



Kostas Ntounas
Industrials/Electricity/Construction
Analyst

Tel. +30 210 7720174
ntounas@nationalpk.nbg.gr



Industrials

Re-iterate ... Outperform

Attractive risk-reward profile, brighter outlook ahead

Reason for report: Q2'09 review / Model Update

Price: € 8.20
(closing price: 11/08/09)

New 12M target price: €12.2

Previous target price: €11.5

[View / Investment Proposal](#)Athens General Index at **2,276.47** (closing price 11/08/09)

Estimates

	2007	2008	2009e	2010e
Turnover (€ m)	284.2	381.5	336.3	594.9
EBITDA (€ m)	57.2	66.8	56.6	90.7
Net Income (€ m)	36.8	41.4	35.1	54.1
EPS (€)	0.71	0.80	0.68	1.04
EPS chng (%)	-9.4%	12.6%	-15.2%	54.1%
P/E (x)	18.4	7.8	12.1	7.9
EV/EBITDA (x)	14.0	5.3	7.3	5.0
EV/EBIT (x)	15.3	5.7	8.0	5.4
EV/Sales (x)	2.8	0.9	1.2	0.8
FCF yield (%)	4.5%	6.6%	11.4%	-2.1%
P/BV (x)	5.3	2.3	2.7	2.2
ROE (%)	26.4%	27.9%	21.1%	27.6%
RoIC (%)	26.5%	31.8%	24.9%	35.8%
Dividend Yield (%)	3.2%	6.0%	4.1%	6.4%

*Explanatory notes: Year-end prices used for all calculations
Source: Metka, National P&K Securities*

Stock data

52 week low/high	5.28 -13.74
Outstanding No of shares	51,950,600
Avg daily shares (3m) traded	81,682
Market cap in € m	426
Reuters / Bloomberg	MTKr.AT / METTK GA
Free float (e)	44.6%
Institutional ownership (e)	c. 32.5%
Relative performance in '06	-5.7%
Relative performance in '07	+28.3%
Relative performance in '08	+24.5%
so far in '09	-2.8%
IR / telephone	Nikos Kontos, IRO, +30 210 6877395

Company description

Metka, a 55.43% subsidiary of Mytilineos Holdings, is the leading EPC contractor in Greece, active in the execution of large-scale construction, industrial, energy and defense projects. The company is also involved in the manufacturing of heavy steel constructions and intergraded electromechanical equipment.

Metka, listed in the Athens stock exchange since 1973, is included in the following indices: Athex Composite Share Price Index, FTSE/Athex Mid 40, MSCI Small Cap and HSBC Small Cap Index.

We reiterate our Outperform rating on Metka revising upwards our target price to €12.2 to reflect further increase in backlog to a record-high level assuming contract award for the PPC Megalopolis plant (construction budget estimated at €500m). Our top line projections do not include any other potential energy project(s) in Greece, Syria and/or Turkey. We include Metka in our top picks list having taken into account the following aspects:

- ⇒ Based on current backlog and information related to various tenders/negotiations, we anticipate significant growth in both sales and profits in FY'10.
- ⇒ Backlog remains at record-high levels of c. €1.4bn, or 4.1x '09e sales (all signed contracts). Work-in-hand can increase further approaching the €2.0bn mark following the likely contract award in Megalopolis.
- ⇒ Metka has managed to build a quite diversified project portfolio (including Megalopolis) that breaks down to: a) PPC: 31%, b) Endesa Hellas/Mytil: 18%, c) Projects abroad: 46%.
- ⇒ The project assignments in Pakistan, Romania and Syria provide strong evidence that Metka can successfully participate in international tenders winning new contracts.
- ⇒ Net cash position increased to €46m with cash and cash equivalents reaching €58m.
- ⇒ High operating margins and economic returns, very low capex needs and quite high dividend yield.
- ⇒ Attractive valuation at current levels. Our projections imply an EPS CAGR '09-'11 of 29.5%.

