

METKA S.A.

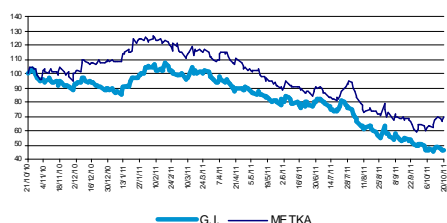
Sector:	Industrial Goods & Services
Issue Date	October 21, 2011
Target Price	12.00 €
	(Previous Target Price: 11.40€)
Rating	Outperform
	(unchanged)

Rating	Outperform
Target Price	12.00 €
Of which Dividend 11e (net)	0.32 €
Last Price	6.02 €
Total Expected Return	99.4%
Of which Dividend Yield 11e (net)	5.4%

Stock Data	
Bloomberg Code	METTK GA
Reuters Code	MTKr.AT
52 week high	11.05 €
52 week low	5.18 €
1m performance	1.86%
YTD performance	-36.09%
Number of shares	51,950,600
Market Capitalization	312,742,612 €
Average Daily Volume (52w)	30,596
Free Float	42.6%

Performance	Metka	GI
1m performance	1.9%	-12.0%
3m performance	-15.4%	-37.3%
6m performance	-35.3%	-46.9%
12m performance	-28.1%	-53.3%
YTD performance	-36.1%	-47.5%

Metka's Relative Performance



Metka's Performance - 52 week



Emi Moundrou
Equity Analyst
+30 210 36 77 000
e.moundrou@prelium.com

Valuation model updated with the new \$348.8m project win in Iraq - Backlog raised to c. €2b (€1.3b excluding the 2nd project in Syria)

New project win in Iraq: METKA was awarded on October 4th a 1,250-megawatt gas-fired power plant project in Basra, Iraq, budgeted at \$348.8m or c. €256m. The plant will have capacity of 1,250 megawatts and will be completed within 2 years from the opening of the letter of credit. This project will be funded by the Japanese International Cooperation Agency (JICA), as part of the \$5b aid package that Japan pledged to Iraq in 2003. It should be noted that Iraq is facing significant shortages in electricity, as the national grid supplies only a few hours of power each day. This project drove Metka's backlog to c. €2b (including the €678m 2nd project in Syria), 92% of which involves projects abroad.

Syria: Tension in the region has been building up during the last months and although the execution of the 1st project in Syria (Deir Ali) runs smoothly so far, risks for the 2nd Syrian project (Deir Azzour) are more prominent than a few months ago. We currently assume the first inflows for the 2nd project to occur in 2013 and although our EPS estimates from 2013 onwards might be at risk, we keep them unchanged for the time being and adopt a wait and see stance regarding political developments in the country.

It is worth noting however that despite the tension in the country, Siemens signed last week a \$419m contract to add 351MW of generating capacity to a power station in Syria, which could mean that as addressing power shortages in Syria is too big an issue to be delayed, we could soon have some news regarding Metka's 2nd project in Syria.

Also note that except from the recent award in Iraq, Metka is currently negotiating for several other projects abroad, in Turkey and in central Europe; a positive outcome could partly offset any negative news from Syria and replace the loss of a potential negative outcome in Syria.

New activities: after establishing a new Operations and Maintenance (O&M) Division in 2010, Metka will start providing O&M services to 3 of Mytilineos Group's energy assets, at cost in a first stage and at cost plus a fee in a later stage, further diversifying its portfolio. Be reminded that in Metka's €2b backlog we include the €94m 6-year maintenance contract for Megalopoli, already agreed with PPC last year.

We currently expect full year revenue to reach €765.8m (+24.8%), reported net profit at €75.0m and normalised net profit at €87.5m (+35.6%) new record levels for Metka after the ones reached in the previous fiscal year. Metka is currently executing 7 major projects, the highest inflows stemming from the 2 projects in Turkey (RWE-Turcas & OMV- Borasco) and Syria (PEEGT Deir Ali). It is also worth noting that the company's net cash position is expected to significantly exceed €100m in 2011, our estimates call for c. €142m from €66m in 2010, corresponding to a 45.4% of the company's current market cap.

Investment Thesis: Despite the pressure spotted upon the local stock exchange, Metka's stock has significantly outperformed Athens General Index. We remain positive on Metka's investment case as natural gas is expected to remain a key global energy source in the future, especially after the crisis at Japan's Fukushima nuclear power plant, current backlog secures visibility for the following 3 years and Metka's increasing international presence proves it has established itself as a strong international player who can successfully replenish its backlog abroad. All projects overseas seem to be running smoothly so far, except from the 2nd project in Syria where visibility is limited at the moment. The recent win however of the Iraqi project along with other possible wins in the near future (except from Iraq, the management is in talks for several projects in Turkey & central Europe) could partly off-set risks stemming from Syria's 2nd project. Metka is currently one of the very few companies listed in Athex that offers good EPS and CF visibility for the next couple of years while at the same time offering a debt-free balance sheet, a significant discount compared to its international peers and a strong international presence.

