

PRESS RELEASE

23 JULY 2004

GEK and ERMIS ANNOUNCE THE APPROVAL OF THEIR MERGER AGREEMENT PLAN, AND THEIR REPRESENTATIVES FOR SIGNING THIS AGREEMENT AHEAD OF THEIR MERGER

Following their meetings on 23rd July 2004, the Board of Directors of **ERMIS S.A. (ERMIS)** and **GEK S.A. (GEK)** announce the approval of the Merger Agreement Plan and their representatives for signing this agreement. According to the law provisions, a press release will inform the investment community about the final Merger Agreement Plan. This action will follow the relevant approval of the merger's content from the Development Ministry, the registration of this plan in the Societe Anonyme Records, and the publication of the press release in the Government Gazette.

It is reminded that after their meetings on 19th July 2004, the Board of Directors of both companies will propose to their Shareholders' Meetings the following exchange ratio as fair and prudent for their merger: **ERMIS** 0.48 : **GEK** 1. According to the exchange ratio, current ERMIS shareholders will retain those shares held prior to the merger, whereas GEK shareholders will exchange each GEK share with 1,595670995671 of the newly issued shares of ERMIS. The newly issued shares will derive from the share capital increase of ERMIS due to the merger. The Board of Directors of the two companies appointed the internationally acknowledged Auditing Firms Grant Thornton and Deloitte & Touche to certify the exchange ratio as fair and prudent for the merger.

The merger will proceed following the relevant approvals of the appropriate - according to the Law - Authorities and the Shareholders' Meetings of the companies involved. The merger is anticipated to complete within six (6) months approximately.

EFG TELESIS FINANCE A.E.P.E.Y. acts as Consultant in the merger.

ERMIS S.A.

GEK S.A.