

Mytilineos

Reuters : MYTr.AT Bloomberg : MYTIL GA

Sector: Metallurgy, Energy, Defense

Ownership Structure:

Mytilineos Family	37.06%
Morgan Stanley & Co International	9.49%
Free Float	53.45%

Source: Athens Exchange as of 6 October 2006

Stock Data

Price (23 October 2006)	€ 22.50
Mkt Cap (in mn)	€ 911.7
Shares (in mn)	40.52

Stock Ratios

	2004	2005	2006 E	2007 E
P / E	75.72	4.31	7.95	8.32
P / BV	5.24	2.34	1.90	1.63
EV / EBITDA	6.40	2.87	3.13	3.22
D / Y	0.89%	1.78%	2.74%	3.29%
ROE	6.92%	75.09%	26.41%	21.12%
ROIC	4.17%	52.48%	20.09%	16.58%
Net debt / Equity	0.47	0.15	0.20	0.15

Summary Financials

P&L (in mil €)	2004	2005	2006 E	2007 E
Revenues	311.2	746.6	845.0	915.0
Gross Profit	68.9	183.2	230.0	250.0
OPEX	38.4	55.3	56.3	60.3
EBITDA	43.2	158.8	183.7	199.7
Financial Results	-5.9	156.6	45.0	28.0
Depreciations	8.1	20.7	30.5	36.5
EBT	29.3	294.7	198.2	191.3
EAT & Minorities	12.0	211.5	114.7	109.6

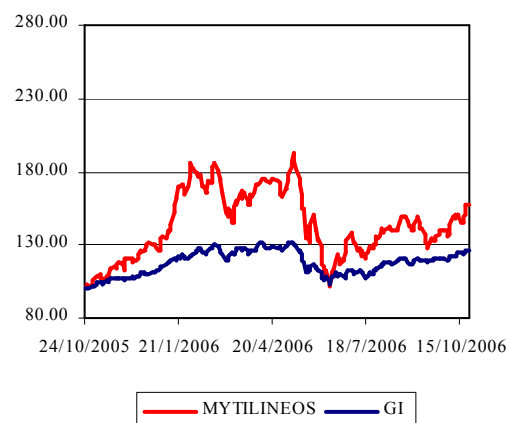
BS (in mil €)	2004	2005	2006 E	2007 E
Net Fixed Assets	283	634	713	733
Total Cur. Assets	281	542	583	647
Cash & Equivalent	12	63	49	55
Total Assets	564	1,175	1,296	1,380
Total Equity	174	389	479	559
L-Term Banks	47	52	65	65
S-Term Banks	67	76	80	75
Liability & Equity	564	1,175	1,296	1,380

Source: Company Data & VRS Projections

KEY INVESTMENT POINTS

- Mytilineos Group's financial performance is expected strong in 2006, with all subsidiaries strengthening their position in each sector of activity. During the first half of 2006, consolidated sales settled at € 453.3 million posting a growth of 22.9% compared to the same period of 2005, whereas earnings after taxes and minorities surged nearly 105% to € 92 million. On operating level, EBIT growth resembled turnover growth, settling at 27.4% year-on-year to € 92 million.
- As of 30 June 2006, bank debt on group level stood at € 139 million compared to shareholders' funds of € 768 million and total assets of € 1.24 billion. With cash and cash equivalents of € 31.6 million at the end of first half 2006, Mytilineos Group's net debt was at the low € 107.4 million level. Aluminum of Greece generated revenues of € 235.4 million with the net profit standing at € 45.9 million, and with the company achieving a zero level bank debt. METKA's revenues stood at € 139.1 million, with net profit ending at € 20.4 million for the first half of the current year.
- The Group is currently solidifying its position in the broader metallurgy, energy and defense sectors in Greece, looking at a Capex of € 750 million for the period 2006-2010. In the metallurgy sector, Mytilineos implements the smooth integration of Aluminum of Greece to the Group's activity and its establishment as one of the most dynamic vertical producers of base metals in Southeastern Europe. The Group plans to strengthen its activities in the defense sector as well, primarily through METKA and ELVO, as well as via international partnerships. Finally, in the energy sector, Mytilineos aims at becoming the second largest domestic energy player, with a total installed capacity of 1,000 MW by 2010.

Relative Performance versus ASE G.I. (52 weeks)



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INVESTMENT CASE

- ❖ In May 2005, Mytilineos Holdings S.A. announced the conclusion of the acquisition of Alcan's Inc. controlling percentage in the listed on Athens Exchange, Aluminum of Greece S.A.
- ❖ The listed company METKA, which remains so far the Group's major player in the energy sector, and its subsidiaries, due to their long experience, are pioneers in the construction of Thermoelectric Power Plants. The company's backlog stands at € 313 million.
- ❖ With the acquisition, in August 2000, of a 43% share in ELVO (Hellenic Vehicle Industry), the largest enterprise of its kind in Greece, Mytilineos Holdings S.A. significantly strengthened the industrial profile of the Group, especially in the field of defense systems and armaments.
- ❖ MYTILINEOS, taking advantage of the facilities of Aluminum of Greece in Greece, submitted a proposal to the Greek energy regulator RAE and the Ministry of Development, in order to get a license for a new, independent natural gas-fired power production unit, of 412 MW nominal value, for which it has already received an initial positive opinion by RAE. In the area of projects exploiting the wind power, the specialized company MYTILINEOS HELLENIC WIND POWER S.A. (MHWP), which possesses generation permits for a total of eight (8) wind parks, has forwarded the activities necessary in order to get the final installation. The Group's licenses in operating sources of renewable energy currently stand at 440 MW.

CORPORATE PROFILE

- ❖ Mytilineos Holdings SA is today one of the largest industrial Groups internationally, with activities in the sectors of Metallurgy, Energy, and Defense. The Company, which was founded in 1990 as a metallurgical company of international trade and participations, is an evolution of an old metallurgical family business, which began its activity in 1908. In 2001, Mytilineos Group entered the sector of energy production and trade and has already put forward an extended investment program amounting to € 300 million. The goal is to exploit the new opportunities created in Greece after the deregulation of the electric energy and natural gas markets. Moreover, in May 2005 Mytilineos Holdings SA announced the conclusion of the acquisition of Alcan's Inc. control percentage in the listed company Aluminum of Greece SA.

COMPARATIVE RATIOS

Company	Country	Mkt Cap (mn)	P/E '06	P/BV '06
Phelps Dodge Corp	US	13,580	7.03	3.06
Eramet	France	3,353	8.81	2.24
Acerinox SA	Spain	4,113	27.00	2.11
Arcelor	Luxembourg	26,387	7.40	1.63
Boliden AB	Sweden	40,162	8.73	3.41
AUR Resources Inc	Canada	1,233	7.28	2.69
Kumba Resources Lt	South Africa	3,909	12.77	4.60

Data: Bloomberg estimates for fiscal 2006. Share prices as of 6 October 2006.

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