Fundamentals

(million €)	FY06a	FY07a	FY08a	FY09a	FY10a	FY11e	FY12f	FY13f
Revenue reported	294.1	284.2	381.5	339.4	613.7	765.8	655.0	736.9
Revenue normalised *	294.1	284.2	381.5	339.4	581.3	765.8	655.0	736.9
EBITDA reported	60.8	57.1	66.9	60.6	133.7	127.4	109.9	122.2
EBITDA normalised *	60.8	57.1	66.9	60.6	101.3	127.4	109.9	122.2
EBITDA Margin normalised *	20.7%	20.1%	17.5%	17.8%	17.4%	16.6%	16.8%	16.6%
Net profit reported	40.3	36.8	41.4	35.2	87.0	75.0	76.3	86.7
Net profit normalised *	40.3	36.8	41.4	39.3	64.6	87.5	76.3	86.7
EPS (€) normalised *	0.78	0.71	0.80	0.76	1.24	1.68	1.47	1.67
DPS (€) (gross)	0.40	0.50	0.40	0.20	0.48	0.43	0.44	0.50
DPS (€) (net)	0.40	0.50	0.40	0.18	0.38	0.32	0.33	0.38
Valuation Ratios								
P / E (x) normalised *	7.8	8.5	7.5	8.0	4.8	3.6	4.1	3.6
P / BV (x)	2.5	2.2	2.0	1.8	1.2	1.0	0.9	0.7
EV / Revenue (normalised) (x)	1.1	1.1	0.8	0.9	0.4	0.2	0.2	0.2
EV / EBITDA (normalised) (x)	5.1	5.3	4.6	4.8	2.4	1.3	1.4	1.3

Source: Company & Prelium Research Estimates

Notes:

* Normalised figures exclude the non-recurring gain from the sale of ETADE (booked in Q1 2010 in revenue and financial results) and social responsibility tax charges

FINANCIAL DATA SUMMARY

(million €)	2006a	2007a	2008a	2009a	2010a	2011e	2012f	2013f
P&L								
Revenue	294.1	284.2	381.5	339.4	613.7	765.8	655.0	736.9
Gross Profit	68.3	67.9	82.0	78.1	159.8	176.1	150.7	169.5
EBITDA (reported)	60.8	57.1	66.9	60.6	133.7	127.4	109.9	122.2
EBIT (reported)	55.9	52.2	61.5	55.8	129.0	122.5	105.2	117.7
EBT (reported)	54.9	50.5	58.0	54.6	125.4	114.8	100.4	113.4
EAT&M (reported)	40.3	36.8	41.4	35.2	87.0	75.0	76.3	86.7
Revenue (normalised) *	294.1	284.2	381.5	339.4	581.3	765.8	655.0	736.9
EBITDA (normalised) *	60.8	57.1	66.9	60.6	101.3	127.4	109.9	122.2
EBIT (normalised) *	55.9	52.2	61.5	55.8	96.6	122.5	105.2	117.7
EBT (normalised) **	54.9	50.5	58.0	54.6	90.7	114.8	100.4	113.4
EAT&M (normalised) ***	40.3	36.8	41.4	39.3	64.6	87.5	76.3	86.7
Balance Sheet								
Net Fixed Assets	79.7	82.6	77.9	78.6	67.2	65.3	63.6	62.1
Cash & Cash Equivalents	5.0	27.3	17.7	31.3	68.3	144.0	156.2	157.8
Other Current Assets	141.2	243.6	239.3	372.8	672.2	651.6	600.1	678.6
Total Assets	225.8	353.5	335.0	482.8	807.7	860.9	819.9	898.4
ST Bank Debt	2.2	18.3	11.4	10.4	2.2	2.2	2.2	2.2
LT Bank Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ST Liabilities	73.2	160.4	99.9	280.7	473.1	486.1	395.6	401.1
LT Liabilities	27.6	35.6	65.6	18.4	82.0	68.8	60.9	66.7
Minorities	11.7	12.2	15.5	16.3	17.1	20.5	24.0	27.6
Equity	111.0	127.1	142.5	157.0	233.3	283.3	337.1	400.9
Total Liabilities	225.8	353.5	335.0	482.8	807.7	860.9	819.9	898.4
Net Debt	(2.8)	(9.0)	(6.3)	(20.9)	(66.1)	(141.8)	(154.0)	(155.6)
Cash Flow Statement								
EBIT	55.9	52.2	61.5	55.8	129.0	122.5	105.2	117.7
Adjustments	(16.7)	(5.0)	(25.8)	(3.2)	(35.0)	(46.3)	(33.6)	(44.9)
Δ Working Capital	(39.1)	(4.4)	(13.3)	(16.0)	(41.7)	(23.6)	(39.1)	(50.9)
Cash Flow from Operations	0.1	42.8	22.4	36.6	52.3	99.7	32.5	21.9
CAPEX	(3.3)	(1.9)	(1.8)	(2.5)	(4.3)	(3.0)	(2.0)	(3.0)
Proceed from the sale of investments	5.3	1.0	2.0	5.0	0.0	0.0	0.0	0.0
Cash Flow from Investing	(0.1)	(9.5)	0.8	(0.2)	(3.4)	0.9	2.2	2.5
Dividends paid	(16.4)	(20.8)	(26.0)	(21.9)	(11.4)	(24.9)	(22.5)	(22.9)
Δ Bank Debt	1.5	9.9	(6.7)	(0.9)	(0.1)	0.0	0.0	0.0
Cash Flow from Financing	(14.9)	(11.0)	(32.8)	(22.9)	(11.6)	(24.9)	(22.5)	(22.9)
Net change in cash	(14.9)	22.3	(9.6)	13.6	37.0	75.7	12.2	1.6
Per Share Data								
EPS (Reported)	0.78	0.71	0.80	0.68	1.68	1.44	1.47	1.67
EPS (Normalised) ***	0.78	0.71	0.80	0.76	1.24	1.68	1.47	1.67
EPS (Diluted)	-	-	-	-	-	-	-	-
DPS (gross)	0.40	0.50	0.40	0.20	0.48	0.43	0.44	0.50
DPS (net)	0.40	0.50	0.40	0.18	0.38	0.32	0.33	0.38
BV per share	2.14	2.45	2.74	3.02	4.49	5.45	6.49	7.72
Year end number of shares (mil. €)	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Weighted number of shares (mil. €)	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Valuation Data								
P/E (x) (reported)	7.8	8.5	7.5	8.9	3.6	4.2	4.1	3.6
P/E (x) (normalised) ***	7.8	8.5	7.5	8.0	4.8	3.6	4.1	3.6
P/BV (x)	2.8	2.5	2.2	2.0	1.3	1.1	0.9	0.8
Dividend Yield (gross) (%)	6.64	8.31	6.64	3.32	7.97	7.19	7.32	8.31
Dividend Yield (net) (%)	-	-	-	2.99	-	5.39	5.49	6.23
EV / EBITDA (x)	5.1	5.3	4.6	4.8	1.8	1.3	1.4	1.3
EV / EBITDA (normalised) (x) *	5.1	5.3	4.6	4.8	2.4	1.3	1.4	1.3
EV / Revenue (normalised) (x)	1.1	1.1	0.8	0.9	0.4	0.2	0.2	0.2
FCF Yield (%)	-0.41	11.93	12.06	7.75	16.13	34.91	14.77	14.13
Growth Rates (%)								
Revenue	-	-3.4	34.2	-11.0	80.8	24.8	-14.5	12.5
EBITDA (reported)	-	-6.1	17.1	-9.4	120.8	-4.7	-13.7	11.2
EBIT (reported)	-	-6.6	17.9	-9.3	131.1	-5.0	-14.1	11.9
EBT (reported)	-	-8.0	14.9	-5.9	129.7	-8.5	-12.5	13.0
EAT&M (reported)	-	-8.6	12.6	-14.9	147.0	-13.9	1.8	13.6
Revenue (normalised) *	-	-3.4	34.2	-11.0	71.3	31.7	-14.5	12.5
EBITDA (normalised) *	-	-6.1	17.1	-9.4	67.3	25.7	-13.7	11.2
EBIT (normalised) *	-	-6.6	17.9	-9.3	73.1	26.8	-14.1	11.9
EBT (normalised) **	-	-8.0	14.9	-5.9	66.2	26.5	-12.5	13.0
EAT&M (normalised) ***	-	-8.6	12.6	-5.2	64.3	35.6	-12.8	13.6
Profitability Ratios								
Gross Profit Margin (%) (reported)	23.2	23.9	21.5	23.0	26.0	23.0	23.0	23.0
EBITDA Margin (%) (reported)	20.7	20.1	17.5	17.8	21.8	16.6	16.8	16.6
Net Profit Margin (%) (reported)	13.7	12.9	10.9	10.4	14.2	9.8	11.6	11.8
ROE (%)	36.3	29.0	29.1	22.4	37.3	26.5	22.6	21.6
ROA (%)	17.8	10.4	12.4	7.3	10.8	8.7	9.3	9.6
RoCE (%)	35.3	27.5	28.5	32.8	47.4	49.6	37.0	35.3
EBITDA Margin (%) (normalised) *	20.7	20.1	17.5	17.8	17.4	16.6	16.8	16.6
Net Profit Margin (%) (normalised) ***	13.7	12.9	10.9	11.6	11.1	11.4	11.6	11.8
ROE (%) (normalised) ***	36.3	29.0	29.1	25.0	27.7	30.9	22.6	21.6
ROA (%) (normalised) ***	17.8	10.4	12.4	8.1	8.0	10.2	9.3	9.6
RoCE (%) (normalised) ***	35.3	27.5	28.5	32.8	35.5	49.6	37.0	35.3
Debt Ratios								
Liabilities / Assets (%)	45.6	60.6	52.8	64.1	69.0	64.7	55.9	52.3
Bank Debt / Assets (%)	1.0	5.2	3.4	2.2	0.3	0.3	0.3	0.2
Interest Coverage (x)	101.5	29.8	19.0	38.4	21.6	16.5	22.9	28.7
Asset Turnover Ratios								
Cash Conversion Cycle	81	81	120	30	32	49	70	85
Liquidity Ratios								
Current Ratio (x)	1.9	1.5	2.3	1.4	1.6	1.6	1.9	2.1
Quick Ratio (x)	1.6	1.4	2.2	1.3	1.5	1.6	1.9	2.0