Q2'09 results wrap up

- Metka posted a very weak set of Q2'09 results, slightly below our expectations, due to the continued delays in the commencement of site works in PPC's Aliveri project, negligible contribution of the project in Romania and to the absence of defence projects in this quarter's product mix.
- Revenues amounted to €51.7m, down 58%. EBITDA came at €6.6m, down 70% y-o-y, with the company posting an exceptionally low operating margin mainly due to the very low capacity utilization of the Volos plant. Net income reached €3.2m, down 76% y-o-y.
- On the positives, we note significantly improved operating cash flow (€60.1m vs. -€38m in H1'08) on lower working capital.



Q2/H1'09 Results

Interim Results

P&L items (in € m)	Q1'07	Q2'07	H1'07	Q1'08	Q2'08	H1'08	Q1'09	Q2'09	H1'09	H1'09e NPK
Group Sales	68.2	78.6	146.9	87.9	124.0	211.9	50.1	51.7	101.8	102.1
% y-o-y chng	7.9%	4.2%	5.9%	28.8%	57.7%	44.3%	-43.0%	-58.3%	-52.0%	-51.8%
% q-o-q chng	-11.1%	15.2%		30.2%	41.1%		-39.1%	3.1%		
EBITDA	14.1	19.9	34.0	16.5	22.2	38.7	8.5	6.6	15.1	15.7
% y-o-y chng	21.5%	-1.4%	7.0%	16.8%	11.6%	13.8%	-48.6%	-70.2%	-61.0%	-59.4%
% q-o-q chng	-8.5%	40.6%		27.7%	34.3%		-44.8%	-22.2%		
EBITDA margin	20.7%	25.3%	23.2%	18.8%	17.9%	18.3%	17.0%	12.8%	14.8%	15.4%
EBIT	12.9	18.7	31.6	15.2	20.8	36.0	7.3	5.4	12.7	13.2
% y-o-y chng	23.8%	-1.3%	7.6%	17.7%	11.3%	13.9%	-52.0%	-74.0%	-64.7%	-63.3%
Pre-tax profit	12.7	18.1	30.9	14.5	19.8	34.3	6.7	5.6	12.3	11.9
% y-o-y chng	32.7%	-3.6%	8.7%	14.1%	9.2%	11.2%	-53.7%	-71.6%	-64.0%	-65.2%
Income tax	3.5	4.6	8.1	3.9	5.2	9.2	1.8	1.6	3.4	3.1
Net Income	9.0	13.5	22.5	10.0	13.0	23.0	4.9	3.2	8.1	8.8
% y-o-y chng	31.2%	-0.2%	10.3%	11.6%	-3.6%	2.5%	-50.6%	-75.7%	-64.8%	-61.6%
Net margin	13.1%	17.2%	15.3%	11.4%	10.5%	10.9%	9.9%	6.1%	8.0%	8.7%

Source: Metka, National P&K Securities

Conference Call &
NPK Comments/View

In the conference call following the results announcement management:

- ⇒ Anticipates an **FY'09 EBITDA** within the €60-70m range (excluding management fee), expecting a significant turnaround in H2'09 (evident mainly in Q4) and a likely margin restoration from a contractual adjustment for the cost that Metka has already assumed as a result of the 20-month delay in the **Aliveri** project. Assuming successful completion of the ongoing negotiations between Metka and PPC, site works are expected to commence anytime in '09. If not, Metka is likely to receive compensation for the costs already borne.
- ⇒ Confirmed that Metka, jointly with Ansaldo, is in the process of negotiating a contract for the construction of a second 700MW power plant in **Syria** budgeted at €700m.
- ⇒ Announced for the first time that the company is very close to finalize a \$40m **defence project** outside of Greece. In our view, this would be a very positive development as defence contracts offer significantly higher margins compared to energy projects.
- ⇒ Confirmed that Metka is under negotiations for two projects in **Turkey**.
- ⇒ Confirmed that **Megalopolis** will be a lower-margin project due to the condition on the plant's construction budget set by PPC's board of directors. Final decision on the contract award is expected by the end of August with the actual contract assignment in two months time.

