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**Industrials - Energy****Re-iterate...Neutral**

Outlook appears to be turning more positive, but key risks remain in place

Reason for report: Model Update

Price: €5.27
(closing price 17/11/09)

12M Target Price: € 6.2
Previous 12M Target Price: €5.3

Investment Proposal

Athens General Index at 2,502.27 (closing price 17/11/09)

Estimates

	2007	2008	2009e	2010e
Turnover (€ m)	912.6	975.8	667.9	1,055.9
EBITDA (€ m)	153.7	117.6	123.6	173.1
Net Income (€ m)	193.6	18.5	24.7	56.9
EPS reported (€)	1.71	0.17	0.23	0.53
EPS adjusted (€)	0.37	0.15	0.23	0.53
P/E (x)	2.5	25.2	22.7	9.9
P/BV (x)	0.7	0.6	0.7	0.7
EV/EBITDA (x)	13.0	7.5	8.7	6.8
EV/Sales (x)	2.2	0.9	1.6	1.1
ROE (%)	26.1%	2.3%	2.9%	6.4%
RoIC (%)	9.2%	5.1%	6.3%	10.6%
Dividend Yield (%)	3.6%	2.5%	2.4%	5.6%

Explanatory notes: Year-end prices used for all calculations. EPS adjusted excludes capital gains from Endesa Hellas, P/BV includes goodwill from acquisitions.
Source: Mytilineos Holdings, National P&K Securities

Stock data

Price range 52 weeks	3.20 - 6.93
Outstanding No of shares	116,984,338
Avg daily shares (3m) traded	295,435
Market cap in € m	616.5
Reuters / Bloomberg	MYTr.AT / MYTIL GA
Free float	64.4%
Institutional ownership	25.9%
Treasury stock	8.87%
Relative performance in '06	+37.1%
performance in '07	-2.5%
performance in '08	-20.1%
So far in '09	-5.0%
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Company description

Mytilineos Holdings is a leading industrial group of companies active in the Metallurgy & Mining, Energy, EPC and Defense sectors. Mytilineos, through Aluminium of Greece and Sometra, is the largest base metals producer in South Eastern Europe. Metka, the leading EPC contractor in Greece, is active in the execution of large-scale industrial and energy projects. Finally, Elvo is the leading vehicle manufacturer in Greece engaged in civil and defense projects. Mytilineos Holdings stock is included in the following indices: Athex General Index, FTSE/ASE 20, MSCI Small Cap and HSBC Small Cap.

We maintain our Neutral rating on Mytilineos revising our target price upwards to €6.2/share to reflect a higher valuation for:

- ⇒ Subsidiary Metka (*please also refer to our last report issued on November 13th where we increased our target price by 18% to €14.4/share*),
- ⇒ The group's energy assets, as the date whereby the CHP plant enters full commercial operation is approaching whilst the construction of the group's second power unit progresses at full speed.

Although we see some upside potential based on our updated target price, we maintain a rather conservative stance in terms of our rating when taking into account sustained uncertainties associated with the group's metals and energy operations.

For 2010, we expect an improved operating performance for Mytilineos mainly due to: a) Metka's impressive backlog accumulation and accelerating pace of projects' execution going forward and, b) a significant contribution from the CHP plant. Overall, FY'10 results will be largely determined by the following key business drivers:

- a. The full commercial operation of the 334MW CHP plant, expected anytime soon.
- b. Metka's operating performance. We anticipate a significant improvement, as evidenced in Q3'09 results, with the construction commencement of various projects.
- c. Electricity and fuel costs for AoG.

Stock Performance

Mytilineos shares have moved in line with the General Index (-5.8% in relative terms) since our downgrade to Neutral on April 24th, 2009. The stock has also moved in line with the index y-t-d which confirms our current rating.

We maintain our Neutral stance on the shares as the group's short term outlook remains quite weak. As is, Metka is our preferred pick for the group and one of our top picks.

Catalysts leading to a potential rating upgrade would be: a) a favourable final court ruling/negotiations outcome on AoG's electricity tariff regime, b) CHP's solid operating performance and, c) an improving outlook in metals prices.



Estimates Changes

Our changes in estimates are mainly attributed to adjustments in the following key parameters:

- ⇒ We revise our **FY'10 profits estimates** upwards mainly due to increased projections for Metka and a higher contribution from the energy segment.
- ⇒ We maintain our '10-'11 **USD/EUR rate** estimates at 1.35, which is a rather positive scenario for Mytilineos.
- ⇒ We revise our **FY'10 crude oil price** estimates upwards to \$70/bbl (vs. \$55/bbl before) to reflect current trends globally.
- ⇒ We lower our '09-'10 **electricity tariff** projections for AoG by 16.7% and 8.3% to €50/MWh and €55/MWh respectively, which are both higher than the electricity cost currently recorded in the group's accounts (average cost/MWh is estimated at c.€47/MWh in 9M'09). In saying this however, we do point out that there is upside risk to our AoG profits estimates especially if the court ruling/negotiation outcome is positive for Mytilineos which may in turn lead to the adoption of the old Pechiney formula.
- ⇒ Our System Marginal Price (**SMP**) estimate stands at €62/MWh for FY'10 which reflects sustained weakness in wholesale prices attributed to an anticipated high contribution of PPC's hydro plants to the total generation mix, in the short to medium term.
- ⇒ We revise our valuation for the group's **thermal energy assets** upwards to reflect:
 - A significant progress made in the implementation of key investments: a) the CHP plant is about to commence full commercial operation, b) the group's second power plant is expected to enter the national grid in H2'10 and c) the construction of a third energy unit, for Korinthos Power, has already started.
 - Secured financing coupled with low cost of debt servicing on the back of a 5-yr credit facility signed last year (common bond loan, signed on 31/07/08, up to the amount of €465m at EURIBOR plus spread 0.85%). Therefore, consolidated long-term debt increased by €160m to €478m in 9M'09 due to the draft, by Mytilineos parent entity, of the second tranche of the bond loan.