* Normalised for the €32.4m non-recurring gain from the sale of ETADE (booked in Q1 2010 revenue)

** Normalised for the above mentioned figure and another €2.270m gain booked in Q1 2010 financial results regarding ETADE's sale

*** Normalised for the above mentioned figures and one-off tax charges

INVESTMENT HIGHLIGHTS

Significant know-how in defence, infrastructure and energy projects— A world-class EPC contractor

Metka is member of the Mytilineos Group of companies since late 1998, when Mytilineos acquired its initial stake and has been involved in the management ever since. Mytilineos controls currently 57.40% of Metka (data as of 31/12/2010) and has managed during these years to help the company grow in size taking advantage of the synergies with the other Mytilineos group companies.

Metka focused initially on metal constructions and was the local utility's (PPC's) main producer of electricity transmission pylons. Mytilineos' management expanded Metka's activities in engineering, infrastructure projects and energy fields as well as in the defence sector.

Under Mytilineos' management, Metka transformed itself into an EPC contractor (Engineering-Procurement-Construction) with main focus the implementation of gas-fired combined cycle power plants. Starting from the local energy market, it soon managed to diversify its portfolio away from the local utility (PPC) by growing a strong international presence in countries with booming energy needs, like Pakistan, Turkey, Syria and recently Iraq.

Metka's experience and significant know-how in high value-added manufacturing projects for Energy, Infrastructure and Defence sectors is a considerable asset. The company has successfully established partnerships with foreign multinationals such as Alstom, General Electric and Siemens in the energy sector and Raytheon, KMW, Lockheed Martin and HDW in the defence sector. The company is thus well placed to undertake and execute large-scale EPC or defence/infrastructure projects either alone or jointly with other international partners.

