

GEK TERNA
GROUP OF COMPANIES

9M 2015 Results
GEK TERNA

Highlights

Sales	Ch%	EBITDA adj*	Ch%	PBT	Ch%	Net Income	Ch%
666.7	+4.1	92.1	+28.6	11.3	n/a	-11.9	n/a

*adjusted for non cash items, n/a= non applicable

Developments

- ➔ Impairments in Construction and Real Estate burdened profitability – backlog remains at high level (c3 billion)
- ➔ Total installed, under construction or ready to build RES capacity: 918 MW
- ➔ Operating cash flow after WC changes at 164m - cash collections from construction boosted by EPC Ptolemais project and, as a result, consolidated net debt down to 294m from 430m in 6M

Segments – Results

million €	SALES			EBITDA			EBIT			NET INCOME bm		
Segments	9M 15	9M 14	Ch%	9M 15	9M 14	Ch%	9M 15	9M 14	Ch%	9M 15	9M 14	Ch%
Construction	533.4	559.5	-4.7%	16.4	26.6	-38.4%	-4.9	5.7	n/a	-9.0	-4.9	-83.7%
Renewables	99.5	76.8	29.6%	76,0	49.5	53.5%	47.3	26.2	80.5%	17.9	4.3	n/a
Thermal Energy	23.4	0	n/a	0.3	-0.5	n/a	0.3	-0.5	n/a	-0.3	3.7	n/a
Real Estate	4.4	2.7	62.96%	-0.1	-1.6	93,75%	-3.4	-2.0	-71,1%	-5.5	-6.4	14.4%
Concessions	0.8	0.5	60.0%	0.1	0.0	n/a	-0.1	-0.1	n/a	2.4	5.1	-52.3%
Industrial	2.5	1.0	n/a	-1.5	-1.3	-15.4%	-3.0	-2.4	-25.5%	-3.7	-2.2	-68.2%
Holding	2.7	0.1	n/a	0.9	-1.1	n/a	0.7	-1.1	n/a	-4.0	-1.4	n/a
Total	666.7	640.6	4.1%	92.1	71.6	28.6%	36.9	25.8	43.0%	-2.2	-1.8	-22.22%

n/a = non applicable

Segments - Highlights

Concessions

Motorways under construction, pace of execution accelerating again

Construction

Backlog remains at high level - currently at c3 billion
Expectations for new additions remain high

Real Estate

The activity still weak - Total assets in real estate at 153 million

Segments - Highlights

Thermal Energy

Energy demand remains weak – financial performance stable

Renewable Energy

Growth expected – 88 MW under construction, expected to finish in the coming months

Mining

Magnesite mine in operation

Strategy

In Renewables, 1.000 MW totally installed in the coming years

Construction cash flow will support investments of the Group – positive outlook for the coming years

Magnesite mine will enhance growth in the future – a new stable activity which further improves risk profile of the Group

Key consolidated BS items – Net Financial Debt

NET DEBT	9M 2015	H1 2015
<i>Construction</i>	-134.4	8.3
<i>Renewables</i>	259.0	258.0
<i>Thermal</i>	9.3	5.5
<i>Real Estate</i>	84.9	83.5
<i>Industrial</i>	30.8	29.1
<i>Concessions</i>	44.6	44.4
<i>Holding</i>	0.0	1.2
Total	294.2	430.0
<p><i>Net Financial Debt decreased by c136 million in Q3 2015 against Q2 2015 mostly due to increased cash collections in the construction division</i></p>		

Key consolidated CF items

€ million	9M 2015	9M 2014
<i>Operating Cash Flow (before WC changes)</i>	162.9	159.3
<i>WC in construction improved by cash collections due to EPC construction in Ptolemais project</i>		

€ million	9M 2015	9M 2014
CAPEX	50.2	91.2
<i>CAPEX expected to accelerate within coming months mostly due to Renewables', Magnesite and Concessions' investments</i>		