Estimates Changes

Mytilineos Holdings		New	Old	% chng
2009e	Sales	667.9	889.2	-25%
	EBITDA	123.6	118.5	4%
	Net income	24.7	21.8	13%
2010e	Sales	1,055.9	1,174.3	-10%
	EBITDA	173.1	141.4	22%
	Net income	56.9	30.7	85%

Source: Mytilineos Holdings, National P&K Securities

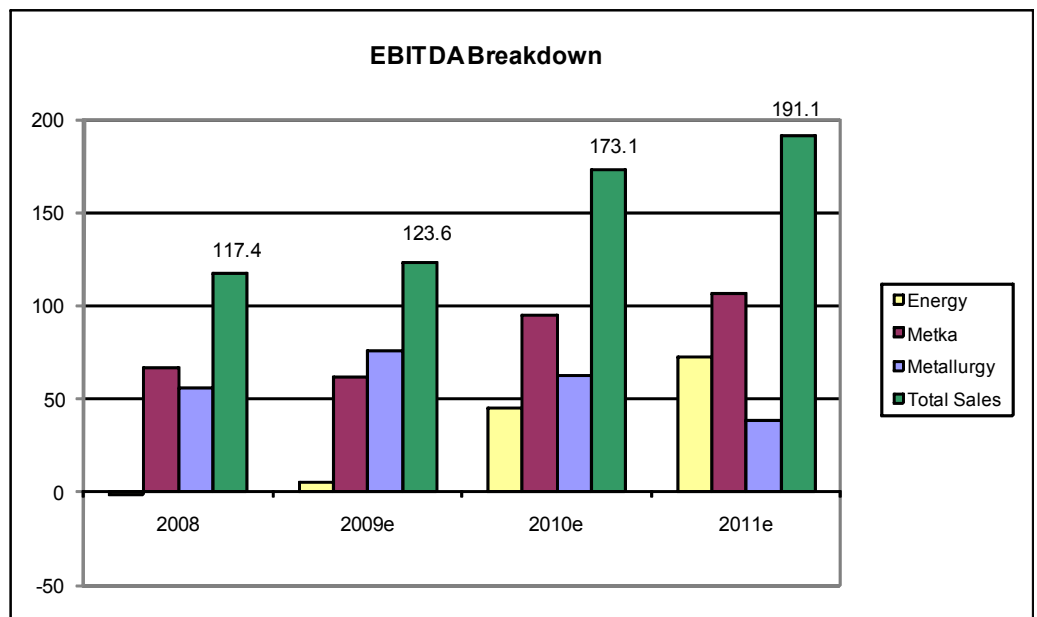
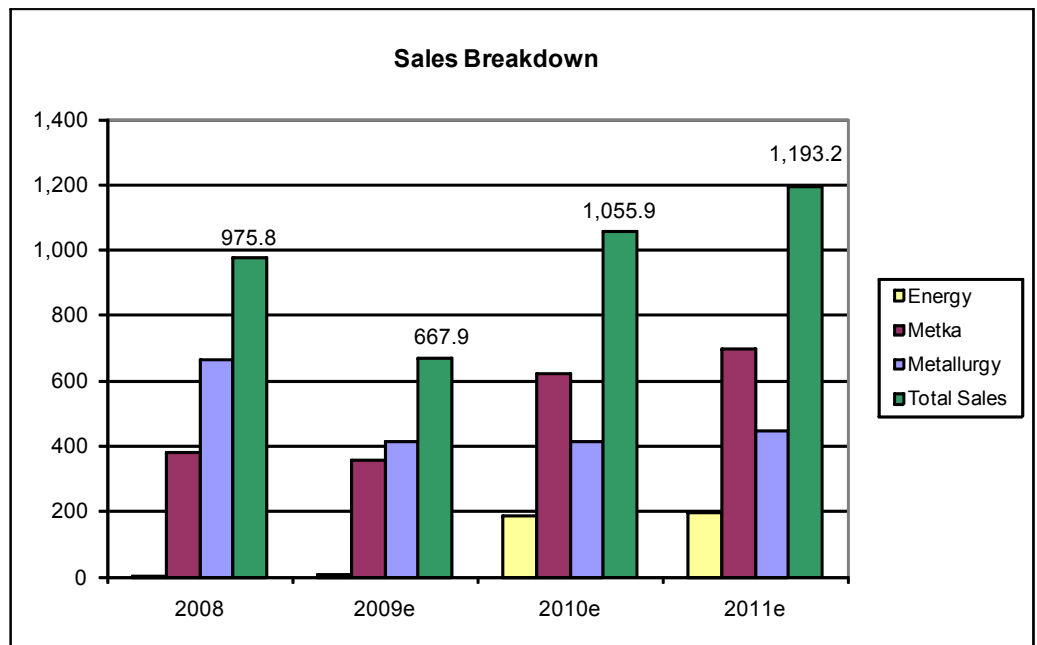


Group Sales & EBITDA breakdown

We anticipate a material recovery in the group's sales and operating profits in FY'10 attributable mainly to:

- a) Metka commencing key construction projects:
 - 850MW unit in Romania (construction commenced in Q3'09)
 - 437MW plant on behalf of Mytilineos-Motor Oil (as of Q3'09)
 - 700MW power plant in Syria (anytime in 2010)
 - 775MW power plant in Turkey (anytime in 2010)
 - 811MW power plant of PPC in Megalopolis (anytime in 2010)
- b) The significant contribution of the energy segment with the full commercial operation of the 334MW CHP plant, anticipated in early 2010.

With regard to FY'11, we expect strong construction (Metka) and energy sales to outweigh the negative impact from AoG's reduced profits attributed to lower average selling prices.





