Company Report

FLASH NOTE
October 2012

Valuation & Research Specialists (VRS)
Equity Research Team
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Share Price (23/10/2012)	€ 3.75
# of Shares (,000)	116,920
Market Cap (in € mn)	438.45
A.D. Volume (p)	302,647
Beta Co-efficient*	1.21
Statistical Data	
Max 52 week	3.88 €
Min 52 week	1.34 €
1-M Rtn	10.62%
6-M Rtn	45.35%
12-M Rtn	24.58%

Shareholders' Structure

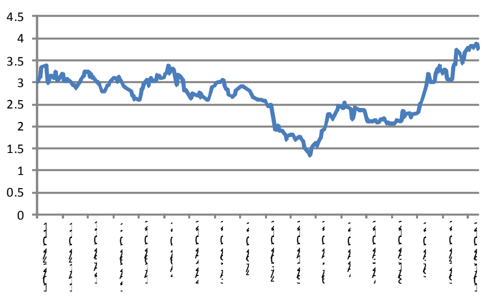
(Source: Athens Exchange, The Company)

E. Mytilineos	15.4%
I. Mytilineos	16.4%
Greek Institutional	12.6%
Foreign Institutional	16.4%
Retail Investors	34.9%
Treasury Stock	4.3%

Source: The Company, Reuters, VRS.

* Note: VRS calculations, based on last year's daily returns.

Stock Price Performance (1 year, in €)



Mytilineos [Bloomberg Ticker: MYTIL:GA, Reuters Ticker: MYTr.AT]

Business Sector: Energy, Metal Mining

Business Profile – Growth Drivers

- Mytilineos Holdings S.A. (the Company or the Group) is an industrial group engaging in the sectors of metallurgy, mining, energy, engineering procurement and construction (EPC). The Group has a leading presence in the Greek market and internationally.
- The Company was established in 1990 having evolved from an old family-owned metallurgy business that began its operations in 1908. Mytilineos was listed on the Athens Exchange in 1995. Its stock is constituent of the FTSE 20 large-capitalization index. It employs 2,500 employees as of end June 2012. Mytilineos is based in Athens, Greece.
- The Group consists of 6 major companies (the parent company and 5 subsidiaries). Mytilineos Group generates most of its net revenues from metallurgy & mining, constructions, and energy trading (power and gas). The Group's sales are almost evenly distributed among these three sectors.
- In the metallurgy & mining sector, the Group owns a 100% stake in Aluminum of Greece and Delphi-Distomon companies. It is the largest Aluminum (Al) and Alumina (Ox) producer in South Eastern Europe. Aluminum of Greece operates vertically integrated facilities of alumina, aluminum and bauxite production, as well as a port for the transport of commodities, in Agios Nikolaos (Central Greece).
- In the energy sector, the Group, mainly through its subsidiary Protergia and through joint ventures, holds the following assets: 334 MW combined heat and power plant and 444 MW merchant power plant in Viotia region, as well as a merchant power plant of 437 MW in Korinthos (65% stake). The Group also holds a portfolio of renewable energy generation assets such as wind and photovoltaic parks of total capacity of 1,000 MW and possesses an electricity trading license of 310 MW.
- In the Engineering Procurement and Construction (EPC) sector, the Group through its subsidiary METKA (56.19% stake), executes large projects for construction of gas-fired combined cycle power plants, steam, thermal and hydroelectric power plants in Greece and internationally.
- The Group has invested EUR 789 million in capital from 2008-2011, in order to develop its three power plants (which were built almost concurrently). It has implemented significant investments in the energy sector and most of the strategic capital expenditures have been already realized. It is the largest private producer of energy in Greece, controlling 12%-14% of the domestic energy market.

Corporate Strategy

- Mytilineos' growth strategy is based on the following components: (1) To secure its organic growth in the regions the company is active (SE Europe, N. Africa, Middle East) and to develop further its critical size; (2) To take advantage of the opportunities originating from energy market liberalization in Greece; (3) To form strategic partnerships with international energy houses; (4) To expand beyond the Greek market by targeting the Middle Eastern and N. African frontier markets, which offer promising prospects for growth in terms of fundamentals; (5) To negotiate long-term bauxite contracts and alliances with Greek suppliers (6) Given the tough economic conditions in Greece, the Group focuses on further cost-cutting, esp. in the aluminum sector, as well as on vertical integration and further boosting of exports. The Group also aims at realizing synergies between the aluminum sector and the energy and EPC sectors.