To summarize, Metka currently participates in the following tenders/negotiations:

Location/Client	Budget (€ m)	Expected outcome
Defence project (outside of Greece)	c.30	contract award in 2009
Project in Turkey	470	Anytime in '09
2nd power plant (700MW) in Syria	700	in 2010
Central Europe	n.a.	Pre-qualification stage

Source: Metka, National P&K Securities

In our view, it is highly likely that Metka's backlog will reach the €2bn mark by year-end 2009 (vs. c. €1.4bn currently) assuming contract award for the PPC Megalopolis project.



Backlog breakdown

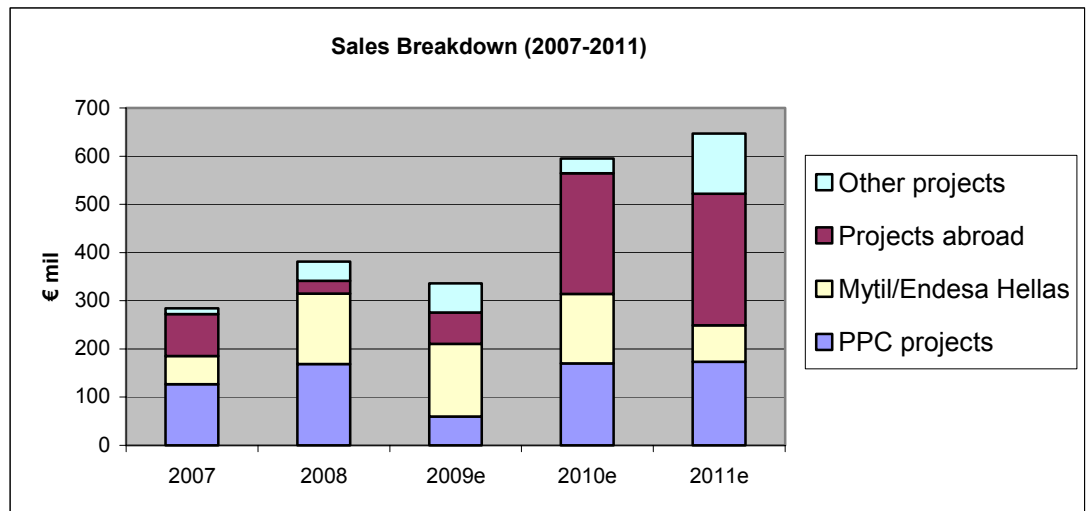
Metka's backlog breakdown, as it stands now, is:

Location	Current Status	Capacity (MW)	Backlog (€ m)	% of backlog	Construction period
Project in Syria	Signed	700	650	47%	36 months
Project in Romania	Signed	850	210	15%	30 months
JV with MOH	Signed	396	285	21%	30 months
Aliveri (PPC)	Signed	420	82	6%	27 months
St. Nicolaos (Endesa Hellas)	Signed	412	58	4%	24 months
Thermal Stations		2,778	1,286	93%	
Other			94	7%	
Total			1,380		

Source: Metka, National P&K Securities

Sales: Completely new picture as of 2010

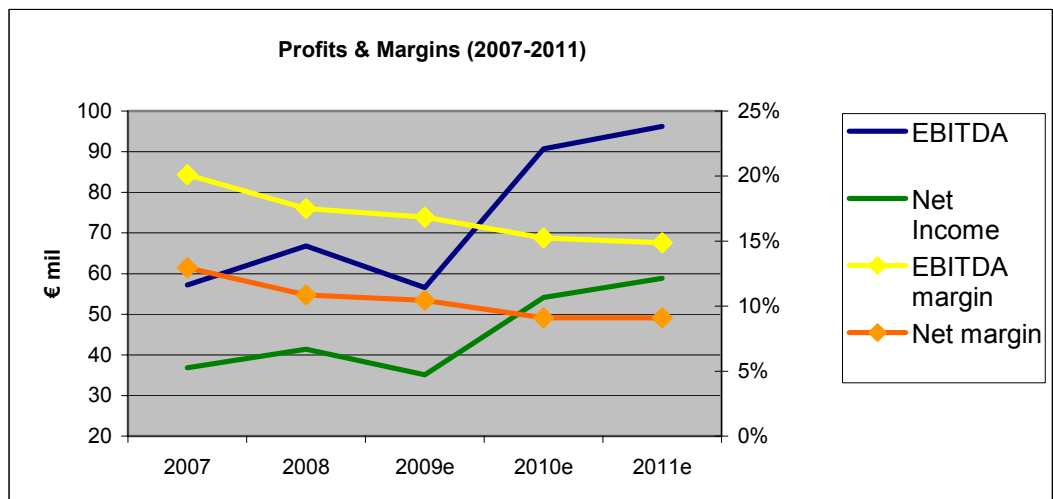
We anticipate a sharp increase in both sales and profits in 2010 with the construction commencement of the following projects: a) 396MW on behalf of the Mytilineos-Motor Oil JV, b) 850MW OMV plant in Romania, c) 700MW unit in Syria, d) 800MW PPC plant in Megalopolis assuming contract award in the next few weeks.



