SAL. OPPENHEIM

METKA

Buy

Industrial Goods & Services

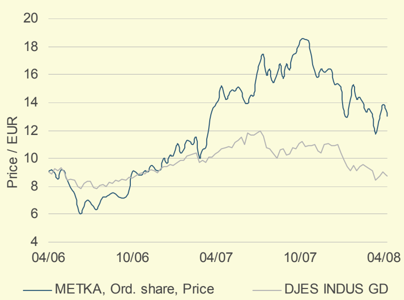
Fair Value EUR15.80

2008-04-15

Price EUR13.36 (Closing price as of 2008-04-10)

Applied disclosures can be found in the appendix

PRICE AND REL. PERFORMANCE



12 month high/low €			18.98/11.70
Rel.%	1m 0.4	3m 10.0	12m 11.7
Abs.%	1m -1.2	3m 0.5	12m -4.6

MARKET DATA

Reuters	MTKr.AT
Bloomberg	METTK GA
Market cap EURbn	0.7
Number of shares m	52.0
Free float %	48.5
Daily turnover shares	113,040

NEXT EVENTS

AGM	2008-05-15

Rel. Sector +

KEY CHANGES

RAPIDLY GROWING ORDER BOOK

With this report we initiate the coverage for Metka. The company is a widely accepted partner for project engineering and has a proven track record in execution. The high level of the order book of more than €800m provides good visibility for the next two to four years. Potential new orders could blow up the volume to more than €1bn. South East Europe and Asia are the most attractive areas for growth. Our DCF-based fair value came out at €15.80 per share. Currently the shares are traded at a discount of 15.4%; we believe that this is not justified. Also, compared to our peer group multiples, Metka is relatively attractive. We recommend buying the shares.

GROWING ORDER BOOK

Metka currently has an order book of more than €800m and the project pipeline in its markets remains on high levels. If the company is successful in winning some new orders (e.g. Syria, Saudi-Arabia), the order book could surpass the level of €1bn this year.

STRONG EARNINGS GROWTH: EPS CAGR: + 26%

This year we expect a strong growth in both revenues (+42%) and in EBITDA (+37.6%); that means margins will slightly deteriorate, reflecting our more conservative estimates. Nevertheless, Metka is expected to achieve EPS CAGR of 26% (2006-2010), which is a solid growth story.

FAIR VALUE OF €15.80 – UPSIDE OF 17%

Our DCF-based fair value came out at €821m, or €15.80 per share (Beta: 1.1; term. growth rate: 1.8%; risk free rate: 4.4%). Based on the current share price level, that will give the Metka shares an upside of 18.3%.Taken our fair value and our EPS estimates, the P/E 2008e would stand at 15.6 and 2009e at 12.7. Our peer group average P/E 2008e came out at 16.5 and 2009e at 13.6. We believe there is no reason for a discount at Metka.

KEY DATA

€ (Yr. end: 12/31)	2006	2007	2008e	2009e	2010e
Sales m	294.10	284.20	404.72	536.17	573.03
EBIT m	55.90	52.20	71.23	87.93	99.13
Net profit m	40.30	36.80	52.62	64.54	72.86
Oper. CF m	0.10	42.70	56.67	36.57	65.23
Adj. EPS	0.78	0.71	1.01	1.24	1.40
Dividend	0.40	0.50	0.65	0.75	0.80
PER	11.0	20.8	13.2	10.8	9.5
Div. yield %	3.5	2.7	3.7	4.9	5.6
EV/EBITDA	7.3	14.6	9.1	7.5	6.5
Price to book	4.0	6.0	4.5	3.8	3.2
EBIT margin %	19.0	18.4	17.6	16.4	17.3
ROCE %	35.6	28.7	38.9	40.6	42.6
Sust. FCF yield %	-0.8	4.7	7.4	4.6	8.9
EPS CAGR 07-10e: 26 %			ROE: 08e: 37 %		Eq. ratio 08e: 44 %

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Summary and investment case

Metka: Upside to our DCF-based fair value of €15.80: +18.3%

Metka is a well-known Greek company that is a widely accepted international partner in project engineering. It can refer to a proven track record in successful project execution, particularly for electricity power plants in its home market. We believe that it is an attractive investment based on the following arguments:

- Based on it leading technology and long lasting experience as an EPC contractor, Metka is a widely accepted partner for those projects. The company is participating in the strong demand in Greece, the Balkans, Asia, and in the Middle East.

- Outstanding high order book volume of more than €800m (book-to-bill of 2.8) is giving a good visibility for the revenue stream of the next four years; it is a solid foundation for further profitable growth.

- Strong earnings growth with high visibility for the next two to four years. Based on a more conservative view and reflected in our moderate margin deterioration for the coming years, Metka will achieve a CAGR 2006 – 2010e at the EBITDA line of 14.8% and at the EBIT line of 15.4%.

- Participating in a value creating company:

  - In our base scenario we forecast a long term free cash flow potential between €70m and €75m per year; the ROCE will be significantly above the WACC (see our DCF model).

  - Our equity value came out at €821m; that equals to €15.80 per share. Based on the current share price level, that gives an upside of 18.3%.

