400	280	Low		50	150	80		
RWE	Combined Cycle / Turkey	800	470	Medium		65	200	205		
<b>Total potential EPC</b>						<b>555</b>	<b>1175</b>	<b>1015</b>	<b>250</b>	
Signed EPC contracts					Status	2009e	2010e	2011e	2012e	2013e
CCGT Viotia	Combined Cycle / Greece	444	180	In progress	60	120				
PPC - Ilarion	Hydro / Greece	0	25	To initiate	11	14				
PPC - Aliveri	Combined Cycle / Greece	430	220	Interrupted	30	100	90			
OMV (Petrom)	Combined Cycle / Romania	800	210	In progress	51	100	59			
PEEGT	Combined Cycle / Syria	700	650	To initiate	30	150	250	220		
Korinth Power	Combined Cycle / Greece	400	285	In progress	170	90	25			
<b>Total signed EPC</b>					<b>352</b>	<b>574</b>	<b>424</b>	<b>220</b>		
Total signed & potential EPC					352	1129	1599	1235	250	
Construction / defence					16	7	7	7	7	
<b>EFG forecasts (base case)</b>					<b>368</b>	<b>581</b>	<b>625</b>	<b>638</b>	<b>616</b>	

Source: Eurobank EFG Securities estimates

## Metka valuation

DCF Assumptions			Discounted Cash Flows				
			2009e	2010e	2011e	2012e	2013e
Long term risk free rate:	5.0%	EBIT	53	81	81	83	82
Beta:	0.9	Tax on EBIT	13	19	18	17	17
Equity Risk Premium:	6.0%	Net operating profit after tax	40	63	63	66	64
Perpetual FCF growth:	0.0%	Depreciation	4	3	3	3	3
WACC	10.3%	Operating Cash Flow	44	66	66	69	67
		Working Capital Movements	-28	21	2	0	8
		Capex & acquisitions	8	7	6	7	7
		Free Cash Flow	64	38	59	61	53
		Present value of FCF:	58	31	44	42	32

## Valuation Results

Euro (000)

PV of cash flows (09-13)	207
Residual value of FCF	316
Total operations value	523
minus net debt	-6
<b>Shareholders value</b>	<b>529</b>
Shares outstanding (m)	51.95
<b>Value per share</b>	<b>10.19</b>

Source: Company, Eurobank EFG Securities estimates

## Estimates revision

We revise our estimates on MG taking a more conservative stance on Metka's performance in 2009, following the ongoing delays in project implementation. We also adjust our estimates for Aluminium of Greece, which reflect better the current market conditions and the lower utilization ratio of the smelter. We fully consolidate CHP (as it currently belongs to MG) and Korinth Power (post 2010) while we consolidate the remaining energy assets (EH) under the EBITDA line. Our approach reflects the current group structure, which however is very likely to change in the following quarters.

Mytilineos estimates revision									
	2009e		df(%)	2010e		df(%)	2011e		df(%)
	New	Old	yoy	New	Old	yoy	New	Old	yoy
Sales	830	1072	-22.6%	1136	1227	-7.4%	1260	1226	2.8%
EBITDA	112	183	-38.8%	163	207	-21.3%	117	211	-44.5%
Margin	13.5%	17.1%		14.3%	16.9%		9.3%	17.2%	
EAT	26	98	-73.5%	66	99	-33.3%	36	93	-61.3%

Source: Eurobank EFG Securities Estimates

Group forecasts by segment									
	2005	2006	2007	2008	2009e	2010e	2011e	2012e	2013e
<b>Revenues</b>									
AoG	382	471	471	467	399	398	377	407	441
Metka	213	294	284	381	368	581	625	638	627
Sometra	31	60	186	166	0	0	0	0	0
Mytilineos trading	123	193	30	29	10	10	12	13	15
CHP				1.5	92	192	197	200	202
CCGT Korinthos							97	194	194
Total	749	1,018	971	1,045	870	1,181	1,308	1,452	1,479
Adjustments/Other	-15	-175	-59	-69	-40	-45	-48	-50	-52
<b>Group revenues</b>	<b>734</b>	<b>843</b>	<b>912</b>	<b>976</b>	<b>830</b>	<b>1,136</b>	<b>1,260</b>	<b>1,402</b>	<b>1,427</b>
growth			8.2%	7.0%	-15.0%	36.9%	10.9%	11.3%	1.7%
<b>EBITDA</b>									
AoG	79	110	87	48	52	45	-17	11	40
Metka	53	61	57	67	57	84	84	86	85
Sometra	-17	6	29	13	0	0	0	0	0
Mytilineos trading	37	47	3	3	1	1	1	2	3
CHP				-1.5	20.9	52.9	43.3	31.7	33.7
CCGT Korinthos							28.4	56.8	43.4
Total	150	225	177	131	132	185	141	189	206
Eliminations	6.8	-36.5	-23	-13	-20	-22	-24	-25	-27
<b>Group EBITDA</b>	<b>157</b>	<b>188</b>	<b>154</b>	<b>117.6</b>	<b>112</b>	<b>163</b>	<b>117</b>	<b>164</b>	<b>179</b>