Record-high backlog of c. €2b

Metka's focus on specialized EPC contracts in the Energy sector has delivered a record backlog of approximately €2b, 92% of which consists of projects abroad, securing strong organic profitability for the following years and a solid EPS growth.

Diversified Portfolio

Metka has proved it can successfully participate in international tenders by undertaking significant projects in Syria, Romania, Pakistan, Iraq and in the promising energy markets of Turkey, where significant investments are needed, either in expanding or in upgrading the national energy grid in order to significantly increase its installed generation capacity to meet increasing demand. Its increasing international presence built during the last years a quite diversified energy portfolio, significantly reduced its dependence on Public Power Corporation (PPC) and reduced country specific risk.

Financially sound and cheap in relative terms

Metka demonstrates a debt free balance sheet (it usually reports a net-cash position), strong cash flows, high operating margins and high dividend yield (average 5-year historical dividend yield of 6.6%). We also expect mid to low double-digit estimated revenue and EPS CAGR for 2011–13 (8.2% and 10.3% respectively, normalised figures). In our view the stock is attractively valued trading 3.6 x 2011e normalised EPS.

Metka also trades at considerable discounts compared to its peers in terms of most financial ratios, as seen at the table below. In addition, it offers one of the highest dividend yield and a debt-free balance sheet (one of the lowest debt to equity ratios). It should be noted however that due to differences between Metka and the companies presented in the following peer group (mostly in their range of activities), we do not incorporate a peer group analysis in our valuation. Finding directly comparable peers for Metka proved a difficult task, so we use peer group comparison only as a cross reference and to back up our valuation results.

Metka's Competitive Peers

Company	Country Code	Market Cap (€m)	P/E		EV/EBITDA		EBITDA Margin (%)	P/Book	Debt to Equity	DY (%)
			2010a	2011e	2010a	2011e	2010a	2010a	2010a	curr yr est. (gross)
SIEMENS AG-REG	GE	66,252	17.1	9.3	6.7	6.2	14.4	2.4	68.4	4.4
ALSTOM	FR	7,447	11.0	8.1	5.4	5.0	11.2	3.3	63.7	3.6
FOSTER WHEELER	SZ	1,739	20.0	11.9	9.9	4.8	8.6	4.4	16.1	0.0
TECHNIP SA	FR	7,378	17.6	15.8	8.0	7.5	12.6	2.3	55.4	2.3
ANDRITZ AG	AS	3,203	19.8	14.8	7.8	5.9	8.6	4.6	55.5	3.4
ANSALDO STS SPA	IT	1,118	13.6	13.6	7.3	7.9	12.2	3.4	1.5	2.8
TECNICAS REUNIDA	SP	1,470	24.9	10.3	13.1	5.2	5.9	8.0	18.0	5.1
FINMECCANICA SPA	IT	2,864	10.0	5.9	4.5	5.2	10.8	0.7	81.7	5.5
WARTSILA OYJ	FI	3,937	14.6	12.2	10.7	6.8	11.3	3.4	37.7	4.6
MCDERMOTT INTL	US	2,345	19.5	11.8	10.3	6.5	17.5	3.3	3.7	0.0
PETROFAC LTD	GB	5,288	15.0	14.1	11.6	7.6	14.6	10.8	11.3	2.4
SAMSUNG ENGINEER	SK	5,650	19.5	16.7	13.8	12.6	9.5	7.1	0.0	1.4
HYUNDAI ENG&CONS	SK	4,807	15.2	12.4	12.0	8.8	6.2	2.3	26.9	1.1
GS ENGINEERING	SK	2,830	14.1	8.5	9.1	6.1	6.9	1.6	26.9	1.3
Simple Average		9,775	16.8	11.4	8.4	6.1	11.3	3.6	40.2	3.2
Weighted Average			16.6	10.1	7.1	6.2	13.4	2.7	61.8	4.0
Metka @ current price	GR	317	4.8	4	2.4	1.3	21.8	1.3	0.9	7.2
Premium (+) / Discount (-)			-71%	-68%	-71%	-79%	93%	-64%	-98%	127%

Source: Bloomberg

Strong EPC business in 2010 and a good visibility for the next couple of years

EPC business significantly accelerated in 2010, which proved to be a particularly strong year, largely on the back of significant second-year inflows from the Romanian and the Corinthos Power projects along with the heavy additions of the 3 new projects in Syria and Turkey, which significantly improved visibility from 2010 onwards. Metka's EPC order-book stands currently at c. €2b and consists of 7 projects in 4 countries (Greece, Syria, Turkey and Romania), including the €94m 6-year maintenance contract for the Megalopolis project. The existing €2b backlog (EPC, other energy related and defence projects) secures 2-3 years of significant work in progress for Metka, from 2011 to 2013, and a solid EPS growth.

Energy trends

We are positive concerning Metka's future inflows as EPC market's future long term prospects remain positive. Despite the challenging local macro environment, demand for power is still solid to many of the energy markets Metka is targeting:

- In the Middle East, where economic growth and power shortages are expected to fuel investments in energy infrastructure. Except from new power plants on the way, there is also a trend to convert the "open cycle plants" to "combined cycle" in order to boost the plants' efficiency and output. In Syria, demand for electricity has increased by 75% over the past decade and the government predicts it will triple in the next 20 years.
- In Turkey, which has a significant potential for major investments in coal and gas fired powered plants on the back of strong GDP and population growth and urbanization.
- In Europe, where EU's obligations call for old plant closures or upgrades so that they can operate in the most economic and environmental manner.

Recent significant contracts' awards abroad prove that Metka holds the technical know-how and expertise to successfully participate in international offers making us more confident that EPS growth is secure for the following years even in the negative and most probable scenario that the local energy market will grow slower than expected.