  - Taken our fair value of €15.80 and our EPS estimates for 2008 and 2009, we will arrive at a P/E of 15.6 and 12.7. Investors have to consider that the free float market capitalization with €337m is fairly small.

  - Metka is attractive based on peer group valuation. The peers will have an average P/E 2008e of 16.5 and 2009e of 13.6; Metka trades at 13.2 and 10.8. Based on EV/EBITDA, Metka has slightly higher multiples, but on the basis of EV/EBIT, it is more attractive again.

- The main risk we have identified for Metka is the execution risk of projects. Running out of time could lead to cost overruns and penalties, which would have a negative impact on profitability and valuation. If so, it could also have a negative impact on its image and reputation.

Valuation

DCF-based valuation

Long term free cash flow potential between €70 – €75m per year; enterprise value of €894m

The valuation of Metka is based on our discounted cash flow model. This model has three phases. First we determine a detailed statement of the income, the balance sheet, and the cash flow statement for the period until 2010, based on official, historic company information, the company's guidance, and our own assumptions. Stage two continues on from this, involving a rather linear updating of the trend until 2017. The third and final stage of our model includes the determination of the terminal value.

Based on the existing order book, there is good visibility for the revenue streams for 2008 and 2009; these two years are expected to result in significant growth. In the future, we expect the foreign market to increasingly contribute to the group's performance.

In the next three years, the free cash flow potential will increase to €58m in 2010; during this period we expect an increase in the working capital, but this will level out from 2010 onwards. This scenario leads to a free cash flow potential between €70 and €75m per year. The present value of all free cash flows leads to an enterprise value of €894m; it is important to mention that the terminal value represents only 51% of the EV. Taken out financial debt, pensions, and minorities, we arrive at our equity value of €821m, which is equal to €15.80 per share.

If these assumptions are true, then the company is highly attractive for investors because of the increasing value. The ROCE will significantly surpass the WACC, and so far the company could be qualified as long term EVA positive.

The most important risk is that there is a possibility that some projects could not be finished in time and that this will lead to cost overruns and penalties. But this is not part of our base scenario.

		12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/30/2016	12/31/2017	12/31/2018
Value drivers												
Revenue growth		42.4%	32.5%	1.2%	2.1%	2.0%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%
EBIT-margin		17.6%	16.4%	17.3%	17.2%	17.0%	16.8%	16.6%	16.3%	16.1%	15.9%	15.7%
Cash-tax rate		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Depreciation D&A as % of revenues		1.8%	1.3%	1.2%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.3%	1.3%
Share of non-cash items		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rate of investments		1.2%	0.9%	0.9%	0.9%	1.0%	1.0%	1.1%	1.1%	1.2%	1.2%	1.3%
Share of Net Working Capital		25.3%	25.8%	27.2%	27.9%	27.8%	27.6%	27.5%	27.4%	27.3%	27.1%	27.0%
EURm	**12/31/2008**	**12/31/2008**	**12/31/2009**	**12/31/2010**	**12/31/2011**	**12/31/2012**	**12/31/2013**	**12/31/2014**	**12/31/2015**	**12/30/2016**	**12/31/2017**	**Endwert**
Sales		404.7	536.2	573.0	584.8	596.6	608.5	620.3	632.1	644.0	655.8	667.6
Operating costs		-333.5	-448.2	-473.9	-484.2	-495.3	-506.4	-517.6	-528.8	-540.1	-551.4	-562.8
EBIT		**71.2**	**87.9**	**99.1**	**100.6**	**101.3**	**102.0**	**102.7**	**103.3**	**103.9**	**104.4**	**104.8**
Margin		***17.6%***	***16.4%***	***17.3%***	***17.2%***	***17.0%***	***16.8%***	***16.6%***	***16.3%***	***16.1%***	***15.9%***	***15.7%***
Operating cash-taxes		-17.8	-22.0	-24.8	-25.1	-25.3	-25.5	-25.7	-25.8	-26.0	-26.1	-26.2
Other adjustments		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NOPLAT		**53.4**	**66.0**	**74.4**	**75.4**	**76.0**	**76.5**	**77.0**	**77.5**	**77.9**	**78.3**	**78.6**
Change			***23.4%***	***12.7%***	***1.5%***	***0.7%***	***0.7%***	***0.6%***	***0.6%***	***0.5%***	***0.5%***	***0.4%***
Depreciation and amortisation		7.5	7.1	6.6	6.1	6.5	6.8	7.2	7.5	7.9	8.3	8.7
Operating cash flow		**60.9**	**73.0**	**81.0**	**81.6**	**82.5**	**83.4**	**84.2**	**85.0**	**85.8**	**86.6**	**87.3**
Capital expenditure		-4.9	-5.0	-5.2	-5.3	-5.7	-6.2	-6.6	-7.1	-7.6	-8.1	-8.7
Change in working capital		-2.4	-35.8	-17.6	-7.1	-2.5	-2.5	-2.5	-2.5	-2.4	-2.4	-2.4
Net investments		**-7.3**	**-40.8**	**-22.8**	**-12.4**	**-8.2**	**-8.7**	**-9.1**	**-9.6**	**-10.1**	**-10.5**	**-11.0**
Free cash flow		**53.6**	**32.3**	**58.2**	**69.2**	**74.2**	**74.7**	**75.1**	**75.4**	**75.8**	**76.0**	**76.3**
Cost of capital		9.4%	9.4%	9.4%	9.5%	9.5%	9.5%	9.5%	9.6%	9.6%	9.7%	9.2%
Capital employed		186.5	220.2	236.4	242.6	244.4	246.2	248.2	250.2	252.4	254.6	
RoCE		28.6%	29.9%	31.5%	31.1%	31.1%	31.1%	31.0%	31.0%	30.9%	30.7%	
Spread		19.2%	20.6%	22.1%	21.6%	21.6%	21.6%	21.5%	21.4%	21.3%	21.0%	
Present value of operating cash flows	**893.8**	53.6	29.5	48.6	52.9	51.8	47.6	43.7	40.1	36.7	33.6	455.7
Non operating assets	0.0											
Enterprise value	**893.8**				**Risk profile**					**Assumptions for termial value**		
Debt	-18.5				Cyclical exposure		35.0%	1.2		Long term growth rate		1.8%
Pension provisions	-1.9				Transparency		35.0%	1.1		EBIT-Margin		15.7%
Minorities	-52.1				Size/Liquidity		15.0%	1.1		Risk free rate		4.4%
Equity Value	**821.3**				Leverage		15.0%	0.8		Risk premium		4.5%
Number of shares	52.0				Other		0.0%	1.0		Credit spread		2.0%
Value per share	**15.8**				**Fundamental beta**			**1.1**		Equity ratio		97.7%

