

# P R E S S   R E L E A S E

30 August 2014

## **GEK TERNA GROUP**

### **1<sup>st</sup> Half 2014 Results**

#### **Significant growth in the construction division – Further reduction of net bank debt during the second quarter of the year**

According to the financial statements of 30/06/2014, the consolidated sales of GEK TERNA amounted to 388.5 million euro compared to 242.3 million euro in the first half of 2013, increased by 60%, mainly due to the higher sales of the construction division.

Earnings before interest, taxes, depreciation and amortization (EBITDA) of GEK TERNA Group amounted to 46.8 million euro compared to 37.1 million euro in the first half of 2013, increased by 26.1%, mainly affected by the construction division. Results before taxes corresponded to profit of 4.9 million euro versus losses of 28.8 million euro in the first half of 2013, whereas net results after taxes and minority interest corresponded to losses of 0.1 million euro versus losses of 33.2 million euro during the same period of the previous year.

The Group's total investments during the period amounted to 59.1 million euro and mainly concern the divisions of Renewable Energy Sources and Construction.

The total net bank debt accounted for 392 million euro, posting a reduction of 36 million euro in Q2 2014 versus Q1 2014 and of 64 million euro as compared to the last quarter of 2013. The cash reserves at the end of the first half of 2014 amounted to 284 million euro, whereas the total bank debt accounted for 676 million euro.

Total equity settled at 630.5 million euro.

As regards to the individual activities the following are underlined: The Group's construction backlog remained at the high levels of 3.6 billion euro and signals an important period in terms of profitability and generation of increased cash flows. It is noted that the acceleration in the construction of the national motorways is expected to generate significant construction revenues for the Group over the following quarters.

Construction turnover for third parties amounted to 332.6 million euro versus 188.1 million euro in the same period last year, posting an increase of 76.8%, whereas earnings before interest, taxes, depreciation and amortization (EBITDA adjusted for non-cash expenses) of the division amounted to 15.3 million euro compared to 5.7 million euro in the first half of 2013.

In the real estate division, sales amounted to 1.9 million euro, resulting in a zero operating profit before depreciation and amortization.

In the Concessions division, given the consolidation of almost the entire sector with the equity method, net profit amounted to 1.7 million euro versus losses of 2.5 million euro in the first half of 2013. It is noted that in the Concessions division, the Group has undertaken a significant portfolio of three large scale road projects, in two of which (Ionian Road and Central Greece Motorway) the Group's participation will be significantly increased in the following period (the third project refers to the Group's participation in Olympia Odos). In total, the Group will allocate own investment funds of approximately 185 million euro in these three projects, ensuring the generation of significant long-term cash flows.

In the division of energy production from thermal sources, the net profit for the Group settled at 1.5 million euro versus 3.9 million euro in the same period last year. It is noted that, as in the case of the concessions division, the division of energy production from thermal sources will be consolidated from now on with the equity method.

In the Renewable Energy Sources (RES) division, the Group, through its subsidiary TERNA ENERGY, operates 604 MW of energy production installations from Renewable Sources in Greece, the USA, Poland and Bulgaria. In addition, 262 MW are either under construction or ready for construction from which 250 MW in Greece and 12 MW in Poland. Of these, approximately 44 MW are expected to be placed in operation soon.

Revenues from production of energy from RES amounted to 52.7 million euro compared to 51.4 million euro in the same period last year, increased by 2.5%, while operating profit before depreciation (EBITDA) amounted to 33.9 million euro compared to 34.6 million euro in the first half of 2013, decreased by 2%.

Finally, it is noted that the Mining division will gradually become especially important for the Group, given the re-initiation of operations in the magnesite quarries in Mantoudi, Evia.

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