<u>Important Note:</u>
In June 2012, Mytilineos SA made a corporate presentation in Athens, Greece.
Valuation & Research Specialists (VRS) have based the aggregate information contained in this report on Mytilineos' corporate and IR website, www.mytilineos.gr. VRS have also contacted the Management for factual verifications. VRS have compiled this report solely for information purposes.
Valuation & Research Specialists (VRS) do not intend to express any views or judgments about the covered company, Mytilineos, via this report.
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BASIC FINANCIAL INDICATORS

(in € mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2009	661.8	118.9	36.5	20.2	18.5	0.5	6.8	0.9	3%
2010	1,001.4	192.7	131.0	90.6	4.1	0.4	4.5	0.8	11%
2011	1,571.0	208.7	110.3	85.9	4.3	0.4	3.0	0.6	10%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price.
Source: Official Consolidated Financial Statements (based on IFRS), VRS Calculations.

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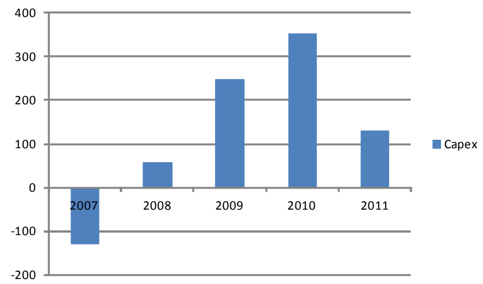
Historical Capex* (EUR million, consolidated)



Source: The Company.
* Capital expenditures = Change in net PPE + depreciation expense

Group's Major Subsidiaries

SUBSIDIARY (PARENT'S % STAKE)	BUSINESS
MYTILINEOS SA	MINING
ALUMINUM OF GREECE (100%)	METALLURGY AND MINING
DELPHI-DISTOMON (100%)	METALLURGY AND MINING
METKA (56.19%)	EPC WORKS
PROTERGIA (100%)	ENERGY

Source: The Company.

Financial Highlights 2011 (Consolidated)

- In 2011, the metallurgy, EPC and energy sectors contributed net revenues (and EBT) of EUR 521.29 (6.69), 926.8 (141.72) and 134.88 (5) million respectively on consolidated basis. The geographic breakdown on group level was the following: 26% from the EU, 23% from Greece, 28% from Turkey and 23% from other regions, mainly from Syria.
- As of 31 December 2011, the Group's equity settled at EUR 900.81 million with its outstanding long-term and short-term bank debt at EUR 520.03 million. Cash and cash equivalents amounted to EUR 268.1 million. Net cash flows from operating activities stood at EUR 130.03 million in year end 2011 versus EUR 129.28 million in year-end 2010.
- Group cash flow for investing activities accounted for EUR 149.23 million in 2011 (EUR -86.81 million on parent level).

First Half 2012 Results (Consolidated)

- In 1H 2012, sales and gross profit accounted for EUR 714.44 million (from EUR 710.68 million in 1H 2011) and EUR 66.7 million (from EUR 105.65 million in 1H 2011) respectively, with net profit settling at EUR 26.07 million versus EUR 47.86 million in 1H 2011.
- As of 30 June 2012, the Group's equity accounted for EUR 916.71 million with its outstanding long-term and short-term bank debt at EUR 533.28 million. Cash and cash equivalents amounted to EUR 226.97 million. Net cash flows from operating activities stood at EUR 2.96 million in 1H 2012 versus -89.08 million in 1H 2011.

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Working Capital Ratios

in EUR million		2009	2010	2011
Sales		661.81	1,001.35	1,571.00
Cost of Sales		523.30	783.40	772.86
Net Income / Profit		20.16	90.63	85.90
Cash & Cash Equivalents		219.16	208.59	268.10
Stock Days	**Days**	62	52	83
Stock Inventory		89.39	111.25	174.96
Debtors Days	**Days**	213	263	143
Debtors - Receivables		386.17	720.96	615.85
Creditors Days	**Days**	248	288	256
Creditors - Suppliers		354.89	617.20	541.49
Operating Cycle (Days)	**Days**	275	315	226
Cash Cycle (Days)	**Days**	28	27	-30

Source: Official Consolidated Financial Statements, VRS Calculations.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
MYTILINEOS S.A.	MYTIL:GA	MYTr.AT	€ 3.75	October 23, 2012	2, 3

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
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4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
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