Source: Metka, Oppenheim Research

Metka: Sensitivity analysis					
Growth rate	**1.4%**	**1.6%**	**1.8%**	**2.0%**	**2.2%**
Fair Value	15.3	15.6	**15.8**	16.1	16.4
change, %	-3.2%	-1.3%	0.0%	1.9%	3.8%
Risk free rate	**5.4%**	**4.9%**	**4.4%**	**3.9%**	**3.4%**
Fair Value	14.8	15.3	**15.8**	16.4	17.2
change, %	-6.3%	-3.2%	0.0%	3.8%	8.9%

Source: Oppenheim Research

Peer group valuation

Metka is attractive compared to its peer group

The definition of the peer group is difficult. Metka's business is comparable to the relevant activities from Siemens, Alstom, and General Eelectric. One has to keep in mind that the valuation of these companies is not only determined by power plant activities. We have included two other companies which are more focused on engineering, e.g. Foster Wheeler from the US.

	Price,	**P/E**		**EV/EBITDA**		**EV/EBIT**	
Company	**local**	**08e**	**09e**	**08e**	**09e**	**08e**	**09e**
Technip, €	55.42	15.6	13.7	6.0	5.0	7.7	6.7
Siemens, €	68.25	12.6	10.0	6.8	5.4	10.2	7.4
Alstom, €	140.02	20.0	15.9	11.0	9.2	14.2	11.9
Foster & Wheeler, US$	59.1	17.1	14.2	10.3	8.0	11.6	8.8
Chicago Bridge & Iron. US$	44.07	16.9	14.4	8.8	7.3	10.9	8.5
Average		**16.5**	**13.6**	**8.6**	**7.0**	**10.9**	**8.7**
Median		**16.9**	**14.2**	**8.8**	**7.3**	**10.9**	**8.5**

Source: Thomson Financial

The outcome is that Metka is relatively undervalued compared to its peers. Looking to P/E, the average 2008e and 2009e of 16.5 and 13.6 compares to Metka's P/E (based on our estimates) of 13.2 and 10.8. Based on its excellent market position and its high order backlog, we believe that this discount is not justified. Taking our DCF-based fair value of €15.80 per share and our EPS estimates, we would arrive at a P/E 2008e of 15.6 and 2009e of 12.7, which is still below the average of the peers.

Looking to EV/EBITDA, Metka is valued at slightly higher multiples. For 2008e our multiple stands at 9.1, and for 2009e, we arrive at 7.5. On EV/EBIT, it is more attractive again. Metka has a multiple of 10.1 (2008e) and of 8.1 (2009e).

Company profile

Metka S.A. (Metal Constructions of Greece S.A.) was founded in 1962 as a joint stock company. After a solid performance, the company was listed in 1973 at the Athens Stock Exchange. An important step was made in 1980 with the acquisition of Technom S.A. in Greece; that has opened up the ability to handle large volume projects. Between July 1998 and January 1999, Mytilineos had taken over the majority of Metka. Starting with an 11.8% stake, today the company controls nearly 52% of Metka's share capital. Through various acquisitions (e.g. Servisteel, Rodax, Elemka), the company could strengthen its core activities and speed up the pace of growth.

Metka's main activities are concentrated in the area of energy, infrastructure, and defense. The company is a leading player in EPC (Engineering, Procurement, Construction) contracting, in industrial component manufacturing, and has activities in the defense sector. Energy is the main area of activity, representing some 80% of revenues, while Defense generates 14%, and the remaining 6% comes from infrastructure projects. The group is certified for its quality by ISO 9001 and has various other certifications.

In the last ten years the company has achieved an impressive growth. Revenues increased from €45m to €284m in the fiscal year 2007. For the same period, the EBITDA increased from €5m to €57.2m last year, representing a margin of 20.1% versus 11.1% ten years ago. Shareholders will benefit from last year's growth in the form of a higher dividend of €0.50 (2006: €0.40) per share.