Source: Eurobank EFG securities equity research estimates

## Valuation

Mytilineos SOTP Valuation					
Euro m	Equity value	Shareholding	Net value	% of group	method
Aluminium of Greece	120	100.0%	120	10.7%	DCF (WACC 11.3%, LTG 0%)
Metka	529	53.0%	281	25.1%	DCF (WACC 10.9%, LTG 0%)
CHP	330	100.0%	330	29.4%	DCF (WACC 9%, LTG 1%)
CCGT Viotia	194	50.0%	97	8.7%	DCF (WACC 8.5%, LTG 1%)
Korinth Power	85	65.0%	55	4.9%	DCF (WACC 8.5%, LTG 1%)
RES	45	50.0%	23	2.0%	BV
Elvo+sometra+other	30		30	2.7%	BV
Management fees	185	100.0%	185	16.5%	DCF (WACC 10%, LTG 0%)
Total	1,518		1,120		
minus parent net debt			-322		
<b>Total Equity Value</b>			<b>798</b>		
Per share (ex treasury stock)			7.5		
Visibility risk premium 5%			7.2		

Source: Eurobank EFG securities equity research estimates

Our valuation is based on MG current structure (partial completion of EH JV, current electricity tariff for the smelter) and relatively conservative assumptions for Aluminum prices going forward. We could unfold multiple scenarios on Mytilineos case, based on various assumptions regarding commodity prices and the group's pending issues. In our view, there are significant developments that could take place in the short term, which would alter the current structure (or even the dynamics) dramatically. Such developments could be a) potential acquisition of Larko b) a new deal in electricity production c) a new tariff structure for the smelter with much better terms. Nevertheless, our approach reflects the situation "as is" and includes the implementation of projects (also EPC) that are already under development.

We like Mytilineos Group for the following reasons:

- Strong positioning in the Greek electricity market with high chance to become one of the largest (if not the largest) IPP in Greece.
- Strong positioning in the regional EPC market with reputable track record and valuable expertise in the construction of energy plants. It already holds a signed backlog of almost 4x 2008 sales, with high probability to capture additional projects.
- Hedged aluminum sales (2009-10) at prices that are at least 60% above current levels and very good chance to reduce smelting costs through a new tariff agreement with PPC.
- High efficiency of electricity plants (operating and under construction) creates an advantage over competitors.
- Good track record in identifying hidden values and exploiting such values.
- Decisive management with strong business intuition and long expertise in dealing with emerging market inefficiencies and state bureaucracy.

But there are also significant risks involved:

- Uncertainty related to the structure of electricity business, assuming Enel's exit from the EH JV. Potential failure to partner with a new international player may affect the pace of expansion and position in the electricity market.
- Aluminum production cost stands 50% higher than current LME prices. There are viability issues for the smelter post 2010 if prices do not recover. There is also low visibility on the outcome of arbitration with PPC regarding electricity tariffs.
- Highly affected by price fluctuations of commodities (aluminum, oil) and USD parity, which from time to time have been increasing the stock volatility, regardless of hedging positions or diversification.
- High uncertainty on long-term conditions in the Greek electricity market (prices/competition) and low visibility on CO2 emissions framework post 2012.
- Frequent changes of action plans (which however remain within the framework of the broader strategy) increase stock volatility and generate uncomfot to investors.