AoG: Sales & Costs - Projections

Sales

We anticipate 134KMT of aluminum sales in FY'09, down 15% y-o-y, and 140KMT in FY'10 (up 4% y-o-y). With regards to aluminum average selling price (including product premium), we expect \$3,010/MT in '09, down 7% y-o-y, given that this year's total output has been hedged at c. \$2,750/MT through LME futures contracts. As a result, AoG is not affected by the sharp drop in LME aluminum prices as of July '08. For FY'10, we anticipate a 5.8% drop in the average selling price to \$2,835/MT assuming that: a) 50% of aluminum production is hedged at close to \$3,150/MT, b) average LME price at \$2,000/MT, c) \$260/MT product premium. We note that aluminium sales amount to c.75% of AoG's total revenues.

ALUMINIUM segment	2008	2009e	2010e	2011e
Total Production (MT)	158,179	134,452	140,000	160,000
Hedged (MT)	0	134,452	70,000	0
as % of total	0%	100%	50%	0%
Price Hedged (\$/MT)	0	3,010	3,410	0
Sales from hedging (€ m)	0.0	304.3	176.8	0.0
Not Hedged	158,179	0	70,000	160,000
Spot Price (\$/MT)	3,241	1,910	2,260	2,460
Spot sales (€ m)	345.9	0.0	117.2	291.6
Aluminium Sales	345.9	304.3	294.0	291.6
% total AoG Sales	74%	78%	74%	74%
Average LME price (\$/MT)	2,868	2,750	2,575	2,200
Average selling price (\$/MT)	3,241	3,010	2,835	2,460

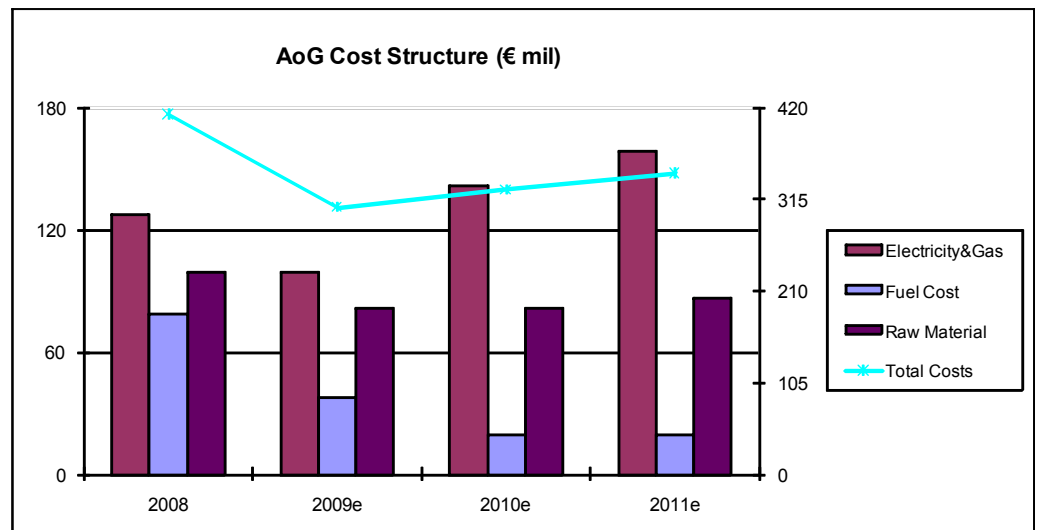
Source: National P&K Securities

Key costs items

For FY'09, we expect a 26% drop in total costs on the back of: a) the correction in fuel costs (average fuel price estimated at €240/MT, down 40% y-o-y), and b) lower raw material costs due to reduced production levels and raw material prices.

In our view, key parameter that will determine AoG's operating performance in FY'10 is the electricity cost, which is expected to account for 35% of the company's annual costs. We anticipate an average tariff of €55/MWh (up 10% y-o-y) and electricity consumption of c. 2TWh. It is worth highlighting that the aforementioned projection is based on the worst case scenario for AoG, whereby the outcome of the arbitration would be negative (see below) and AoG having to comply with the industrial tariffs as set by PPC in July '08. Overall, we anticipate a 6.6% increase in costs to €325.5m in FY'10.

Regarding the dispute between AoG and PPC over the electricity tariff regime, PPC's BoD has approved Mytilineos' proposed referral to arbitration. Recall that Mytilineos is against PPC's decision to apply last year's ministerial ruling increasing its HV tariffs by 10% as of July 1st 2008, it has subsequently prompted PPC into negotiating a new tariff regime. We think the referral to arbitration is a positive development for both sides as it may lead to a long-term, market-driven and mutually agreed solution.





Thermal Energy Portfolio

Thermal Energy Portfolio at a glance

Thermal Energy Portfolio	Total (MW)	Ownership	Status
CHP plant - Ag. Nicolaos	334	100%	Operational
CCGT plant - Ag. Nicolaos	430	50%	Under Construction
CCGT - Ag. Theodoroi	437	65%	Construction has started
CCGT - Volos	437	50%	Licensing phase

Source: Mytilineos Holdings

CHP plant: A very valuable asset, not in full commercial operation as of yet

CHP key data	2009e	2010e	2011e
Nominal capacity (MW)	334	334	334
Load factor	69%	69%	69%
Net production (GWh)	162	1,938	1,938
SMP (€/MWh)	50.0	62.0	63.9
Energy sales (€ mil)	8.1	120.2	123.8
Capacity payment (€ mil)	2.0	10.6	10.6
Steam payment (€ mil)	0.0	28.0	28.6
CO2 allowance (€ mil)	3.0	18.0	18.0
Total Sales (€ mil)	13.1	176.8	180.9
Oil price (\$/bbl)	60.0	70.0	70.0
Gas unit cost (€/MWh)	21.0	24.0	24.0
Gas cost (€ mil)	8.7	118.5	118.5
CO2 charge (€ mil)	0.0	15.0	15.0
Operating Costs (€ mil)	8.7	133.5	133.5
Other Costs (€ mil)	2.0	6.5	6.5
EBITDA (€ mil)	2.4	36.7	40.9
<i>EBITDA margin</i>	<i>18.5%</i>	<i>20.8%</i>	<i>22.6%</i>
Depreciation (€ mil)	7.2	7.2	7.2
Taxes (€ mil)	-1.2	7.4	8.4
Net Income (€ mil)	-3.6	22.1	25.3

Source: National P&K

Second power plant currently under construction

Metka, subsidiary of Mytilineos, is currently building the group's second power plant in Agios Nicolaos, in Central Greece and commercial operation is expected by year-end 2010. We indicatively mention some data that demonstrate the plant's key financials under certain specific assumptions.