Mytilineos holds 51.49% in Metka

Today Mytilineos holds 51.49% in Metka, while the remaining 48.51% can be qualified as free float. The current share capital of Metka stands at €16.60m. Based on the current share price of €13.36, the market capitalization came out at nearly €700m. Last year the shares showed an impressive performance. The average share price of Metka increased 72%, from €8.55 to €14.73.

Company strategy

From components to turnkey projects

Today Metka focuses on the following main areas of activity: energy projects, large-scale infrastructure projects (e.g. petrochemical, refinery, cement, other heavy industry), and defense. The company has emerged from a components manufacturer to a group that handles large turnkey projects either alone or in cooperation with partners. It offers various technologies, e.g. coal or lignite-fired, hydro and combined cycle gas turbines. In its home market it has been the preferred contractor for the Public Power Corporation (PPC), the leading Greek utility company. In the energy area the group has a strategic cooperation with Alstom. Part of this is mainly the cooperation in new products, a joint marketing and market development, joint bids for new contracts, and cooperation in services. Other partners are Siemens, General Electric or Ansaldo. But they also can be competitors. Metka holds a close relationship with the big players like General Electric, Alstom, or Siemens, which helps to participate in new projects.

In its home market the company will concentrate on new projects and the replacement business, mainly with PPC. A regional expansion into regions like South East Europe, Asia, and Russia provides further potential for additional growth.

In the Defense division, Metka concentrates on the production of armored vehicles, frigates, and submarines. The group will continue to do so in the future. Currently, the main revenue stream is coming from the "Leopard" tank project.

Market: Situation and outlook

Market perspectives for Metka still look good. In its home market of Greece, there will be continuing high demand for electrical power plants. We would expect some replacement and environmental upgrades until 2010. In South East Europe, according to Metka, new capacity of 11,000 MW until 2010 is needed. That is equal to a value of some €9.5bn, which is a solid basis for Metka and its competitors.

Currently, the group has an order book volume of more than €800m. The major projects included are the Aliveri CCGT plant (430 MW) from PPC, representing a value of €219m. Another large project is for the Austrian OMV in Romania for a 850 MW CCGT plant. This will have a value of €220m.

Depending on how successfully Metka acquires new projects, the order backlog could easily increase to more than €1.0bn. In Syria they are bidding together with its partner Ansaldo for 850 MW CCGT power plant. The total project value goes up to €850m, and according to the 50% share, Metka could increase its order book by €425m. The project length is 38 months. In Greece, the Public Power Corporation plans to invest some €450m for new power plant projects. In Saudi Arabia, a visibility study for an €800m project has started and a final decision might be made at the end of this year.

In Defense, the factories in Volos are fully utilized. That will lead to an estimated revenue stream of €30 - €40m this year.

Earnings and financial perspectives

Financial guidance 2009e: Revenues between €500 – €600m; EBITDA between €82 – €100m

With the 2007 results publication, the company has also released a new financial guidance for 2008 and 2009. In fiscal year 2008, the group wants to achieve revenues of €410 to €450m. The EBITDA should increase further to €74 – €84m; that would lead to an EBITDA margin between 18.0% and 18.7%. For 2009, it is planned to achieve a turnover between €500 and €600m. The EBITDA should reach a level of €82-€100m, which is equal to a margin of 16.4 to 16.7%. The following table illustrates how that compares to our estimates.

	2008e		2009e	
€m	**Metka**	**SOP**	**Metka**	**SOP**
Revenues	410 - 450	404.7	500 - 600	536.2
EBITDA	74 - 84	78.71	82 -100	95.02
EBITDA-margin, %	18.0 - 18.7	19.4	16.4 - 16.7	17.7

Source: Metka, Oppenheim Research

Solidly financed group: Equity ratio of 39% (2007)

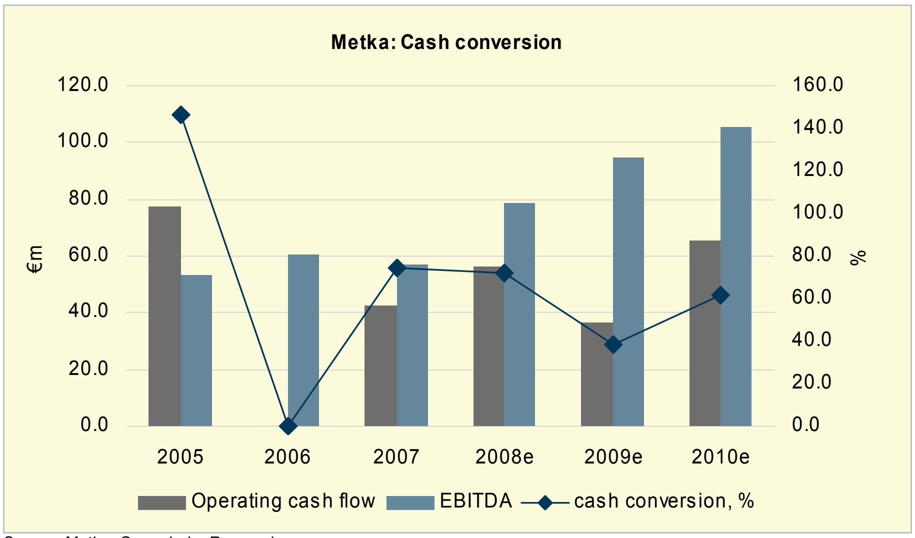
We qualify Metka as a solidly financed group. We want to highlight three major points when looking at the group's balance sheet:

- Equity ratio of 39%
- Net cash position of €32m (2008e)
- Increase in inventories and trade receivables.

