

GEK TERNA
GROUP OF COMPANIES

FY 2016 Results
GEK TERNA

Highlights

Sales	Ch%	EBITDA adj*	Ch%	PBT	Ch%	Net Income	Ch%
1.163	+19.7	252.8	+62.9	93.6	+395.5	45.8	n/a

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

Developments



Construction performing strongly in FY 2016, generating c153m EBITDA, compared to c59.2m in FY 2015 – backlog still at high level (c2.5 billion)



GEK TERNA increased its participation to Toll Roads in Greece up to c57%, by injecting c68m within H1 16. Toll Roads are now in operation, generating stable income for GEK TERNA



Total installed, under construction or ready to build RES capacity: 980 MW

Segments – Results

million €	SALES			EBITDA			EBIT			NET INCOME bm		
Segments	FY 16	FY 15	Ch%	FY 16	FY 15	Ch%	FY 16	FY 15	Ch%	FY 16	FY 15	Ch%
Construction	954.9	778.9	22.6%	153.4	59.2	n/a	128.28	30.3	n/a	69.5	14.5	n/a
Renewables	151.1	140.3	7.7%	109.2	97.9	11.58%	66.9	60	11.62%	18.1	17.7	2.8%
Thermal Energy	31.8	26.8	18.8%	0.4	0.3	38.4%	0.4	0.3	41.8%	2.1	-12.7	n/a
Real Estate	5.8	6.1	-4.2%	-5.0	-0.7	n/a	-8.8	-8.7	1.4%	-6.3	-15.4	-59.2%
Concessions	15.5	14.7	5.5%	-0.4	0.0	n/a	-0.9	-0.5	77.3%	0.6	2.0	-69.6%
Industrial	4.2	3.56	18.8%	-3.8	-1.6	n/a	-5.0	-2.7	84.7%	-8.2	-4.5	80.7%
Holding	0.2	1.5	-87.92%	-1.1	0.1	n/a	-1.1	0.1	n/a	-30.0	-5.8	n/a
Total	1,163.5	971.8	19.7%	252.8	155.2	62.9%	179.8	78.8	127.98%	45.8	-4.2	n/a

n/a = non applicable

Segments - Highlights

Concessions

Motorways are now in operation, generating a stable, long term source of income for GEK TERNA

Construction

Strong profitability in FY 2016 - Backlog still at high level (c2.6 billion)

Real Estate

The activity still weak - Total assets in real estate at 154 million

Segments - Highlights

Thermal Energy

Energy demand remains weak – Financial performance stable –
Promising outlook in supply

Renewable Energy

Growth expected – 242 MW under construction

Mining

Magnesite mine in operation – still c20m to complete investments

Strategy

In Renewables, critical mass of 1.000 MW totally installed will increase cash distribution to TERNA ENERGY shareholders ie GEK TERNA holds c40%

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	FY 2016	9M 2016
<i>Construction</i>	<i>-380.310</i>	<i>-333.848</i>
<i>Renewables</i>	<i>485.366</i>	<i>389.681</i>
<i>Thermal</i>	<i>28</i>	<i>-666</i>
<i>Real Estate</i>	<i>93.662</i>	<i>85.556</i>
<i>Industrial</i>	<i>38.206</i>	<i>34.220</i>
<i>Concessions</i>	<i>148.538</i>	<i>135.749</i>
<i>Holding</i>	<i>17.755</i>	<i>19.422</i>
<i>Total</i>	<i>403.245</i>	<i>330.114</i>
<p><i>Net Financial Debt increased by c73 million in Q4 2016 against Q3 2016 mostly due to new investments in RES</i></p>		

APPENDIX

Financial Data

Amounts in '000 euros

Balance Sheet

BALANCE SHEET – FY 2016			
	31.12.2016		31.12.2015
ASSETS			
Fixed assets	1.087.192		976.171
Real estate investments	88.230		56.215
Intangible assets	90.828		107.864
Participations and other long-term financial assets	381.536		259.974
Inventories	56.606		78.500
Trade receivables	279.786		318.382
Other current assets	477.428		427.078
Cash & cash equivalents	621.003		365.637
Non current assets available for sale	1.884		18.978
TOTAL ASSETS	3.084.493		2.608.799
EQUITY AND LIABILITIES			
Share capital	58.951		58.792
Other equity	324.898		291.949
Total shareholders' equity	383.849		350.741
Minority interests	214.656		211.624
Total Equity	598.505		562.365
Long term bank debt	844.001		511.442
Provisions/ Other L/T Liabilities	627.188		633.196
Short term bank debt	180.247		270.747
Other S/T Liabilities	834.552		631.0491
Liabilities of non current assets available for sale	0		0
TOTAL LIABILITIES	2.485.988		2.046.434
TOTAL EQUITY AND LIABILITIES	3.084.493		2.608.799