Natural gas to gain from nuclear crisis

It is also worth mentioning that Metka's current technology focus is gas-fired combined cycle plants and natural gas is expected to remain a key global energy source in the future, especially after the crisis at Japan's Fukushima nuclear power plant. Governments and public opinion were beginning to forget the Chernobyl disaster and countries were moving back to nuclear energy in an effort to diversify from high emissive carbon. Things however seem to have changed abruptly on deepened concerns over nuclear power safety. Some countries, including Germany and Switzerland, are either shutting down old nuclear plants or putting on hold further developments. Germany has already shut down 7 of its oldest 17 nuclear reactors, while the remainder will be subject to a safety review. German ministers are having discussions regarding future energy mix but agree to accelerate the shift away from nuclear power, focused mainly on expanding offshore wind parks and building more gas plants at sites where shortages in renewable supplies occur. Switzerland, which has now five nuclear power plants in operation, announced that it was suspending nuclear plant upgrades and is considering abandoning nuclear power. China announced that it would suspend new nuclear plant approvals until it could strengthen safety standards.

As nations across Europe begin to question their reliance on nuclear power, it is common belief that if we do see nuclear power decline, opportunities will arise for coal, natural gas and renewable power generation. Natural gas and coal-fired power plants will be called upon to make up for the loss of many nuclear power plants which will be shut down for at least some years, if not forever. We believe nuclear energy could play a smaller role in global electricity generation mix than expected before, which would most probably spark global demand for natural gas, as renewables are still a limited option for many countries, and not so cheap alternative as well, while natural gas is plentiful and emits significantly less carbon dioxide than coal.

Investment Thesis - Valuation

Given its high backlog and the significant potential in the EPC business, we believe that Metka, financially sound and of an excellent standing, offers exposure to the growth prospects of many energy markets abroad at attractive valuations.

Our target price is derived using a 100% DCF model with a WACC rate of 12.9%. We use a RFR of 9.3%, the 3Yr average 10-Year Greek Government Bond, in order to reflect a normalization of the Greek yield curve from the current elevated market levels, our ERP is at 5.0%, Beta at 0.72 and terminal growth at 1.5%. Our valuation model leads to an equity value of 11.68 € per share which along with the 0.32 € net dividend (2011e) implies a TP of 12.00 € and an upside potential of 100.0%.

Risks

The main risks involved in our valuation are: execution delays in existing projects, political risks, delays in the assignment of new projects, as the current financial crisis increases the risk that major clients will postpone their investments and pressure on EBITDA margins. Also note that the stock's low liquidity could discourage new investors from buying the stock. It is possible that the stock could not be traded quickly enough in the market to prevent a loss or make the required profit.

APPENDIX A

Full Financial Statements

(million €)