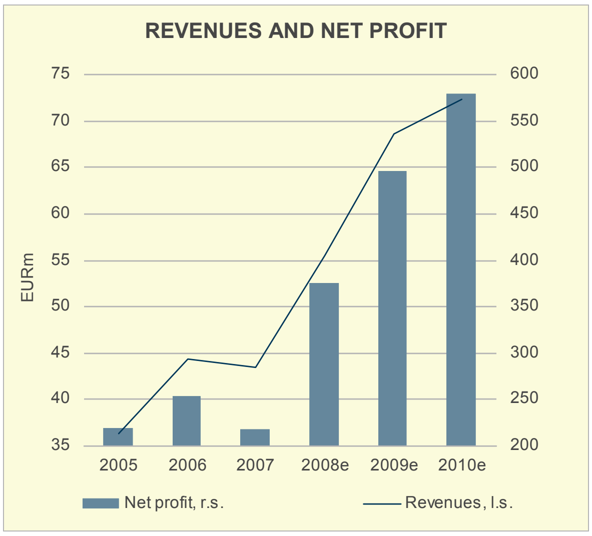
An equity ratio of 39% (2007) is comfortable; it is expected to increase further to 44% in the current year. We believe it is pretty normal for a company that is active in plant engineering to hold a net cash position. This is explained by the pre-payments which normally are being made when an order is fixed. In the current year we are estimating €32m. We would not qualify this as excess cash, because it is strongly related to the projects in the order book and needed for basic and detailed engineering, inventories and more. So far we have not included any excess cash into our DCF model.

The order book has grown and currently has a lot of projects under construction. This explains why inventories and trade liabilities are rapidly growing. This year we estimate that inventories will account for 8.2% and trade payables for 35.4% of the balance sheet total. On the other hand trade receivable will represent 54% of the balance sheet.

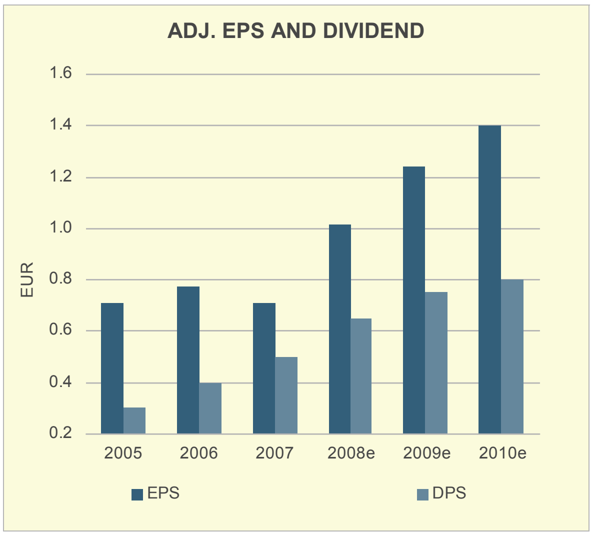
It looks like Metka is able to transfer its high profitability (P&L) into cash. Therefore, we take into consideration the cash conversion rate (EBITDA/oper. cash flow). On the one hand, it is very volatile, particularly when, in one year, a large order is billed. The free cash flow yield reaches a level between 7.0% and 8.5% (2008e – 2010e).



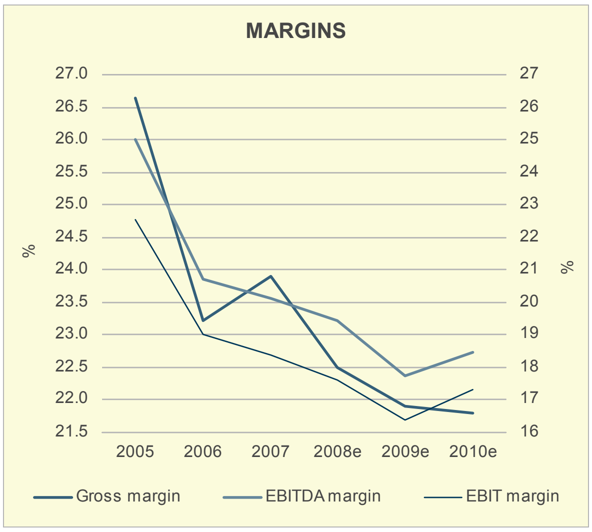
Source: Metka, Oppenheim Research



Source: Oppenheim Research



Source: Oppenheim Research



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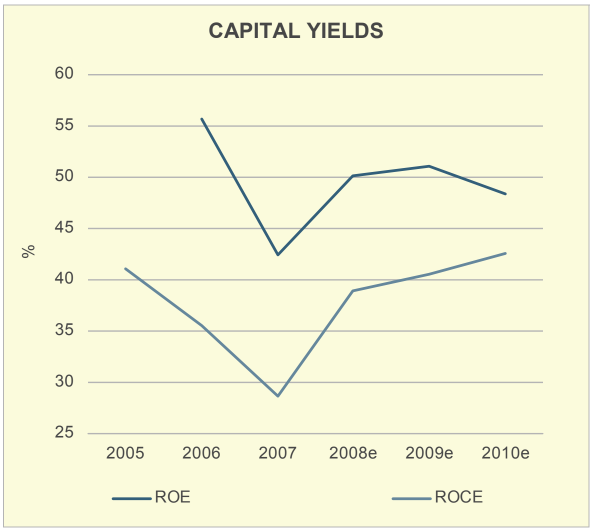