CCGT key data	
Nominal capacity (MW)	430
Load factor	56%
Net production (GWh)	2,025
SMP (€/MWh)	62.0
Annual sales (€ mil)	125.6
Capacity payment (€ mil)	14.0
CO2 allowance (€ mil)	20.0
Total Sales (€ mil)	159.6
Oil price (\$/bbl)	70.0
Gas unit cost (€/MWh)	24.0
Gas cost (€ mil)	86.7
CO2 charge (€ mil)	28.0
Operating Costs (€ mil)	114.7
Other Costs (€ mil)	6.5
EBITDA (€ mil)	38.4
<i>EBITDA margin</i>	<i>24.0%</i>
Depreciation (€ mil)	8.6
Taxes (€ mil)	7.4
Net Income (€ mil)	22.3

Source: National P&K

Construction of a third power plant has just started

Metka recently commenced the construction of a third power plant in Agios Theodoros, Central Greece. Plant ownership will be under a JV named Korinthos Power with Mytilineos holding a 65% share and Motor Oil another 35%. Commercial operation is expected in Q3'2011.



RES Portfolio

Renewable Energy Sources: A promising but rather small division

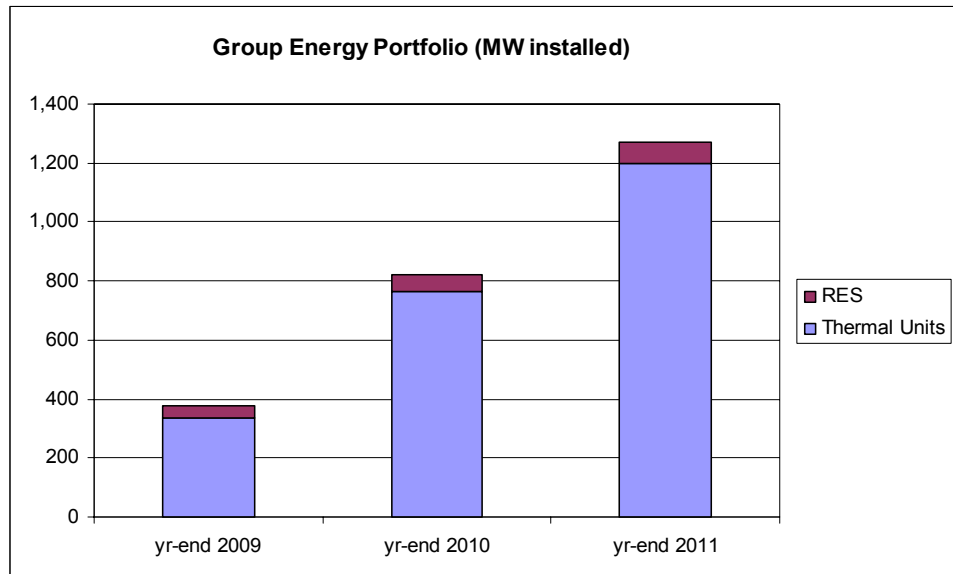
The Group is also active in RES with total installed capacity of 45MW and another 243MW in various stages of development (i.e. installation or production licenses). We value Mytilineos' RES portfolio by applying a 1.4x multiple to the group's installed capacity and 0.4x to capacity under development (i.e. production or installation license). We also assign zero value to the pipeline in licensing process. As a result, we have come up with a total value of €93.0m that refers to Mytilineos' participation in the RES portfolio. It is also worth mentioning that Enel, which owns Endesa, has a very strong presence in Greece with an installed capacity of over 100MW.

MYTIL RES (Nominal Capacity)	Total (MW)
Wind - Operational	35.6
Hydro - Operational	9.3
Total Installed Capacity	44.9
Wind - Installation license	17.5
Hydros - Installation license	9.8
Total	27.3
Wind - Production license	165.6
Hydros - Production license	50.0
Total	215.6
Wind - Application	836.5
Hydros - Applications	11.3
PV - Applications	30.6
Total (licensing process)	878.4

Source: Mytilineos Holdings

Group Energy Portfolio

According to our projections and having taken into account current data and available information, we anticipate the following capacity additions over the next two years.





Recent Developments

Expression of interest in Larco

- Mytilineos has expressed interest in acquiring state owned ferronickel producer **Larco**. In our view, Larco perfectly matches Mytilineos' metallurgy operations and could be a successful acquisition if we assume: a) reasonable acquisition cost, b) implementation of an alternative, market driven, electricity tariff regime between the company and PPC, c) cost-cutting initiatives that would significantly reduce operating costs, d) upturn in nickel prices medium to longer term, e) implementation of appropriate strategies to hedge Larco's exposure to nickel prices. All in all, we believe that Mytilineos possesses the sufficient expertise to turn Larco into a profitable business (*please also refer to our note issued on June 24th*).

Revised '09 EBITDA estimate

- Management upgraded its **FY'09 EBITDA estimate** for the Group by c.15% to the €115-125m range, compared to previous estimates. This was in line with our previous EBITDA estimate of €118.5m.