Balance Sheet										
Eur m	2008	yoy	2009e	yoy	2010e	yoy	2011e	yoy	2012e	yoy
Net fixed assets	593	12%	690	16%	780	13%	810	4%	830	2%
Long term investments	309	0%	310	0%	310	0%	310	0%	310	0%
Debtors	307	-16%	310	1%	327	5%	339	4%	342	1%
Stocks	174	-3%	167	-4%	194	16%	192	-1%	199	4%
Cash & cash equivalents	45	-48%	56	26%	33	-41%	30	-8%	63	108%
Current assets	868	-1%	876	1%	897	2%	903	1%	948	5%
<b>Total Assets</b>	<b>1,770</b>	<b>7%</b>	<b>1,876</b>	<b>6%</b>	<b>1,987</b>	<b>6%</b>	<b>2,023</b>	<b>2%</b>	<b>2,088</b>	<b>3%</b>
Minorities	110	-8%	123	1%	139	4%	57	4%	59	4%
<b>Equity</b>	<b>901</b>	<b>13%</b>	<b>913</b>	<b>1%</b>	<b>965</b>	<b>6%</b>	<b>987</b>	<b>2%</b>	<b>1,032</b>	<b>5%</b>
Net assets	848	14%	860	1%	910	6%	930	2%	973	5%
Long term debt	311	0%	380	0%	400	0%	400	0%	400	0%
Other long term liabilities	174	0%	190	0%	200	0%	210	0%	220	0%
<b>Long term liabilities</b>	<b>485</b>	<b>143%</b>	<b>570</b>	<b>18%</b>	<b>600</b>	<b>5%</b>	<b>610</b>	<b>2%</b>	<b>620</b>	<b>2%</b>
Trade creditors	142	-22%	145	2%	166	15%	165	-1%	166	0%
Short term debt	100	-66%	100	0%	100	0%	100	0%	100	0%
Other short term liabilities	127	-17%	130	2%	135	4%	140	4%	145	4%
<b>Current liabilities</b>	<b>369</b>	<b>-42%</b>	<b>375</b>	<b>2%</b>	<b>401</b>	<b>7%</b>	<b>405</b>	<b>1%</b>	<b>411</b>	<b>1%</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,770</b>	<b>0%</b>	<b>1,876</b>	<b>0%</b>	<b>1,987</b>	<b>0%</b>	<b>2,023</b>	<b>0%</b>	<b>2,088</b>	<b>0%</b>

Source: Eurobank EFG securities equity research estimates

Income Statement										
Eur m	2008	yoy	2009e	yoy	2010e	yoy	2011e	yoy	2012e	yoy
<b>Sales</b>	<b>976</b>	<b>7%</b>	<b>830</b>	<b>-15%</b>	<b>1,136</b>	<b>37%</b>	<b>1,260</b>	<b>11%</b>	<b>1,402</b>	<b>11%</b>
Cost of sales	815	14%	675	-17%	933	38%	1,096	17%	1,187	8%
<b>Gross profit</b>	<b>161</b>	<b>-19%</b>	<b>154</b>	<b>-4%</b>	<b>203</b>	<b>32%</b>	<b>164</b>	<b>-19%</b>	<b>216</b>	<b>32%</b>
Other operating income	12	0%	12	0%	19	0%	21	0%	22	0%
Administrative cost	45	-9%	45	-1%	48	7%	53	10%	58	9%
Distribution cost	8	-19%	10	23%	12	20%	14	17%	16	14%
<b>EBITDA</b>	<b>118</b>	<b>-23%</b>	<b>112</b>	<b>-5%</b>	<b>163</b>	<b>46%</b>	<b>117</b>	<b>-28%</b>	<b>164</b>	<b>39%</b>
Depreciation	37	61%	35	-5%	37	4%	44	19%	45	3%
<b>EBIT</b>	<b>81</b>	<b>-38%</b>	<b>76</b>	<b>0</b>	<b>126</b>	<b>0</b>	<b>74</b>	<b>0</b>	<b>119</b>	<b>0</b>
Investment income	-6	0%	2	0%	13	0%	28	0%	22	0%
Interest cost	27	4%	27	-1%	29	10%	30	2%	30	0%
Minority interests	13	0%	13	0%	17	0%	19	0%	22	0%
Earnings before tax (EBT)	48	-82%	52	8%	109	111%	72	-34%	111	55%
Tax	15	-74%	13	-16%	26	103%	17	-37%	24	48%
<b>EAT</b>	<b>18</b>	<b>-74%</b>	<b>26</b>	<b>43%</b>	<b>66</b>	<b>156%</b>	<b>36</b>	<b>-45%</b>	<b>65</b>	<b>78%</b>

Source: Eurobank EFG securities equity research estimates

Cash flow						
Eur m	2008	2009e	2010e	2011e	2012e	
EBIT	81	76	126	74	119	
minus taxes	22	21	34	20	32	
NOPAT	59	56	92	54	87	
Depreciation	37	35	37	44	45	
<b>Operating Cash Flow</b>	<b>96</b>	<b>91</b>	<b>129</b>	<b>98</b>	<b>132</b>	
Working capital	4	-10	17	7	5	
Operating Assets	73	113	115	62	53	
<b>Free Cash Flow (FCF)</b>	<b>18</b>	<b>-12</b>	<b>-3</b>	<b>29</b>	<b>74</b>	

Source: Eurobank EFG securities equity research estimates

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November 10, 2008	Outperform	€5.18	€9.50
April 2, 2008	Outperform	€8.02	€12.96
January 17, 2008	Outperform	€10.90	€16.18

Source: EFG Eurobank Securities

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Source: EFG Eurobank Securities