Profit & Loss

PROFIT & LOSS FY 2016		
	1/1 - 31/12	1/1 - 31/12
	2016	2015
Continuing Operations		
Net Sales	1.163.480	971,773
Cost of goods sold	-950.579	-862,453
Gross Profit	212.901	109,320
Administration Expenses	-36.873	-33,042
RnD Expenses	-1.682	-2,760
Other Income/expenses	-16.075	9,082
Operating results	-14.037	-18,710
Net Financial Income/Expenses	-50.615	-45,072
Pre tax profit	93.619	-18,818
Taxes	-47.800	-23,070
Net Profit from continuing operations	45.819	-4,252
Other income recognized directly in Equity from:		
Profit /Loss from the evaluation of financial assets available for sale	-1.792	-3,315
Profits to the part of the joint venture's other comprehensive incomes	-72	789
Profits to the part of the associate's other comprehensive incomes	-166	-63
Profit/Loss from evaluation of cash flow hedging contracts	-873	1,032
Profit/Loss from Foreign exchange differences from foreign operations	4.346	1,298
Other comprehensive income	1.385	44.21
Expenses of share capital increase	-172	-315
Actuarial losses on defined benefit pension plan	82	170
Tax which corresponds to the above results	-324	369
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.414	-4.046
Net results attributed to:		
Shareholders of the parent from continued activities	34.262	-14,467
Minority interest from continued activities	11.557	10,215
Total income attributed to:		
Shareholders of the parent from continued activities	37.037	-10,997
Minority interest from continued activities	11.196	10,791
Earnings per share (in Euro)	0.34560	-0.14737

CASH FLOW

CASH FLOW STATEMENT – FY 2016		
	1/1-31/12/2016	1/1-31/12/2015
<u>Operating activities</u>		
Profit before tax	93.619	18,818
Plus/less adjustments for:		
Depreciation	77.418	77,436
Provisions	18.435	1,460
Interest income and related income	-8.263	-7,819
Interest expenses and related expenses	60.254	52,891
Amortization of grants	-11.046	-11,107
Other adjustments	28.697	21,219
<u>Operating profit before changes in working capital</u>	259.114	152,898
Plus/Less adjustments for working capital account movements or movements related to operating activities:		
Decrease / (increase) in inventories	1.584	-4,404
Decrease / (increase) in receivables	35.240	-20,940
(Decrease) / increase in liabilities (other than to banks)	72.331	90,804
(Less):		
Taxes paid	-57.093	-43,199
Inflows/outflows of non continuing operating activities	0	0
<u>Total inflows / (outflows) from operating activities (a)</u>	311.176	175,159
<u>Investing activities</u>		
Purchases of tangible, intangible assets & investment properties	-170.329	-94,934
Interest received	1.502	3,109
(Purchases)/sales of participations and securities	-27.573	-8,674
Other adjustments	-26.256	-661
Inflows / outflows of non continuing investing activities	0	0
<u>Total inflows / (outflows) from investing activities (b)</u>	-222.656	-101,160
<u>Financing activities</u>		
Share capital's refund of the subsidiaries to the shareholders	0	0
Purchases of treasury shares	-4,362	-1,643
Net change in short-term loans	4,498	-13,702
Net change in long-term loans	232,818	65,665
Leasing payments	-4,983	-9,872
Interest and related expenses paid	-55,697	-64,911
Dividends paid	-6,177	-3,15
Payments/Collections from increases/decreases of subsidiaries share capital	1.125	-3.668
Other adjustments	-2,884	-38,427
<u>Total inflows / (outflows) from financing activities (c)</u>	164,338	-66,873
Effect of FX differences on cash equivalents (d)	2,508	5,772
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c) + (d)	255.366	12,898
Cash and cash equivalents at the beginning of the period	365.637	352,739
Cash and cash equivalents at the end of the period	621.003	365,637