AoG's electricity tariff

- Aluminium of Greece (AoG) has filed a lawsuit against PPC regarding the validity of the termination of the initial **electricity supply contract** by the latter. Mytilineos itself, is against PPC's decision to apply last year's ministerial ruling increasing its HV tariffs by 10% as of July 1st 2008. It has therefore prompted PPC to negotiate a new tariff regime. AoG disputes the validity of the increase of electricity supply prices enforced by PPC. This comes on the back of the relevant ministerial decree regarding the abolishment of regulated invoices for HV customers and PPC's obligation to negotiate with each of these customers. The total benefit for Mytilineos from the pricing difference between the old formula and PPC's current HV industrial tariff amounted to €18m y-t-d (€14m booked in Q3'09 and a further €4m since the commencement of arbitration).

2010 outlook

In our view, Mytilineos' operating performance in 2010 will be largely determined by:

- The profitability of the energy division. The full commercial operation of the 334MW CHP plant is expected to take place anytime soon.
- Metals and Mining (M&M) operations that are heavily dependent on: a) key input costs such as electricity and fuel prices, b) FX rate (\$ vs. € rate is more favourable in FY'09 compared to last year, sensitivity at EBITDA level: +/- €15.65m for every +/- 0.05 fluctuation), and c) aluminum prices (sensitivity at EBITDA level: +/- €1.44m for every +/- \$50/MT move of LME aluminum price).
- Metka's operating performance on the back of increased work-in-hand and accelerating backlog execution going forward.

Key catalysts

Key catalysts going forward are:

- Endesa Hellas' shareholding structure and potential corporate actions in the energy sector.
- Arbitration/negotiation outcome on AoG's electricity tariff regime.
- Commencement of CHP plant's full commercial operation.
- Treatment of treasury stock (currently at 8.9% of the share capital).

Mytilineos Holdings valuation

Sum of Parts	% stake	Equity Value (€ m)	Value for Mytilineos (€ m)	% of Mytilineos Holdings value	Valuation Method/comment
AoG	100%	140.5	140.5	19.5%	DCF
Metka	56%	748.1	417.5	57.9%	DCF
Mgmt fee - Parent net debt '10e	100%	-271.5	-271.5	-37.7%	DCF
