

# Press Release



Wednesday, May 3<sup>rd</sup>, 2006

Today, GEK TERNA group presented the results, the strategy and the prospects of the group.

The management referred in detail to all group's activities, that is Construction, Energy, Real Estate and Concessions.

It is underlined that construction activity and renewable energy sources are represented by TERNA, whereas the activity in concessions and Real Estate is concentrated to the parent company GEK S.A.

2005 results were negatively affected by the weakness in construction, which continue to constitute the largest part of the profitability, whilst Energy and Real Estate were significantly increased, contributing materially in consolidated figures. Group's operating cash flows were very positive, allowing the distribution of last year's dividend both for GEK (€ 0.12) and TERNA (€ 0.22), underlining at the same time the management's confidence in Group's ability to create satisfactory cash flows.

In particular, 2005 was a year during which construction sector was weak mainly due to the delay of the state to tender new projects. Sales from this sector were € 216 million, significantly reduced from the "Olympic" levels of € 435 million.

Backlog at the end of the year was approximately €400 million, almost double compared to that at the end of 2004, due to significant new business undertaken.

The prospects of the Group's construction sector which is represented by TERNA are positive, since the tendering of new projects in the Greek market as well as the foreign markets where the Group has already been positioned successfully, and

moreover the fact that the Group contests for new concession projects, are factors which can support construction activity in the coming years.

In Energy sector, GEK TERNA group is the leader among the private producers since the total installed capacity reaches 235 MW. Analytically, TERNA ENERGY has installed 85 MW of wind parks whereas it currently builds 58 MW. In the beginning of 2007 the installed capacity will reach 170 MW, whilst the target remains to install an extra capacity of 280 MW of wind parks and 30 MW of small hydropower plants till 2009. In total, the installed capacity in renewables will reach 480 MW by 2009.

Energy contributed 37% of group's operating profits whilst the energy activity is expected to significantly increase within the coming years as the energy investment plan is progressing.

In Real Estate, GEK occupies own equity which exceeds € 130 million. The target is to further reinforce Real Estate through investments in Greece and abroad.

In 2005 Real Estate realized € 12,4 million EBT, whereas the enrichment of its property portfolio and its successful management are expected to reinforce this division within the coming years.

In concessions, GEK has already invested in several parking stations, having share in more than 4.300 parking spaces. Moreover, the Group contests for 4 large scale motorway concession which have a construction value of more than € 6 billion.

It is worth mentioning that the parent company GEK S.A has a c€ 70 million net cash position which will be used mainly in concession projects, targeting to long term income and significant value creation. Moreover, TERNA will be benefited by these projects being the construction company.

The healthy capital structure of GEK TERNA group, as well as the strong cash flows and the efficient exploitation of investment opportunities support expectations for the future successful business course of the Group.

The presentation is on the group's websites [www.gek.gr](http://www.gek.gr) , [www.terna.gr](http://www.terna.gr)

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