Source: National P&K Securities

Increased profits & lower margins going forward

We also anticipate a gradual margin compression to a more sustainable level (c.15% in the case of EBITDA margin, in our view). This is mainly attributed to the: a) lower margin anticipated for the Megalopolis project, b) lower contribution of defence projects in the company's revenues going forward, c) intensified competition in the coming years.



Source: National P&K Securities



Changes in Estimates

We make the following adjustments in our Sales, EBITDA and Net Income projections for '09-'10:

Key figures	2009e	2010e
New Revenues	336.3	594.9
Old Revenues	443.0	641.9
% variance	-24.1%	-7.3%
New EBITDA	56.6	90.7
Old EBITDA	73.8	101.1
% variance	-23.3%	-10.3%
New EBITDA margin	16.8%	15.2%
Old EBITDA margin	16.7%	15.8%
New Net Income	35.1	54.1
Old Net Income	44.4	62.9
% variance	-20.9%	-14.0%
New Target Price	12.2	
Old Target Price	11.5	
% variance	6.4%	

Source: National P&K Securities

We revise downwards our FY'09 top line projection to reflect continued delays in the construction commencement of PPC's project in Aliveri and to the slow pace of execution in the case of Endesa Hellas' 412MW plant in Agios Nicolaos. We now anticipate €336.3m turnover in FY'09, down 24.1% vs. our previous estimate, as a result of the aforementioned delays. As regards to the Aliveri project, site works are expected to commence anytime in '09 while construction for Endesa Hellas' plant is now proceeding full speed.

Valuation

We lower our cost of equity to 9.5%, vs. 10.5% previously, which breaks down to risk free rate at 5.2% (vs. 5.0% before) and a risk premium at 4.3% (vs. 5.5% before). Our beta estimate is 0.96 and WACC stands at 9.5%. We have also decreased our long term EBIT growth from 2.0% to 1.0% taking a very conservative stance in the long term.

DCF valuation

	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	Term.Value
EBIT	51.6	84.2	89.2	90.1	91.0	91.9	92.9	93.8	94.7	95.7	97.6
Less: Tax	12.5	20.0	21.3	22.5	22.8	23.0	23.2	23.4	23.7	23.9	24.4
After tax EBIT	39.1	64.2	67.9	67.6	68.3	69.0	69.6	70.3	71.0	71.8	73.2
Less: WC additions	-11.5	76.5	15.4	5.3	5.4	5.6	5.8	6.0	6.3	6.6	0.0
Plus: depreciation	5.0	6.5	7.0	7.1	7.1	7.2	7.3	7.4	7.4	7.5	0.0
Less: Cap ex	2.8	5.0	4.0	4.0	4.1	4.1	4.2	4.2	4.2	4.3	0.0
Free Cash Flow	52.8	-10.8	55.5	65.4	65.9	66.4	66.9	67.4	67.9	68.4	73.2
WACC	9.5%										
PV of Cash Flows	340.2										
Terminal Value	312.7										
Firm Value	652.9										
Net Debt	-32.0										
Minority rights	48.9										
Equity Value	635.9										
Value per share	12.24										

