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Press Release

FOR IMMEDIATE RELEASE

GEK GROUP exhibits strong growth in the first half 2004

Company	Sales*	Ch%**	EBITDA	Ch%	PBT (a.m)*	Ch%
GEK	227,5	21%	47,5	45%	25,5	49%
TERNA	228,8	21%	45,7	40,6%	37,8	44,1%

**Amounts in million euros-consolidated, profits after minorities*

***Changes% refer to the equivalent period last year*

- **The proposed merger between GEK S.A and HERMES S.A is proceeding, ensuring that the group achieves the critical size to play a leading role within the new market conditions/ numerous synergies between construction and real estate sector of the group should be expected**
- **Existing wind parks perform very well, whilst another 70 MW are under construction**
- **Possible acceleration in the process of the Greek energy market liberalization**

Athens, Greece August 26th 2004 – GEK group announces consolidated results for the half year 2004 ended June 30th, 2004.

1. Overview

GEK S.A consolidated results*:

million euros	H1 04	H1 03	Change %
Sales	227,5	187,6	21%
Operating profit	39,8	26,3	51%
PBT α.m	25,5	17	49%

Revenues rose 21%, reaching € 227,5 million compared to € 187,6 million in the same period last year, mainly driven by the very good performance of the Group's construction sector.

Operating Profit increased by 51% to € 39,8 million, compared to € 26,3 million in the same period last year.

Profit before taxes and after minorities recorded an increase of 49%, reaching € 25,5 million compared to € 17 million in H1 03.

Cash position amounted to € 25,8 million.

Long and short-term borrowings reached 77 million (27,1 long term debt- attributed to energy and real estate investments – and 49,9 short term debt- attributed to working capital needs)

Depreciation stood at € 6,4 million.

TERNA S.A consolidated results*:

million euros	H1 04	H1 03	Change %
Sales	228,8	188,7	21%
EBITDA	45,7	32,4	40%
PBTam**	35,9	24,9	44,1%

* The results are perfectly comparable with last year results

**Profit before taxes and after minorities

Revenues increased 21 % reaching € 228 million from € 188,7 million in the prior year.

Operating profit reached € 38 million and increased by 50%, whilst operating margin reached 16,5% demonstrating the positive impact of the successful restructuring and cost efficiencies.

Income before taxes and after minorities reached € 35,9 million, an increase of 44,1% compared to the equivalent period.

Cash stood at € 17,9 million and the company has € 13 million long-term debt (the bulk of which is attributed to the financing of energy investments). Short-term borrowings stood at € 38 million, which is mainly for working capital needs.

2. Main operations' outlook

In the **construction business** area, TERNA's results were very satisfactory, indicating the increasing sales and profitability for the full year 2004. The Group has the critical size and the fundamental soundness to consolidate its position as a contractor and energy producer in the broader geographic area.

Terna is currently pre-selected for the construction of 4 concession road works, whilst, the company is currently bidding for several large-scale contracts domestically and abroad, from which new order taking should result.

In the **energy business** area, energy sales from wind parks (41MW installed so far) stood at approximately € 4,13 million. We have to underline the fact that another 70MW are currently under construction, the first of which are expected to generate income by the end of 2004- beginning 2005. We expect that, soon, the so-far delayed tender for the 400 MW gas fired plant, will be launched.

In the **real estate** business, the group proceeds with the merger of GEK SA. and HERMES S.A (one of the largest Greek real estate companies) and thus, the real estate sector of the GEK is being strengthened, offering synergies, flexibility, solid capital base and increased profitability for the coming years.

About GEK group

GEK group is activated mainly in three business areas, Construction, Energy and Real Estate end Energy, achieving synergies and diversification of its activities. The group's excellent execution track record in its construction sector, the well established position in the Greek energy market and its major Real Estate assets have already consolidated the group among the leaders in these business areas. GEK group envisages future development through its credibility, extensive know how and substantial experience, together with its commitment on delivering to its customers the optimum outcome and creating shareholder's value.

APPENDIXConsolidated Interim Income Statement for **GEK Group**

For the half year 2004 period ended June 30, 2004

Consolidated Income Statement

(In thousands)

	<u>H1 04</u>	<u>H1 03</u>
Group Sales	227,580	187,650
<i>Sales from Joint ventures</i>	97,221	84,321
Cost of goods sold	103,885	81,272
<u>Gross profit</u>	<u>26,473</u>	<u>22,056</u>
Other operating income	1,999	703
Pre tax profit from JV (net)	21,175	12,490
S & A expenses	8,557	8,948
Net Financial results	(1,238)	64
Net Extraordinary results	(246)	608
Total Depreciation	6,443	6,376
<i>Less: charged to the operating cost</i>	6,418	6,376
<u>Profit before taxation</u>	<u>39,581</u>	<u>26,974</u>
<u>Minority interests</u>	<u>14,050</u>	<u>9,885</u>
<u>Net Profit before taxation</u>	<u>25,530</u>	<u>17,089</u>

Consolidated Interim Income Statement for **TERNA S.A**

For the half year 2004 period ended June 30, 2004

Consolidated Income Statement

(In thousands)

	<u>H1 04</u>	<u>H1 03</u>
Company Sales	228,869	188,707
<i>Sales from Joint Ventures</i>	97,221	84,321
Cost of goods sold	107,293	82,931
<u>Gross profit</u>	<u>24,354</u>	<u>21,453</u>
Other operating income	1,999	731
Pre Tax Profit from JV (net)	21,233	12,438
S & A expenses	8,164	8,362
Net Financial results	(1,326)	(883)
Net Extraordinary results	(275)	626
Total depreciation	6,264	6,236
<i>Less: charged to the operating cost</i>	6,239	6,236
<u>Profit before taxation</u>	<u>37,796</u>	<u>26,004</u>
Minority interests	1,834	1,071
<u>Net Profit before taxation</u>	<u>35,962</u>	<u>24,932</u>