P&L	2006a	2007a	2008a	2009a	2010a	2011e	2012f	2013f
Revenue	294.1	284.2	381.5	339.4	613.7	765.8	655.0	736.9
<i>Normalised Revenue *</i>	<i>294.1</i>	<i>284.2</i>	<i>381.5</i>	<i>339.4</i>	<i>581.3</i>	<i>765.8</i>	<i>655.0</i>	<i>736.9</i>
Cost of Sales	(225.9)	(216.3)	(299.5)	(261.3)	(453.9)	(589.7)	(504.4)	(567.4)
Gross Profit	68.3	67.9	82.0	78.1	159.8	176.1	150.7	169.5
<i>Normalised Gross Profit*</i>	<i>68.3</i>	<i>67.9</i>	<i>82.0</i>	<i>78.1</i>	<i>127.4</i>	<i>176.1</i>	<i>150.7</i>	<i>169.5</i>
Other operating income	0.8	3.1	3.0	0.7	4.6	1.0	1.0	1.0
Total SGAs	(13.2)	(18.8)	(23.5)	(23.0)	(35.4)	(54.7)	(46.5)	(52.8)
EBITDA (reported)	60.8	57.1	66.9	60.6	133.7	127.4	109.9	122.2
<i>Normalised EBITDA*</i>	<i>60.8</i>	<i>57.1</i>	<i>66.9</i>	<i>60.6</i>	<i>101.3</i>	<i>127.4</i>	<i>109.9</i>	<i>122.2</i>
Depreciation	(4.9)	(4.9)	(5.3)	(4.8)	(4.8)	(4.9)	(4.7)	(4.5)
EBIT (reported)	55.9	52.2	61.5	55.8	129.0	122.5	105.2	117.7
<i>Normalised EBIT *</i>	<i>55.9</i>	<i>52.2</i>	<i>61.5</i>	<i>55.8</i>	<i>96.6</i>	<i>122.5</i>	<i>105.2</i>	<i>117.7</i>
Net interest	(0.6)	(1.9)	(3.5)	(1.6)	(6.2)	(7.7)	(4.8)	(4.3)
EBT (reported)	54.9	50.5	58.0	54.6	125.4	114.8	100.4	113.4
<i>Normalised EBT **</i>	<i>54.9</i>	<i>50.5</i>	<i>58.0</i>	<i>54.6</i>	<i>90.7</i>	<i>114.8</i>	<i>100.4</i>	<i>113.4</i>
Income tax	(14.4)	(13.2)	(13.2)	(13.5)	(30.0)	(23.8)	(20.6)	(23.3)
EAT&M (reported)	40.3	36.8	41.4	35.2	87.0	75.0	76.3	86.7
<i>Normalised EAT&M ***</i>	<i>40.3</i>	<i>36.8</i>	<i>41.4</i>	<i>39.3</i>	<i>64.6</i>	<i>87.5</i>	<i>76.3</i>	<i>86.7</i>
Balance Sheet								
Total Assets	225.8	353.5	335.0	482.8	807.7	860.9	819.9	898.4
Total Intangible Assets	7.1	4.1	1.1	0.1	0.1	0.1	0.1	0.1
Total Fixed Assets	72.6	78.6	76.8	78.6	67.1	65.2	63.5	62.0
Tangible assets	67.1	68.4	64.8	62.4	58.6	56.7	55.0	53.5
Investments / Associates	0.0	0.0	0.0	0.0	0.6	0.6	0.6	0.6
Other assets	3.7	0.8	2.2	3.3	0.0	4.1	4.1	4.1
Total current assets	146.1	270.9	257.0	404.1	740.5	795.6	756.3	836.3
Inventories	23.1	21.8	15.3	12.8	11.3	14.5	13.8	23.3
Accounts receivables	111.8	208.5	213.1	333.1	604.4	586.9	538.4	605.7
Other receivables	2.0	7.6	4.3	3.6	21.8	15.3	13.1	14.7
Other ST Assets	4.3	5.8	6.7	23.4	34.8	34.8	34.8	34.8
Cash & Cash Equivalents	5.0	27.3	17.7	31.3	68.3	144.0	156.2	157.8
Total equity and liabilities	225.8	353.5	335.0	482.8	807.7	860.9	819.9	898.4
Total equity	122.7	139.2	158.0	173.3	250.4	303.9	361.2	428.5
Share capital	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6
Retained earnings & reserves	94.4	110.4	125.9	140.4	216.7	266.7	320.5	384.3
Treasury stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	11.7	12.2	15.5	16.3	17.1	20.5	24.0	27.6
Total long term liabilities	27.6	35.6	65.6	18.4	82.0	68.8	60.9	66.7
Retirement benefits / similar commitments	1.9	1.9	2.0	1.9	1.3	1.6	1.8	2.1
Long term bank debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	15.5	12.7	12.5	11.7	10.1	10.1	10.1	10.1
Other long term liabilities	10.3	21.0	49.8	4.1	69.6	55.9	47.8	53.8
Total short term liabilities	75.4	178.6	111.3	291.1	475.3	488.3	397.8	403.3
Provisions	0.2	0.4	0.1	0.0	0.0	0.0	0.0	0.0
Accounts payables	58.9	132.5	83.8	247.9	418.1	420.0	331.6	357.5
Tax payable	6.4	20.7	10.9	29.1	40.7	50.7	50.9	28.8
Short term bank debt	2.2	18.3	11.4	10.4	2.2	2.2	2.2	2.2
Short term portion of LT bank debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other ST liabilities	7.7	6.8	5.1	3.6	14.3	15.3	13.1	14.7
Cash Flow Statement								
EBIT	55.9	52.2	61.5	55.8	129.0	122.5	105.2	117.7
Depreciation and amortisation	0.0	5.0	5.3	4.8	4.8	4.9	4.7	4.5
Changes in retirement benefits	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.3
Changes in other provisions	0.0	0.9	0.2	0.2	0.0	0.2	0.0	(0.5)
Changes in net working capital:	(39.1)	(4.4)	(13.3)	(16.0)	(41.7)	23.6	(39.1)	(50.9)
Income taxes paid	(21.0)	(6.9)	(25.6)	(4.9)	(33.1)	(36.4)	(20.6)	(23.3)
Interest paid	(0.1)	(1.1)	(2.9)	(1.4)	(1.1)	(11.7)	(10.0)	(9.8)
Changes in deferred tax assets and liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in prepayments and deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Forex effects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash items	0.0	0.0	0.0	0.0	0.0	(3.7)	(7.9)	(16.1)
Cash Flow from Operations	0.1	42.8	22.4	36.6	52.3	99.7	32.5	21.9
CAPEX	(3.3)	(1.9)	(1.8)	(2.5)	(4.3)	(3.0)	(3.0)	(3.0)
Interest received	0.3	0.3	0.5	1.1	1.1	3.9	5.2	5.5
Cash Flow from Investing	(0.1)	(9.5)	0.8	(0.2)	(3.4)	0.9	2.2	2.5
Dividends paid	(16.4)	(20.8)	(26.0)	(21.9)	(11.4)	(24.9)	(22.5)	(22.9)
Equity issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bank Debt	1.5	9.9	(6.7)	(0.9)	(0.1)	0.0	0.0	0.0
Cash Flow from Financing	(14.9)	(11.0)	(32.8)	(22.9)	(11.6)	(24.9)	(22.5)	(22.9)
Net change in cash	(14.9)	22.3	(9.6)	13.6	37.0	75.7	12.2	1.6

Source: Company & Prelium Research Estimates

* Normalised for the €32.4m non-recurring gain from the sale of ETADE (booked in Q1 2010 revenue)

** Normalised for the above mentioned figure and another €2.270m gain booked in Q1 2010 financial results regarding ETADE's sale