Source: Metka, National P&K Securities



Metka consolidated balance sheet and cash flow statements and analysis

BALANCE SHEET (B/S) ITEMS	2004	2005	2006	2007	2008	2009e	2010e	2011e
Net total assets	80.8	79.0	74.2	72.4	65.9	63.7	62.2	59.2
Goodwill	0.0	1.8	1.8	7.9	7.9	7.9	7.9	7.9
Investments	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Tax	0.9	1.4	1.3	1.2	1.7	1.5	1.5	1.5
Available for sale securities	12.5	6.2	0.4	0.4	0.4	0.4	0.4	0.4
Other L/T receivables	3.3	2.2	2.0	0.8	2.2	3.0	3.0	3.0
Current Assets	156.0	176.1	146.1	270.9	257.0	241.4	372.3	426.9
Accounts receivable	129.3	123.9	114.3	218.0	222.3	196.0	346.7	377.0
Inventories	13.2	30.3	23.1	21.8	15.3	13.5	23.8	25.9
Cash	9.2	19.8	5.0	27.3	17.7	30.2	0.0	22.2
Financial Assets at fair value	4.4	2.0	3.7	3.8	1.7	1.7	1.7	1.7
TOTAL ASSETS	253.7	266.6	225.8	353.5	335.0	317.8	447.2	498.8
Net debt position	-13.5	-21.1	-6.5	-12.8	-8.0	-32.0	0.4	-23.9
Shareholders' equity	130.9	86.0	111.0	127.1	142.5	156.9	193.5	225.2
Share capital	80.1	16.6	16.6	16.6	16.6	16.6	16.6	16.6
Reserves	50.8	69.4	94.4	110.4	125.9	140.2	176.9	208.6
Minority interest on share capital	13.5	14.7	11.7	12.2	15.5	18.0	24.0	29.0
Long-term liabilities	44.1	35.9	27.6	35.6	65.6	22.8	22.8	22.8
Deferred Tax Liabilities	16.4	13.9	15.5	12.7	13.8	13.8	13.8	13.8
Provisions for staff retirement	1.9	1.8	1.9	1.9	2.0	2.0	2.0	2.0
Long term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other L/T Liabilities	25.8	20.1	10.3	21.0	49.8	7.0	7.0	7.0
Short-term liabilities	65.2	130.1	75.4	178.6	111.3	120.2	206.9	221.8
Accounts payable	51.2	102.5	58.9	132.5	83.8	110.0	194.6	211.6
Current Tax liabilities	3.2	13.1	6.4	20.7	10.9	5.0	5.0	5.0
Bank Debt	0.0	0.8	2.2	18.3	11.4	0.0	2.1	0.0
Other S/T Liabilities	10.8	13.8	7.9	7.2	5.2	5.2	5.2	5.2
TOTAL EQUITY & LIABILITIES	253.7	266.6	225.8	353.5	335.0	317.8	447.2	498.8
RATIO ANALYSIS ON B/S ITEMS	2004	2005	2006	2007	2008	2009e	2010e	2011e
Liquidity: Current ratio	2.39	1.35	1.94	1.52	2.31	2.01	1.80	1.92
Acid Test	2.19	1.12	1.63	1.39	2.17	1.90	1.68	1.81
Activity: Avg receivables to turnover days	n.a	205	148	213	211	227	166	204