Sometra	93%	17.4	16.2	2.2%	At cost
Energy Portfolio	n.a.	n.a	412.5	57.2%	DCF
Elvo	43%	12.8	5.5	0.8%	0.4x BV '07
Net Value			720.7		
Value per share			6.16		
Current stock price			5.27		
Total investors' return			16.9%		

Source: National P&K Securities



Investment Positives

- **Diversified business portfolio** that combines exposure to mining/metallurgy operations (through Aluminium of Greece) with energy (through Metka and Endesa Hellas).
- Well-positioned to become the largest IPP in terms of **thermal plants'** installed capacity and electricity production in the medium to longer term.
- Significant growth opportunities of subsidiary **Metka**.

Investment Negatives

- **Low visibility** for the group's metals and mining operations post 2010 (mainly the aluminium smelting operation and zinc/lead smelter in Romania).
- Increased **uncertainty** regarding Endesa Hellas' shareholding structure and its strategy in the energy sector.
- Unfavourable **operating conditions** in the domestic energy wholesale market.

Key risk/concerns

- **Aluminium smelting operation:** Management has successfully managed to lock high aluminium selling prices for FY'09 and for H1'10 through short positions in LME futures contracts. That said, we are quite concerned about Aluminium of Greece's medium term prospects taking into account the: a) pending issue on the electricity tariff regime between the company and PPC, b) uncertainty over LME prices post 2010. In case of a continued weakness in aluminum prices coupled with an anticipated unwinding of all short hedging positions by mid 2010, we think that AoG may face significant operating issues from H2'10 onwards.

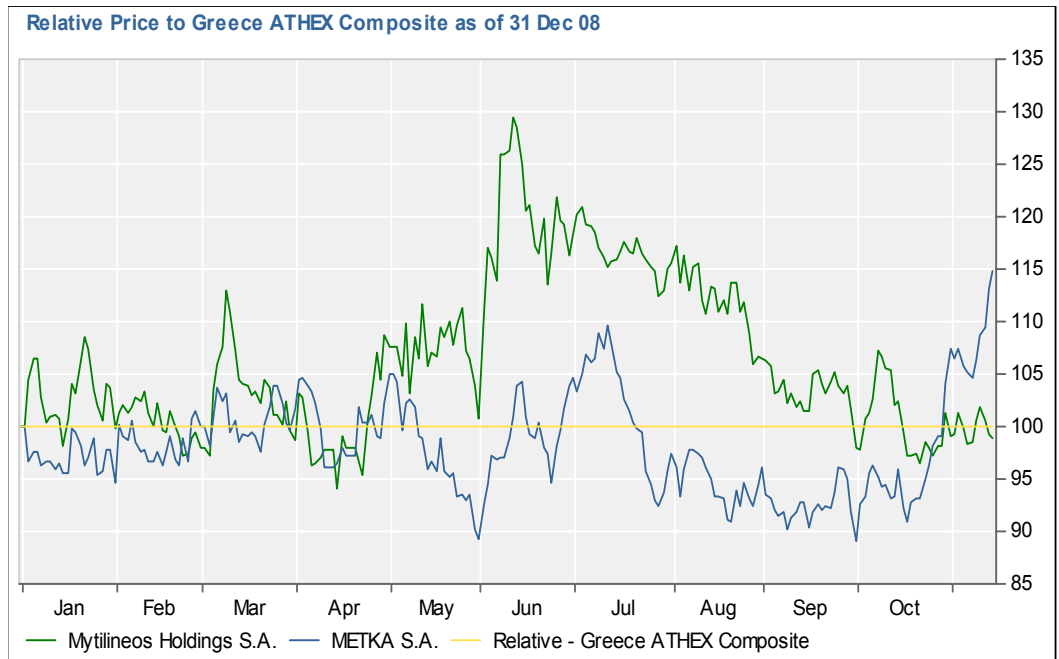
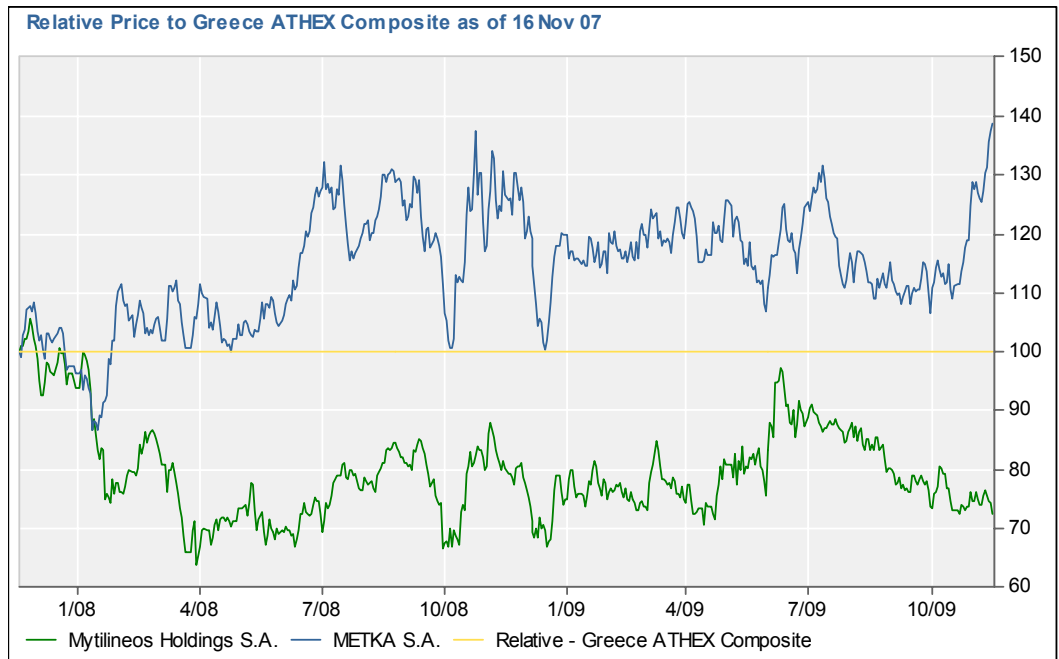
- **Energy business** and implementation of Endesa Hellas' investment programme and strategy going forward. As mentioned in previous notes, we think that the Enel business plan presentation which took place a couple of months ago raises concerns on Endesa Hellas' future prospects. If Endesa Hellas were to break-up, Mytilineos would have to pay back the cash in return for the full ownership of Endesa Hellas' energy portfolio. Mytilineos would then have to either seek a new strategic partner, such as a European utility, or walk alone.