*** Normalised for the above mentioned figures and one-off tax charges

IMPORTANT DISCLOSURES

DISCLAIMER

- This report has been compiled and issued by "Prelium Investment Services SA". "Prelium Investment Services SA" is liable neither for the proper and complete transmission of this report nor for any delay in its receipt. Any unauthorized use, disclosure, copying, reproduction or distribution of the specific research material contained in this report, in whole or in part, is strictly prohibited, without the prior written permission of the issuer ("Prelium Investment Services SA"). All opinions and estimates expressed in this report reflect the personal views and judgments of the author and are given in good faith. In addition, those opinions and estimates apply as of the date of issuance of this report but are subject to change without any prior notice. Although the information herein was obtained from sources which are deemed reliable, "Prelium Investment Services SA" does not guarantee their accuracy or completeness. The recipient of this report accepts that "Prelium Investment Services SA" shall not be liable for any errors or omissions of the present report or in the reproduction, copying or transmission of the information contained in the present report and such errors and omissions can not establish any claim related to indemnity or action against any officer or employee of "Prelium Investment Services SA" for any losses arising from such errors or omissions.
- This report is prepared exclusively for the clients of "Prelium Investment Services SA". Neither the information contained in this report nor any opinion expressed constitutes an offer, an advice, or an invitation to make an offer, to buy, or sell or subscribe for any financial instrument mentioned herein. Investors should not in any case rely exclusively upon information contained in this report in order to form any investment decision, but they should at their own and acting on an independent basis, analyze, evaluate and assess the appropriateness and the value of any particular investment, using the statements and recommendations of this report only as one of the factors which could effect their investment decisions. Investors should be aware of the fact that income from securities or financial instruments, if any, may fluctuate and that each security's or financial instrument's price or value may rise or fall. Accordingly, investors may receive back less than originally invested or may lose their entire originally invested capital. "Prelium Investment Services SA" shall not be liable for any investment decision which is taken in compliance with that information.
- Foreign currency rates of exchange may adversely affect the value, price or income of financial instruments mentioned herein. In addition, investors in financial instruments, such as ADRs, whose value are influenced by the currency of the underlying financial instrument, effectively assume currency risk.
- Unless otherwise agreed in writing with Prelium Securities and Investment Services SA, this research is intended solely for internal use by the recipient.

IMPORTANT REGULATORY DISCLOSURES ON SUBJECT COMPANY AND INTERNAL PROCEDURES

- The information and opinions contained in this report were compiled by Prelium Investment Services SA, which is a member of the Athens Stock Exchange and is regulated by the Hellenic Capital Market Commission. The compensations of the research analysts principally responsible for the preparation of this research report may depend on various factors, such as quality of work, stock picking, client feedback and overall firm profitability and those compensations should not in any case originate from persons who have substantial interests in the result of the present research report. Prelium Investment Services SA has not entered with the subject company (-ies) into any contract, whose object shall be the preparation of this report.
- This report has been published in accordance with the conflict of interests' management policy and the relevant guidelines which have been enacted and applied by the Company. Any research analyst responsible for the content of this research report is compelled to notify the circumstances which can affect the objectivity of the present analysis, especially in the case that he has a significant financial profit from the financial instruments mentioned herein or in the case that he has substantial conflict of interests with the issuer mentioned herein. According to the policies of Prelium Investment Services SA, the Research Department is bound by confidentiality, with the exception of data allowed to be published in accordance with the provisions of the capital market legislation in force. The communication between the Research Department and the other departments of Prelium Investment Services SA is restricted by Chinese Walls set between the different departments, so that Investment Services SA can comply with the provisions and regulations regarding confidential information and market abuse. In this context and before the transmission of the present analysis, the issuers, the directors and the employees of Prelium Investment Services SA, and any other person with the exception of the research analysts who are responsible for the preparation of this report, are not entitled to have access and examine the present analysis in order to verify the accuracy of the actual facts referred to this report or for any other reason, apart from the ascertainment of the compliance of Prelium Investment Services SA with its legal obligations, provided that the report contains ratings or target price.

ANALYSTS CERTIFICATION

- Each research analyst primarily responsible for the content of this report, in whole or in part, certifies that with respect to each company/ issuer that the analyst covered in this report: a) all of the views referred herein reflect his or her personal views about those financial instruments or issuers; b) no part of his/her compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report, c) he/she has not received financial incentives and earnings by any person who has substantial interests in the publication of the present research report, and d) he/she has not promised to the issuer mentioned in the present analysis any favorable coverage. The name of the research analyst primarily responsible for the content of this research report is stated on the first page of this report.

STOCK RATINGS

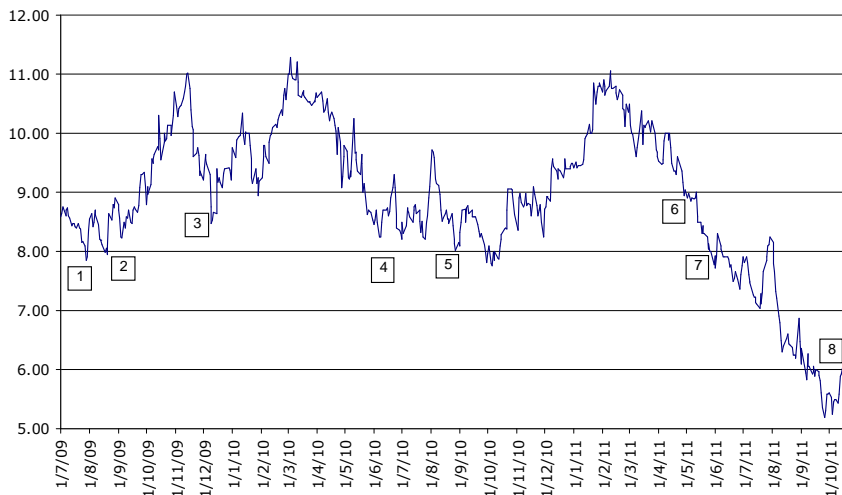
- The investors should carefully read the definitions of all ratings used in the present research report. Moreover, they should carefully read the entire research report to obtain a clear view of the analyst's opinions and not infer only from the ratings.