Avg trade creditors to purchases days	n.a	173	133	165	134	137	120	147
Avg inventories to turnover days	n.a	35	33	29	18	16	11	14
Cash conversion cycle	n.a	68	48	77	94	106	58	71
Financial Structure: Total Liabilities to equity	0.84	1.93	0.93	1.69	1.45	1.07	1.06	1.13
Fixed to total assets	31.9%	29.6%	32.9%	20.5%	20.1%	19.8%	16.4%	12.8%
Profitability: return on total assets	8%	14%	17%	13%	12%	11%	14%	12%
return on equity	15%	37%	33%	26%	28%	21%	28%	25%
return on invested capital	16%	41%	36%	27%	32%	25%	36%	32%
CASH FLOW STATEMENT	2004	2005	2006	2007	2008	2009e	2010e	2011e
Profit after tax before minorities	21.3	38.7	40.8	37.3	44.8	37.6	60.1	63.9
Plus: depreciation & amortization	4.8	4.7	5.0	5.0	5.3	5.0	6.5	7.0
Plus: chng in provisions & non cash items	-1.8	-3.0	0.7	-0.3	-0.3	-0.3	-0.3	-0.3
Plus: interest expenses	-0.5	-0.7	0.3	0.3	-2.3	3.4	6.0	6.0
Plus: chng in taxes payable	0.8	3.1	-6.6	6.2	-9.7	-5.9	0.0	0.0
Gross cash flow	24.5	42.8	40.2	48.5	37.7	39.9	72.4	76.6
Plus: chng in accounts payable	74.8	47.7	-56.5	82.3	-11.2	26.2	84.6	17.0
Less: chng in other receivables	7.5	-6.1	-1.1	1.4	-2.9	-42.8	0.0	0.0
Less: chng in accounts receivable	102.3	1.8	-9.1	88.9	5.7	-26.3	150.7	30.3
Less: chng in inventories	2.1	17.0	-7.2	-3.6	-6.5	-1.8	10.4	2.1
Working capital chng	37.2	-35.0	39.1	1.6	13.3	-11.5	76.5	15.4
Operating cash flow	-12.7	77.8	1.1	46.9	24.4	51.4	-4.1	61.3
Less: purchases of fixed assets	8.0	4.0	3.8	2.5	1.8	2.8	5.0	4.0
Less: chng in investments	0.0	4.2	0.0	-7.9	0.0	0.0	0.0	0.0
Free cash flow	-20.7	69.6	-2.6	36.4	22.6	48.6	-9.1	57.3
Less: dividends paid	8.4	10.8	16.4	20.8	26.0	20.8	17.6	27.1
Less: capital return	0.0	70.1	0.0	0.0	0.0	0.0	0.0	0.0
Less: interest expenses	-0.5	-0.7	0.3	0.3	-2.3	3.4	6.0	6.0
Plus: equity chng	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: debt chng	0.0	3.0	-5.8	16.0	-6.8	-11.4	2.3	-2.3
Plus: other (disposal of assets)	3.0	15.9	12.0	-9.0	-3.8	-0.4	0.3	0.3
Chng in cash position	-25.6	8.3	-13.2	22.4	-11.7	12.6	-30.2	22.1
Cash position	13.5	21.8	8.7	31.1	19.4	32.0	1.7	23.8