APPENDIX

Financial Data

Amounts in '000 euros

Balance Sheet

BALANCE SHEET – 9M 2015			
	30.09.2015		31.12.2014
ASSETS			
Fixed assets	949.689		936.460
Real estate investments	60.515		61.214
Intangible assets	110.906		116.817
Participations and other long-term financial assets	263.924		239.200
Inventories	80.959		75.718
Trade receivables	308. 304		228.661
Other current assets	334.084		370.104
Cash & cash equivalents	419.552		352.739
Non current assets available for sale	0		0
TOTAL ASSETS	2.527.933		2.380.913
EQUITY AND LIABILITIES			
Share capital	58.792		53.844
Other equity	294.644		310.169
Total shareholders' equity	353.436		364.013
Minority interests	209.874		201.938
Total Equity	563.310		565.951
Long term bank debt	413.409		476.182
Provisions/ Other L/T Liabilities	628.334		545.821
Short term bank debt	300.367		256.222
Other S/T Liabilities	622.513		536.737
Liabilities of non current assets available for sale	0		0
TOTAL LIABILITIES	1.964.623		1.814.962
TOTAL EQUITY AND LIABILITIES	2.527.933		2.380.913

Profit & Loss

PROFIT & LOSS 9M 2015		
	1/1 - 30/09 2015	1/1 - 30/09 2014
Continuing Operations		
Net Sales	666.712	640.609
Cost of goods sold	-611.749	-592.771
Gross Profit	54.963	47.838
Administration Expenses	-24.264	-26.088
RnD Expenses	-1.818	-1.525
Other Income/expenses	16.198	11.590
Operating results	45.079	31.815
Net Financial Income/Expenses	-33.390	-35.241
Pre tax profit	11.286	5.501
Taxes	-13.458	-7.347
Net Profit from continuing operations	-2.172	-1.846
Other income recognized directly in Equity from:		
Profit /Loss from the evaluation of financial assets available for sale	-96	-2.138
Profits to the part of the joint venture's other comprehensive incomes	594	-1.759
Profits to the part of the associate's other comprehensive incomes	0	-18
Profit/Loss from evaluation of cash flow hedging contracts	234	-2.335
Profit/Loss from Foreign exchange differences from foreign operations	493	-5.015
Other comprehensive income	2.292	-1
Expenses of share capital increase	-263	-205
Tax which corresponds to the above results	178	1.137
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1.260	-12.179
Net results attributed to:		
Shareholders of the parent from continued activities	-11.881	-3.508
Minority interest from continued activities	9.708	1.663
Total income attributed to:		
Shareholders of the parent from continued activities	-8.801	-12.706
Minority interest from continued activities	10.060	529
Earnings per share (in Euro)	-0,1178	-0,03841

CASH FLOW

CASH FLOW STATEMENT – 9M 2015		
	1/1-30/09/2015	1/1-30/09/2014
<u>Operating activities</u>		
Profit before tax	11.286	5.501
Plus/less adjustments for:		
Depreciation	59.152	52.406
Provisions	-4.843	3.101
Interest income and related income	-6.377	-5.325
Interest expenses and related expenses	40.913	40.566
Amortization of grants	-8.312	-6.587
Other adjustments	-5.423	-15.123
<u>Operating profit before changes in working capital</u>	86.396	74.539
Plus/Less adjustments for working capital account movements or movements related to operating activities:		
Decrease / (increase) in inventories	-5.281	-367
Decrease / (increase) in receivables	-58.150	-29.191
(Decrease) / increase in liabilities (other than to banks)	167.492	142.434
(Less):		
Taxes paid	-27.509	-28.095
Inflows/outflows of non continuing operating activities	0	0
<u>Total inflows / (outflows) from operating activities (a)</u>	162.948	159.320
<u>Investing activities</u>		
Purchases of tangible, intangible assets & investment properties	-27.486	-57.905
Interest received	2.734	6.418
(Purchases)/sales of participations and securities	397	-63
Other adjustments	-662	2.130
Inflows / outflows of non continuing investing activities	0	
<u>Total inflows / (outflows) from investing activities (b)</u>	-25.017	-49.420
<u>Financing activities</u>		
Share capital's refund of the subsidiaries to the shareholders	-6.504	-6.166
Purchases of treasury shares	-1.090	-547
Net change in short-term loans	17.030	-59.413
Net change in long-term loans	-37.268	-49.065
Leasing payments	-7.393	-8.255
Interest and related expenses paid	-34.822	-32.385
Dividends paid	-315	0
Other adjustments	-1.769	5.716
<u>Total inflows / (outflows) from financing activities (c)</u>	-72.131	-150.115
Effect of FX differences on cash equivalents (d)	1.014	-269
<u>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c) + (d)</u>	66.813	-40.484
Cash and cash equivalents at the beginning of the period	352.739	326.615
Cash and cash equivalents at the end of the period	419.552	286.131