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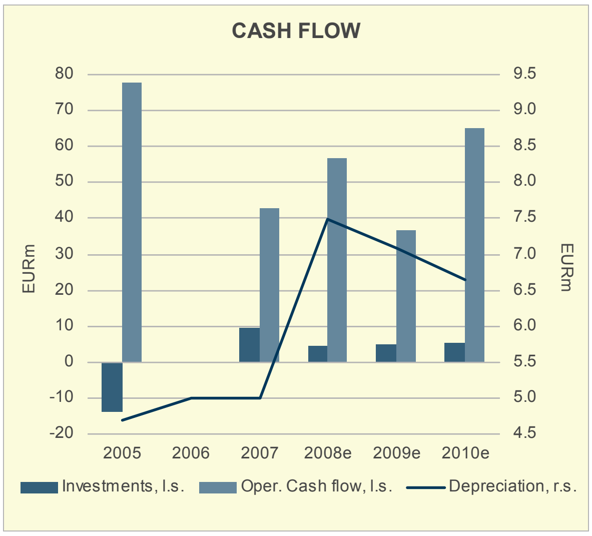

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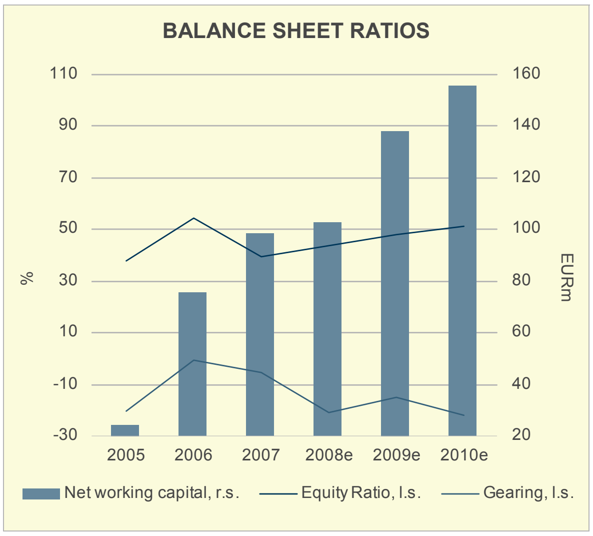

Source: Oppenheim Research

METKA - P&L (Cost of Sales)					
EURm (Yr. end: 12/31)	**2006**	**2007**	**2008e**	**2009e**	**2010e**
Sales	**294.1**	**284.2**	**404.7**	**536.2**	**573.0**
Cost of goods sold	-225.8	-216.3	-313.7	-418.8	-448.1
Gross profit	**68.3**	**67.9**	**91.1**	**117.4**	**124.9**
Selling costs	-1.5	-2.0	-3.2	-5.4	-2.9
Administrative costs	-10.8	-11.2	-15.4	-19.8	-20.6
Other operating income/expenses (net)	-0.1	-2.5	-1.2	-4.3	-2.3
EBITDA	**60.9**	**57.2**	**78.7**	**95.0**	**105.8**
EBIT	**55.9**	**52.2**	**71.2**	**87.9**	**99.1**
Interest result	-1.1	-1.7	-1.2	-2.1	-2.3
Financial result	**-1.1**	**-1.7**	**-0.8**	**-1.6**	**-1.7**
Participation result	0.0	0.0	0.4	0.5	0.6
Profit or loss on ordinary activities	**54.8**	**50.5**	**70.4**	**86.3**	**97.4**
EBT	**54.8**	**50.5**	**70.4**	**86.3**	**97.4**
Taxes	-14.4	-13.2	-17.6	-21.6	-24.4
Profit / loss for the year (cont. operations)	**40.4**	**37.3**	**52.8**	**64.7**	**73.1**
Discontinuing operations (net)	0.4				
Minority	-0.1	-0.5	-0.2	-0.2	-0.2
Net profit	**40.3**	**36.8**	**52.6**	**64.5**	**72.9**
Adjusted net profit	**40.3**	**36.8**	**52.6**	**64.5**	**72.9**