Source: Metka, National P&K Securities



Metka consolidated profit & loss statement and analysis

	2004	2005	2006	2007	2008	2009e	2010e	2011e
Sales	173.7	225.0	294.1	284.2	381.5	336.3	594.9	646.9
% chng	n.a	29.5%	30.8%	-3.4%	34.2%	-11.8%	76.9%	8.7%
Cost of sales	131.7	162.4	220.9	211.3	294.3	259.3	463.4	504.6
Gross profit	42.1	62.6	73.3	72.9	87.2	77.0	131.5	142.3
Gross profit margin	24.2%	27.8%	24.9%	25.7%	22.9%	22.9%	22.1%	22.0%
Operating income	1.5	1.2	0.8	3.1	3.0	3.0	2.0	3.5
Total gross profit	43.6	63.7	74.0	76.0	90.2	80.0	133.5	145.8
% chng	n.a	46.3%	16.2%	2.6%	18.8%	-11.3%	66.8%	9.3%
Operating expenses	1.1	0.8	0.9	5.5	8.3	8.4	19.8	20.4
Administration expenses	6.8	9.0	10.8	11.2	13.4	13.4	20.0	26.1
% of turnover	3.9%	4.0%	3.7%	4.0%	3.5%	4.0%	3.4%	4.0%
Distribution expenses	2.0	0.6	1.5	2.0	1.8	1.6	2.9	3.1
% of turnover	1.1%	0.3%	0.5%	0.7%	0.5%	0.5%	0.5%	0.5%
EBITDA	33.7	53.2	60.8	57.2	66.8	56.6	90.7	96.2
% chng	n.a	58.0%	14.3%	-6.0%	16.8%	-15.2%	60.2%	6.1%
EBITDA margin	19.4%	23.7%	20.7%	20.1%	17.5%	16.8%	15.2%	14.9%
Depreciation / Amortization	4.4	4.7	5.0	5.0	5.2	5.0	6.5	7.0
Operating profit (EBIT)	29.3	48.6	55.9	52.2	61.5	51.6	84.2	89.2
% chng	n.a	66.0%	15.0%	-6.6%	17.9%	-16.1%	63.1%	6.0%
Operating profit margin	16.8%	21.6%	19.0%	18.4%	16.1%	15.3%	14.2%	13.8%
Financial Results (gains/losses)	0.4	3.8	-0.4	0.2	0.0	0.0	0.0	0.0
Interest expenses	0.7	0.8	0.9	2.2	4.1	3.4	6.0	6.0
Interest income	0.5	0.7	0.3	0.3	0.5	2.0	2.0	2.0
Other	-0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	29.3	52.7	54.9	50.5	58.0	50.2	80.2	85.2
% chng	n.a	79.8%	4.2%	-8.0%	14.9%	-13.5%	59.8%	6.3%
EBT margin	16.9%	23.4%	18.6%	17.8%	15.2%	14.9%	13.5%	13.2%
Income tax	8.0	14.0	14.4	13.2	13.2	12.5	20.0	21.3
% effective tax rate	27.3%	26.5%	26.3%	26.1%	22.8%	25.0%	25.0%	25.0%
Results from suspended activities	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Minority stake in profits	1.5	1.3	0.1	0.5	3.4	2.5	6.0	5.0
Net Income	19.8	37.4	40.6	36.8	41.4	35.1	54.1	58.9
% chng	n.a	89.2%	8.7%	-9.4%	12.6%	-15.2%	54.1%	8.8%
Net margin	11.4%	16.6%	13.8%	12.9%	10.9%	10.4%	9.1%	9.1%
EPS (in €)	0.38	0.72	0.78	0.71	0.80	0.68	1.04	1.13
EPS chng	n.a	89.2%	8.7%	-9.4%	12.6%	-15.2%	54.1%	8.8%
Dividends	10.4	15.6	20.8	26.0	20.8	17.6	27.1	29.5
Dividend policy: Payout Ratio	52.6%	41.7%	51.1%	70.6%	50.2%	50.2%	50.2%	50.2%
DPS (in €)	0.20	0.30	0.40	0.50	0.40	0.34	0.52	0.57
% chng	n.a	50.0%	33.3%	25.0%	-20.0%	-15.2%	54.1%	8.8%
Capital return	0.0	70.1	0.0	0.0	0.0	0.0	0.0	0.0
DPS + capital return (€)	0.20	1.65	0.40	0.50	0.40	0.34	0.52	0.57
Retained profit and reserves	6.3	-43.1	25.1	16.0	15.5	14.4	36.5	31.7
BVPS	2.5	1.7	2.1	2.4	2.7	3.0	3.7	4.3
% chng	n.a	-34.3%	29.1%	14.4%	12.2%	10.1%	23.3%	16.4%
Market cap	275.3	468.6	529.9	801.1	343.9	426.0	426.0	426.0
End-year number of shares	51,950,600	51,950,600	51,950,600	51,950,600	51,950,600	51,950,600	51,950,600	51,950,600
End-year/current stock price	5.30	9.02	10.20	15.42	6.62	8.20	8.20	8.20
% chng of stock price	18.8%	70.2%	13.1%	51.2%	-57.1%	23.9%	0.0%	0.0%
EV	275.3	462.2	535.1	800.4	351.4	412.1	450.6	431.2
General index	2,786.18	3,663.90	4,394.13	5,178.83	1,786.51	2,276.47	2,276.47	2,276.47
GI Performance	23.1%	31.5%	19.9%	17.9%	-65.5%	27.4%	0.0%	0.0%
Out/under performance	-3.5%	29.4%	-5.7%	28.3%	24.5%	-2.8%	0.0%	0.0%