Taking into account current business environment (i.e. unfavourable for IPPs conditions prevailing in the domestic wholesale market due to the sharp correction of SMP and the sluggish demand in the market) we believe that there is a considerable risk associated IPP power plants operating performance in the short to medium term.

- Accelerating **competition** from other Independent Power Producers (IPPs) going forward in addition to PPC adding new generation capacity at a more rapid pace than previously anticipated.
- According to our calculations, **free cash flow generation** will be negative in FY'10 due to relatively low profitability coupled with increased investments in the energy segment.
- Potential further deterioration of **financial metrics** (Net debt/EBITDA increased to 3.1x in '08, vs. 1.7x at yr-end '07 and 1.0x at yr-end '06) in case of Endesa Hellas' break-up.
- **FX risk** remains a concern.
- **Government interference:** The operation of the domestic energy market is highly dependent on government decisions on various issues, such as: a) the regulatory framework, b) tariff increases, and c) the implementation of various investments.



Relative Performances **Metka has been outperforming the General Index and Mytilineos 2 year now and y-t-d...**





Mytilineos Holdings consolidated balance sheet, analysis & cash flow

BALANCE SHEET (B/S) ITEMS	2005	2006	2007	2008	2009e	2010e	2011e
Net fixed assets	445.5	598.7	396.8	427.8	461.0	494.8	525.8
Goodwill	102.3	128.3	141.4	171.7	196.4	196.4	196.4
Investments in affiliates	31.9	30.2	190.2	206.0	190.0	190.0	190.0
Deferred Tax	9.1	26.1	23.7	19.7	22.5	22.5	22.5
Available for sale securities	42.1	70.3	19.8	74.1	100.0	100.0	100.0
Other L/T receivables	2.7	3.1	1.4	2.7	44.1	44.1	44.1
Current Assets	541.9	509.4	654.0	657.8	601.5	684.3	978.4
Accounts receivable & other	318.3	283.3	364.1	307.4	292.0	461.7	521.7
Inventories	154.3	203.1	180.9	174.0	104.4	165.1	186.5
Cash	62.7	15.4	84.9	44.4	0.0	12.6	225.2
Other Cash	0.0	0.0	0.0	0.0	160.0	0.0	0.0
Financial Assets at fair value	6.5	7.7	24.0	132.0	45.0	45.0	45.0
Fixed Assets to be sold	0.0	0.0	222.6	210.3	312.4	312.4	100.0
TOTAL ASSETS	1,175.4	1,366.2	1,649.7	1,770.2	1,927.9	2,044.6	2,157.3
Net debt	59.1	187.9	260.9	366.8	383.3	465.5	252.9
Shareholders' equity	389.4	726.9	743.0	848.7	862.5	905.8	946.5
Share capital	211.8	481.8	343.1	313.4	313.4	313.4	313.4
Reserves	177.6	245.1	399.9	535.3	549.0	592.3	633.1
Minority interest on share capital	318.4	52.3	56.9	52.6	69.2	95.1	124.1
Long-term liabilities	166.0	185.4	218.6	500.6	620.8	620.8	620.8
Deferred Tax Liabilities	38.2	48.5	78.9	72.7	72.7	72.7	72.7
Provisions for staff retirement & other	44.4	54.4	58.8	60.0	60.0	60.0	60.0
Long term debt	52.1	37.4	56.9	311.2	478.1	478.1	478.1
L/T Derivatives Liabilities	2.8	6.8	0.0	0.0	0.0	0.0	0.0
Other L/T liabilities	28.5	38.2	24.1	56.7	10.0	10.0	10.0
Short-term liabilities	301.6	401.7	571.1	283.7	301.7	349.2	392.2
Accounts payable	142.9	103.4	182.8	141.6	180.0	284.6	321.6
Liabilities for taxes	48.0	57.9	60.0	19.3	19.4	27.6	33.7
S/T debt	51.5	156.0	295.6	100.1	65.2	0.0	0.0
Current portion of non-current liabilities	24.7	17.6	0.0	0.0	0.0	0.0	0.0
Derivatives Liabilities	2.7	38.0	0.0	0.0	0.0	0.0	0.0
Other short-term Liabilities	31.9	28.7	32.7	22.7	37.0	37.0	37.0
Liabilities of assets to be sold	0.0	0.0	60.1	84.5	73.7	73.7	73.7
TOTAL EQUITY & LIABILITIES	1,175.4	1,366.2	1,649.7	1,770.2	1,927.9	2,044.6	2,157.3
RATIO ANALYSIS ON B/S ITEMS	2005	2006	2007	2008	2009e	2010e	2011e
Liquidity: Current ratio	1.80	1.27	1.15	2.32	1.99	1.96	2.49
Acid Test	1.28	0.76	0.83	1.71	1.65	1.49	2.02
Activity: Avg receivables to turnover days	126	131	129	126	164	130	150
Avg trade creditors to purchases days	77	74	72	72	113	100	116
Avg inventories to turnover days	50	78	77	66	76	47	54
Cash conversion cycle	99	135	134	120	127	76	88
Financial Structure: Net debt to equity	15%	26%	35%	43%	44%	51%	27%
Net debt to EBITDA	0.4	1.0	1.7	3.1	3.1	2.7	1.3
Interest Coverage	9.0	13.8	5.1	2.7	3.7	5.6	7.1
Profitability: return on total assets	18%	11%	12%	1%	1%	3%	3%
return on shareholders equity	19%	14%	26%	2%	3%	6%	8%
return on invested capital	22%	13%	9%	5%	6%	11%	12%
CASH FLOW	2005	2006	2007	2008	2009e	2010e	2011e
Profit after tax before minorities	118.7	156.0	215.2	31.3	41.3	82.8	101.0
Plus: Depreciation & amortization	20.3	24.8	22.6	23.7	29.6	33.2	36.0
Plus: chng in provisions & non cash items	-25.0	-56.6	-174.4	6.1	0.0	0.0	0.0
Plus: Net interest expenses	9.1	8.1	7.8	23.1	20.7	23.0	20.5
Plus: taxes payable	-30.0	-22.8	-23.7	-68.4	0.2	8.2	6.1
Gross cash flow	93.1	109.5	47.6	15.8	91.8	147.2	163.5
Plus: chng in accounts payables	156.8	20.6	74.5	8.0	38.4	104.6	37.0
Less: chng in other receivables & other	7.1	0.8	-5.6	1.4	41.3	0.0	0.0
Less: chng in receivables	124.7	-7.9	58.1	-32.4	26.0	169.6	60.1
Less: chng in inventories	56.5	92.4	24.2	-6.7	-69.6	60.6	21.5
Working capital chng	-31.5	-64.7	-2.2	45.8	40.7	-125.7	-44.5
Operating cash flow	61.6	44.8	45.4	61.6	132.5	21.4	119.0
Operating cash flow from discontinuing operations	0.0	-5.2	-3.2	-1.6	0.0	1.0	2.0
Less: capex	81.6	88.3	14.3	13.5	62.8	67.0	67.0
Investing cash flow from discontinuing operations	0.0	-4.7	-94.5	-2.3	0.0	0.0	1.0
Less: other investing activities	-42.4	-29.0	42.5	-28.7	-16.0	0.0	0.0
Free cash flow	22.4	-24.3	-109.1	76.9	85.7	-45.6	52.0
Less: Dividends paid	22.9	38.1	60.4	69.1	11.0	13.6	31.3
Less: Net interest expenses	9.1	8.1	7.8	23.1	20.7	23.0	20.5
Less: Buyback	8.8	6.6	77.7	29.7	0.0	0.0	0.0
Plus: Equity chng	8.8	1.6	1.1	-29.7	0.0	0.0	0.0
Plus: Debt chng	5.0	-5.2	47.4	291.9	132.1	-65.2	0.0