STOCK RATING DEFINITIONS

- The investors should carefully read the definitions of all ratings used in this research report.
Outperform: Total expected return (*) is equal or greater than 10% compared to the required market return (**) over the next 12 months.
Neutral: Total expected return (*) is between +/- 10% the required market return (**) over the next 12 months.
Underperform: Total expected return (*) is equal or less than -10% compared to the required market return (**) over the next 12 months.
(*) Total expected return: Price Appreciation plus Dividend
(**) Required market return: Risk Free Rate plus Equity Risk Premium

RATINGS HISTORY

Ratings	Date of Report	Share Price on date of issue	Target Price	Rating
1	13/7/2009	8.57€	11.50€	Initiation - Outperform
2	13/8/2009	8.18€	11€	Review - Outperform
3	17/11/2009	10.75€	13€	Review - Outperform
4	28/6/2010	8.35€	11.30€	Review - Outperform
5	23/8/2010	8.47€	10.70€	Review - Outperform
6	12/4/2011	10.00€	11.70€	Review - Outperform
7	23/5/2011	8.30€	11.40€	Review - Outperform
8	21/10/2011	6.02€	12.00 €	Review - Outperform



PROCESS OF VALUATION

Our valuation is based on a DCF model. We discount the cash flows with a WACC of 13.0%. We use a risk free rate of 9.3% (10-year Greek Government Bond yield 3-Year average), an equity risk premium of 5.0% and a beta of 0.72.

RISKS TO OUR VALUATION

- Execution delays in existing projects
- Political risks
- Delays in the assignment of new projects
- Increasing competition could pressure EBITDA margins

DISCLOSURE CHECKLIST FOR COMPANIES MENTIONED AND OTHER PRICE DATA INFORMATION

Company name	Bloomberg	Rating	Target Price	Price / Date	Valid Disclosure
Metka S.A.	METTK GA	Outperform	12.00 €	€6.02 / 20.10.2011	None

Source: Prelium Investment Services

1. Prelium Investment Services has acted as manager/co-manager/adviser in the underwriting or placement of financial instruments of the company mentioned in this report within the past 12 months.
2. Prelium Investment Services had a contractual relationship or has received compensation for investment banking from the company mentioned in this report within the past 12 months.
3. Prelium Investment Services acts as a market maker for the company mentioned in this report.
4. Prelium Investment Services owns five percent or more of the total share capital of the company mentioned in this report at the date of issuance of this report.
5. The company mentioned in this report owns five percent or more of the total share capital of Prelium Investment Services at the date of issuance of this report.
6. Prelium Investment Services SA has other financial interests related to the company mentioned in this report at the date of issuance of the latter.
7. The following research analysts who participate in the preparation of this report have the following financial interests related to the company covered by this report

PRELIUM INVESTMENT SERVICES S.A. RATING DISTRIBUTION

As of October 21, 2011	Outperform	Neutral	Underperform	Under Review / Not Rated	Restricted
% distribution breakdown	20%	0%	40%	40%	0%

OTHER IMPORTANT DISCLOSURES

- The above research material is provided to investors exclusively for information purposes and is not to be used or considered as an offer, advice or invitation to sell or buy or subscribe for any financial instrument mentioned in the present report. Prelium Investment Services SA shall not treat recipients as its customers by virtue of receipt of this report. Investors should not in any case rely exclusively upon information contained in this report in order to form any investment decision, but they should at their own and on an independent basis analyze, evaluate and assess the appropriateness and the value of any particular investment, using the statements and recommendations of this report only as one of the factors which could effect their investment decisions. The investments or services contained or referred to in this report may not be suitable for all investors and it is recommended that the investors, apart from the independent evaluation of particular investment and strategies, should consult an independent investment advisor if they are in doubt about such investments or investment services. Securities or the other financial instruments referred to in the research report are subject to investment risks, including the possible loss of the principal capital invested.
- The clients of Prelium Investment Services SA may already have or may have in the future a position or engage in transactions in any of the financial instruments mentioned herein or any related investment.
- Although the information or opinions herein was obtained or compiled from sources that are deemed reliable, the accuracy, completeness or correctness of those information or opinions can not be guaranteed. In producing the research reports, members of Prelium Investment Services SA Research Department may have received assistance from the subject company (-ies), referred to in this report. Any such assistance may include access to sites of the issuers, visits to certain operations of the subject company (-ies), meetings with management, employees or other parties associated with the subject company (-ies), and handing by them of historical data regarding the subject company (-ies) (financial statements and other financial data), as well as of all publicly available information regarding strategy and financial targets. Prelium Investment Services SA research personnel are prohibited from accepting payment or reimbursement of travel expenses from site visits to subject companies. It should be presumed that the author of this report, in most cases, has had discussions with the subject company (-ies) to ensure factual accuracy prior to publication. All opinions and estimates in this report reflect the personal views and judgments of the author and are given in good faith. In addition, those opinions and estimates apply as of the date of the issuance of this report but are subject to changes without any prior notice. Prices and availability of financial instruments are also subject to changes without prior notice. It should be assumed that any prices quoted in this report are the closing prices of the last session of the Athens Stock Exchange, unless otherwise indicated. Although Prelium Investment Services SA does not set a predetermined frequency for publications, it is in the intention of Prelium Investment Services SA to provide research coverage of the subject company (-ies), including in response to any news affecting these issuers, unless there is lack of news and capacity. Prelium Investment Services SA does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents or in respect of any errors or omissions thereto.

PRELIUM SECURITIES & INVESTMENT SERVICES S.A.**Member of the Athens Stock Exchange, Member of the Athens Derivatives Exchange**

Head Office: S. Davaki 1 & Kifisias Ave., 115 26 Athens, Greece, Tel. +30 210 36 77 000, Fax +30 210 69 26 403
e-mail research@prelium.com, www.prelium.com

INSTITUTIONAL SALES

Babis Angeletopoulos, b.angeletopoulos@prelium.com

RESEARCH DEPARTMENT

Emi Moundrou, e.moundrou@prelium.com

FOREIGN MARKETS

Loukas Kotrozos, l.kotrozos@prelium.com

ASSET MANAGEMENT

Konstantinos Asimakopoulos, k.asimakopoulos@prelium.com

DERIVATIVES

Ioanna Karamani, i.karamani@prelium.com