Source: Metka, National P&K Securities

**Disclosure Appendix**

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Disclosure Checklist for Companies mentioned & other price data information

Company Name	Reuters	Rating	Price	Price date / time	Disclosure
Mytilineos Holdings	MYTr.AT	Neutral	€5.66	11 August 2009 / Official Close	2,3,9,10
Metka	MTKr.AT	Outperform	€8.20	11 August 2009 / Official Close	none

Source: National P&K Securities

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Rating and target price history

Date	Rating	Price	Target price
12 April 2006	Overweight	€ 9.22	€ 10.4
12 October 2006	Overweight	€ 9.04	€ 10.6
25 January 2007	Overweight	€ 10.7	€ 11.8
5 March 2007	Overweight	€ 9.74	€ 12.7
12 April 2007	Overweight	€ 13.22	€ 15.5
3 August 2007	Overweight	€ 15.94	€ 18.1
26 November 2007	Overweight	€ 16.38	€ 17.5 (adj.)
28 March 2008	Overweight	€ 13.00	€ 17.3
26 May 2008	Overweight	€ 13.52	€ 17.3
5 August 2008	Overweight	€ 12.66	€ 16.8
6 November 2008	Overweight	€ 8.50	€ 16.0
30 March 2009	Outperform	€ 6.22	€ 11.5

Source: National P&K Securities

**Risks and sensitivity:**

- Potential margin erosion due to higher raw material, energy costs and increasing competition in various tenders.
- Potential competition from foreign EPC contractors in tenders for PPC's replacement plan.
- Metka's clients facing difficulties in the execution of their investment programmes.
- Changes in management fee paid to Mytilineos parent.
- Our target price and estimates are sensitive to various factors including interest rates, inflation, the local economic environment, market volatility, management continuity or other company specific events.

National P&K Securities Ratings Breakdown

	Outperform	Neutral	Underperform
National P&K Greek Equity Coverage (45)	57%	40%	7%
% of companies in each rating category that are investment banking clients	55%	42%	18%

Source: National P&K Securities

Definition of Investment Ratings

Outperform, Neutral, Underperform: Denote notional investment ratings (not recommendations) pegged to the performance of the General Index, which imply a positive, neutral and negative view respectively.

Outperform: The stock is expected to perform above the General Index

Neutral: The stock is expected to perform in line with the General Index

Underperform: The stock is expected to perform below the General Index

Further information on the securities referred to herein may be obtained from National P&K Securities and NBGI International Limited upon request. All prices and valuation multiples are based on the closing of the market's last session prior to the issue of the report, unless stated otherwise.

National P&K Securities S.A.

Member of the Athens Stock Exchange

91 Michalakopoulou Str.
115 28 Athens, Greece

Telephone: +30 210 7720000

Facsimile: +30 210 7720001

E-mail: info@nationalpk.nbg.gr

Sales:

Damianos Papakonstantinou +30 210 7720130
Dimitra Triantafillopoulou +30 210 7720578
Merve Kosker +30 210 7720122
Zois Mpeloumpasis +30 210 7720146
Pantelis Petritsis +30 210 7720562
George Goufas +30 210 7720147
Dimitris Spartiotis +30 210 7720587
Nikos Kyriazis +30 210 7720160
Sapounaki Marietta +30 210 7720682

Research:

Vassilis Theodorou +30 210 7720170
Theodore Ritsos +30 210 7720176
George Boulougaris +30 210 7720171
Ioanna Katsoula +30 210 7720184
Panagiotis Kladis +30 210 7720185
Nick Koskoletos +30 210 7720187
Iakovos Kourtesis +30 210 7720251
Victor Labate +30 210 7720076
Kostas Ntounas +30 210 7720174
George Vitorakis +30 210 7720151

National P&K Securities S.A. - London Office

75 King William Street
EC4N 7BE, London, UK

Telephone: +44 (0) 207 105 3801

Facsimile: +44 (0) 207 105 3895

Sales:

Alan Shala +44 207 105 3803
Bahar Sangar +44 207 105 3804
Panos Paraskevopoulos +44 207 105 3805
Stephen Rahn +44 207 105 3806