Key ratios and numbers					
EURm (Yr. end: 12/31)	**2006**	**2007**	**2008e**	**2009e**	**2010e**
Valuation					
PER	11.0	20.8	13.2	10.8	9.5
P/BV	4.0	6.0	4.5	3.8	3.2
Dividend yield %	3.5	2.7	3.7	4.9	5.6
EV/Sales	1.5	2.9	1.8	1.3	1.2
EV/EBITDA	7.3	14.6	9.1	7.5	6.5
Sustainable FCF yield %	-0.8	4.7	7.4	4.6	8.9
Data per share					
Weighted avg. number of shares	51.95	51.95	51.95	51.95	51.95
EPS (reported)	0.78	0.71	1.01	1.24	1.40
adj. EPS	0.78	0.71	1.01	1.24	1.40
Dividend	0.40	0.50	0.65	0.75	0.80
Book value per share	2.14	2.45	2.96	3.55	4.20
Sustainable FCFPS	-0.1	0.7	1.0	0.6	1.1
Growth rates %					
Sales	38.2	-3.4	42.4	32.5	6.9
EBITDA	14.5	-6.1	37.6	20.7	11.3
EBIT	16.5	-6.6	36.5	23.4	12.7
Net profit	9.2	-8.7	43.0	22.7	12.9
adj. EPS	9.2	-8.7	43.0	22.7	12.9
Margins %					
Gross	23.2	23.9	22.5	21.9	21.8
EBITDA	20.7	20.1	19.4	17.7	18.5
EBIT	19.0	18.4	17.6	16.4	17.3
Net profit	**13.7**	**12.9**	**13.0**	**12.0**	**12.7**
Expense ratios %					
Personnel cost to sales	-5.8	-6.5	-4.7	-3.8	-3.8
Depreciation to sales (Cost of sales)	-1.7	-1.8	-1.8	-1.3	-1.2
Tax rate	26.3	26.1	25.0	25.0	25.0
Other ratios					
EVA ® SOP			35.9	45.3	52.1
Interest cover	-43.5	-28.6	-48.6	-35.4	-36.9

METKA - Cash Flow Statement					
EURm (Yr. end: 12/31)	**2006**	**2007**	**2008e**	**2009e**	**2010e**
Cash flow from operating activities					
EBIT	55.9	52.2	71.2	87.9	99.1
Depreciation / amortization	5.0	5.0	7.5	7.1	6.6
Non Cash Items	-7.1	3.1	0.0	0.0	0.0
Cash taxes	-14.5	-13.2	-17.6	-21.6	-24.4
Change in other assets & liabilities	0.0	0.0	-2.1	-1.1	1.4
Change in Working Capital	-39.2	-4.4	-2.4	-35.8	-17.6
Total	**0.1**	**42.7**	**56.7**	**36.6**	**65.2**
Cash flow from investing activities					
Investments in tangible assets	-3.8	-2.5	-4.4	-4.4	-4.3
Investments in intangible assets	0.0	0.0	-0.5	-0.6	-1.0
Investments in financial assets	-3.7	-8.9	0.0	0.0	0.0
Disinvestments	8.2	1.7	0.0	0.0	0.0
Changes in other L.T. assets / acquisitions	-0.8	0.2	0.3	-0.0	-0.0
Total	**-0.1**	**-9.5**	**-4.6**	**-5.0**	**-5.3**
Cash flow from financing activities					
Net financial result / income from associates	-1.1	-1.7	-0.8	-1.6	-1.7
Change in financial liabilities	1.5	9.9	0.2	0.4	1.9
Change in pensions and similar provisions	0.0	0.0	0.0	0.0	0.0
Dividend payments	-16.4	-20.8	-26.0	-33.8	-39.0
Other/consolidation/currency	1.1	1.6	-0.3	0.0	0.0
Total	**-14.9**	**-11.0**	**-26.9**	**-35.0**	**-38.8**
Change in cash and cash equivalents	**-14.9**	**22.2**	**25.1**	**-3.5**	**21.2**
Cash and cash equivalents (begin. of period)	14.7	5.0	20.9	51.7	48.7
Cash and cash equivalents (end of period)	5.0	20.9	51.7	48.7	69.8

Ratios and Key Figures					
EURm (Yr. end: 12/31)	**2006**	**2007**	**2008e**	**2009e**	**2010e**
Free cash flow EURm					
Free cash flow to entity	1.1	34.8	51.7	31.5	60.0
Sustainable free cash flow to entity	-3.7	38.8	52.8	32.7	61.3
Sustainable free cash flow to shareholder	-4.8	37.1	52.0	31.1	59.6
Data per share					
FCFPS	0.0	0.7	1.0	0.6	1.2
Sustainable FCFPS	-0.1	0.7	1.0	0.6	1.1
Yields %					
Free cash flow yield	0.0	4.0	7.1	4.2	8.5
Sustainable FCF yield %	-0.8	4.7	7.4	4.6	8.9
Ratios					
Operating cash flow / capex	2.6	1,708.0	1,274.5	826.0	1,526.7
Operating cash flow / avg. net financial pos.	-45.5	-0.0	-0.2	-0.4	-0.3
Maintenance capex / revenues	1.3	1.4	1.0	0.7	0.7
Depreciation / capex %	41.7	119.0	151.9	141.4	127.0
Net working capital / sales	25.7	34.7	25.3	25.8	27.2