Source: Mytilineos Holdings, National P&K Securities



Mytilineos Holdings consolidated profit & loss statements and analysis

P&L ITEMS	2005	2006	2007	2008	2009e	2010e	2011e
Sales	746.6	837.0	912.6	975.8	667.9	1,055.9	1,193.2
% chng	139.9%	12.1%	9.0%	6.9%	-31.5%	58.1%	13.0%
Cost of sales	562.7	603.9	726.4	816.8	517.9	844.5	955.1
Gross profit	183.9	233.2	186.2	159.0	150.0	211.4	238.2
Gross profit margin	24.6%	27.9%	20.4%	16.3%	22.5%	20.0%	20.0%
Operating income	30.9	13.9	50.5	31.8	26.6	45.5	47.7
Other operating expenses	23.1	16.7	22.2	19.7	13.5	21.3	24.1
Administration expenses	23.8	30.3	50.5	45.4	34.0	53.8	60.8
% of turnover	3.2%	3.6%	5.5%	4.6%	5.1%	5.1%	5.1%
Distribution expenses	9.4	12.9	10.3	8.1	5.6	8.8	9.9
% of turnover	1.3%	1.5%	1.1%	0.8%	0.8%	0.8%	0.8%
EBITDA	158.4	187.2	153.7	117.6	123.6	173.1	191.1
% chng	275.1%	18.2%	-17.9%	-23.5%	5.1%	40.1%	10.4%
EBITDA margin	21.2%	22.4%	16.8%	12.0%	18.5%	16.4%	16.0%
Depreciation / Amortization	20.3	24.4	22.6	37.0	29.6	33.2	36.0
Operating profit	138.1	162.8	131.1	80.6	94.0	139.9	155.1
% chng	292.4%	17.9%	-19.5%	-38.5%	16.6%	48.9%	10.9%
Operating profit margin	18.5%	19.4%	14.4%	8.3%	14.1%	13.3%	13.0%
Financial Results (gains/losses)	156.6	40.5	143.3	-32.5	-33.2	-29.5	-20.5
Interest expenses	15.3	11.8	25.9	30.4	25.2	25.0	22.0
Interest income	5.6	3.5	17.1	3.0	4.5	2.0	1.5
Income from participations	138.3	14.8	-0.2	-7.5	-13.0	-7.0	-2.0
Extraordinary profit (loss)	28.0	34.0	152.3	2.4	0.5	0.5	2.0
Pre-tax profit	294.7	203.3	274.4	48.1	60.8	110.4	134.6
% chng	905.7%	-31.0%	35.0%	-82.5%	26.4%	81.7%	21.9%
EBT margin	39.5%	24.3%	30.1%	4.9%	9.1%	10.5%	11.3%
Income tax	38.5	47.4	59.2	15.4	19.4	27.6	33.7
% effective tax rate	24.6%	23.3%	21.6%	32.0%	32.0%	25.0%	25.0%
Profit after tax	256.2	157.3	210.7	31.3	41.3	82.8	101.0
Minority stake in profits	44.7	5.0	17.1	12.9	16.6	25.9	29.0
Net Income (reported)	211.5	152.4	193.6	18.5	24.7	56.9	72.0
Net Income (adjusted)	74.1	103.5	41.5	16.1	24.2	56.4	70.0
% chng	515.2%	39.8%	-59.9%	-61.3%	50.7%	132.9%	24.1%
Net margin	28.3%	18.2%	21.2%	1.9%	3.7%	5.4%	6.0%
EPS reported	1.81	1.57	1.71	0.17	0.23	0.53	0.68
EPS adjusted	0.63	1.06	0.37	0.15	0.23	0.53	0.66
% Adj. EPS chng	515%	68%	-66%	-60%	55%	133%	24%
Dividends	46.8	58.3	57.7	11.0	13.6	31.3	39.6
Dividend policy: Payout Ratio	63.1%	38.3%	29.8%	59.3%	55.0%	55.0%	55.0%
DPS (in €)	0.40	0.60	0.51	0.10	0.13	0.29	0.37
% chng	477.0%	50.0%	131.8%	-80.4%	27.6%	130.2%	26.5%
Retained profit and reserves	203.4	105.6	135.3	-39.2	13.8	43.3	40.7
BVPS (in €)	3.3	6.2	6.4	7.3	7.4	7.7	8.1
% chng	123.8%	86.6%	2.2%	14.1%	1.6%	5.0%	4.5%
Market cap	888.4	1,461.2	1,678.7	463.3	616.5	616.5	616.5
Weighted average number of shares	116,898,053	97,211,748	113,084,743	109,591,000	106,612,837	106,612,837	106,612,837
End-year number of shares	116,898,053	116,898,053	116,898,053	116,984,338	116,984,338	116,984,338	116,984,338
End-year/current stock price	7.60	12.50	14.36	3.96	5.27	5.27	5.27
% chng of stock price	169.8%	64.5%	14.9%	-72.4%	33.1%	0.0%	0.0%
EV	1,265.9	1,701.4	1,996.4	882.7	1,069.1	1,177.1	993.5
General index	3,663.90	4,394.13	5,178.83	1,786.51	2,502.27	2,502.27	2,502.27
GI Performance	31.5%	19.9%	17.9%	-65.5%	40.1%	0.0%	0.0%
Out/under performance	105.2%	37.1%	-2.5%	-20.1%	-5.0%	0.0%	0.0%

Source: Mytilineos Holdings, National P&K Securities

**Disclosure Appendix**

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Disclosure checklist for listed companies mentioned & other price data information

Company Name	Reuters	Rating	Price	Price date / time	Disclosure
Mytilineos Holdings	MYTr.AT	Neutral	€ 5.27	17 November 2009 / Official Close	2,3,9,10
Metka	MTKr.AT	Outperform	€ 10.40	17 November 2009 / Official Close	none
PPC	DEHr.AT	Outperform	€ 14.40	17 November 2009 / Official Close	3
Motor Oil	MOHr.AT	Outperform	€11.48	17 November 2009 / Official Close	none

Source: National P&K Securities

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Rating and target price history (Mytilineos Holdings)

Date	Rating	Price	Target price
8 February 2006	Equalweight	€ 25.10	€ 24.7
13 March 2006	Overweight	€ 20.60	€ 24.9
25 May 2006	Overweight	€ 18.78	€ 25.0
7 August 2006	Overweight	€ 20.00	€ 25.2
27 November 2006	Overweight	€ 24.66	€ 27.1
5 March 2007	Overweight	€ 31.00	€ 35.2
26 April 2007	Overweight	€ 37.50	€ 43.0
7 September 2007	Overweight	€ 37.34	€ 41.0 *
16 April 2008	Overweight	€ 8.34	€ 12.4
22 May 2008	Overweight	€ 8.64	€ 12.2
7 August 2008	Overweight	€ 7.78	€ 11.6
11 November 2008	Overweight	€ 4.92	€ 10.3
24 April 2009	Neutral	€ 4.26	€ 5.3

Source: National P&K Securities, * Note: All prices mentioned before that date are prior to the 14:10 stock split.

**Risks and sensitivity:**

- Base metals prices, oil prices, electricity tariff.
- USD/EUR rate.
- Operating conditions and regulatory framework in the liberalized domestic energy market.
- 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.

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	Outperform	Neutral	Underperform
Greek Equity Research Coverage (45)	54%	39%	7%
% of companies in each rating category that are investment banking clients	56%	44%	19%

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.

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