METKA - Balance sheet					
EURm (Yr. end: 12/31)	**2006**	**2007**	**2008e**	**2009e**	**2010e**
Assets					
Current assets	**136.3**	**201.2**	**297.8**	**334.3**	**375.1**
Cash and cash equivalents	5.0	20.9	51.7	48.7	69.8
Marketable securities	0.0	6.4	0.7	0.3	0.4
Trade receivable	107.2	144.4	205.6	241.6	258.2
Other receivables	2.0	7.6	10.8	12.7	13.6
Inventories	23.1	21.8	31.2	33.7	36.0
Other current assets	0.5	1.7	0.0	0.0	0.0
Fixed assets	**81.5**	**83.3**	**80.5**	**78.4**	**77.0**
Tangible assets	67.1	68.4	68.1	67.8	67.8
thereof Property, plant + equipment (PPE)	64.9	65.4			
Intangible assets	8.9	12.0	9.7	7.9	6.6
thereof goodwill	1.8	7.9	7.9	7.9	7.9
Assets held for sale	3.7	3.8	0.0	0.0	0.0
Total assets	**225.8**	**353.5**	**378.3**	**412.7**	**452.2**
Liabilities and Shareholders' Equity					
Total liabilities	**103.1**	**214.2**	**212.1**	**215.6**	**220.9**
Short-term liabilities	**73.2**	**160.4**	**162.0**	**165.2**	**166.9**
Trade payables	58.9	132.5	133.8	136.5	137.9
Short term provisions	0.2	0.4	0.4	0.4	0.4
Other short-term liabilities	7.7	6.8	6.9	7.0	7.1
Long-term liabilities	**29.9**	**53.8**	**50.1**	**50.3**	**54.0**
Long-term financial debt	2.2	18.3	18.5	18.9	20.7
Provisions	1.9	1.9	1.9	1.9	2.0
thereof pension provisions	1.9	1.9	1.9	1.9	2.0
Deferred income & deferred tax liabilities	15.5	12.6	8.5	7.9	9.5
Other long-term liabilities	10.3	21.0	21.2	21.6	21.9
Minority interest	**11.7**	**12.2**	**12.4**	**12.6**	**12.8**
Shareholders' equity	**111.0**	**127.1**	**153.7**	**184.5**	**218.4**
Capital subscribed	16.6	16.6	16.6	16.6	16.6
Reserves	94.4	110.5	137.1	167.9	201.8
thereof capital reserves	26.4	28.3	28.3	28.3	28.3
thereof retained earnings	68.0	82.2	108.8	139.6	173.5
Total equitiy , liabilities	**225.8**	**353.5**	**378.3**	**412.7**	**452.2**

Ratios and Key Figures					
EURm (Yr. end: 12/31)	**2006**	**2007**	**2008e**	**2009e**	**2010e**
Balance sheet structure					
Net working capital	75.5	98.5	102.6	138.3	155.9
Net financial debt	-0.9	-7.1	-32.0	-28.2	-47.5
Capital employed (CE)	157.0	181.8	183.0	216.7	233.0
Enterprise value (EV)	444.8	833.9	715.1	711.2	685.9
Ratios					
Current assets %	60.4	56.9	78.7	81.0	83.0
Long-term assets %	36.1	23.6	21.3	19.0	17.0
Equity ratio %	54.3	39.4	43.9	47.8	51.1
Gearing %	-0.8	-5.6	-20.8	-15.3	-21.7
Net financial debt / EBITDA	-0.0	-0.1	-0.4	-0.3	-0.4
EV / CE	2.8	4.6	3.9	3.3	2.9
ROCE %	35.6	28.7	38.9	40.6	42.6
ROE %	40.9	30.9	37.5	38.2	36.2

METKA - Divisional Breakdown					
EURm (Yr. end: 12/31)	**2006**	**2007**	**2008e**	**2009e**	**2010e**
Sales	**294.1**	**284.2**	**404.7**	**536.2**	**573.0**
Construction contracts	278.9	265.0	384.3	514.9	550.9
Trading	8.7	9.0	9.3	9.7	10.2
Maintenance/Service	4.0	7.3	8.2	8.4	8.7
Sales of Scrap	1.6	1.1	1.2	1.2	1.2
Other/Consolidation	0.9	1.8	1.9	2.0	2.0
Growth %					
Construction contracts	34.5	-5.0	45.0	34.0	7.0
Trading	high	3.4	3.0	5.0	5.0
Maintenance/Service	1900.0	82.5	12.0	3.0	3.3
Sales of Scrap	-5.9	-31.3	5.0	1.0	1.0
Other/Consolidation	-74.3	100.0	4.0	4.5	2.0
EBITDA	**60.9**	**57.2**	**78.7**	**95.0**	**105.8**
EBITDA Margin %					

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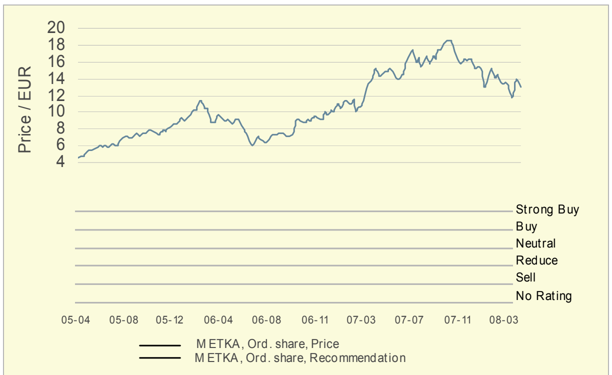

Rating Distribution				
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Reduce	16	4.1	1	2
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