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# Press Release

**FOR IMMEDIATE RELEASE**

## **GEK GROUP achieves strong growth in Full Year 2003**

<b>Company</b>	<b>Sales*</b>	<b>Ch%</b>	<b>Operating Profit</b>	<b>Ch%</b>	<b>PBT (a.m)*</b>	<b>Ch%</b>
<b>GEK</b>	409,6	46%	51,4	98%	32,7	38%
<b>TERNA</b>	412,3	46,7%	44	100%	39,9	80%

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

- **Excellent performance of the construction sector of the group/ Strong organic growth**
- **The group is proceeding with the merge of GEK S.A and HERMES S.A, reinforcing its solid position in real estate sector/synergies' creation**
- **Wind parks experience a good year, whilst the group is the preferred bidder for the first private gas-fired plant in Greece**

**Athens, Greece February 27, 2004 – GEK group** announces consolidated results for the full year ended December 31th, 2003.

GEK group achieved growth both in revenues and profits, operating earnings, earnings before taxes.

## 1. Overview

### GEK S.A consolidated results\*:

million euros	Full Year 03	Full year 02	Change %
<b>Sales</b>	409,6	280,5	46%
<b>Operating profit</b>	51,4	25,9	98%
<b>PBT α.m</b>	32,7	23,7	38%

**Revenues** rose 46%, reaching € 409,6 million compared to € 280,5 million in the same period last year, mainly driven by the very good performance of the Group's construction sector.

**Operating Profit** increased by 98% to € 51,4 million, compared to € 25,9 million in the same period last year.

**Profit before taxes and after minorities** recorded an increase of 38% by reaching € 32,7 million compared to € 23,7 million in 2002.

**Cash position** amounted to € 20,1 million from € 36,7 million in 2002.

**Long and short-term borrowings** reached 51 million

**Depreciation** stood at € 12,1 million.

### TERNA S.A consolidated results\*:

million euros	Full year 03	Full Year 02	Change %
<b>Sales</b>	412,3	280,8	46,7%
<b>Operating Profit</b>	44	21,9	100%
<b>PBTam**</b>	39,9	22,1	80%

\* The results are perfectly comparable with last year results

\*\*Profit before taxes and after minorities

**Revenues** increased 46,7 % reaching €412,3 million from € 280,8 million in the prior year.

**Operating profit** reached € 44 million and increased by 100%, whilst operating margin reached 10,6% demonstrating the positive impact of the successful restructuring and cost efficiencies.

**Income before taxes and after minorities** reached € 39,9 million, an increase of 80% compared to the previous period.

**Cash** stood at € 16,9 million and the company has € 14,1 million long-term debt (the bulk of which is attributed to the financing of energy investments). Short-term borrowings stood at € 26,3 million.

As the management commented: **“the restructuring that has already taken place within the group proved more than successful, since synergies and cost efficiencies positively impacted Group’s results.**

**TERNA S.A, the construction arm of the Group, exhibits strong organic growth, whilst it competes for numerous large-scale contracts, locally and abroad, for which we expect positive results within the coming months.**

**Also, we are already well positioned in the Greek energy sector and we expect that, after we finalise the agreement to offer energy reserves for the Olympic games, the Group will be the first private energy producer to enter the liberalised market.**

**Our aim is to further consolidate and strengthen our position within the fields we are activated, that is, construction energy and real estate. Focus on value creation is among our primary goals, through participation in large concessions and, moreover, extensive energy investments”.**

## 2. Main operations' outlook

The 2003 results illustrate the synergies created through restructuring in construction operations and the contributing value of the energy sector of the group.

In the **construction business** area, TERNA's performance was more than satisfactory, whilst the company has the size and the fundamental soundness to play a leading role among the contractors of the broader geographic area.

Terna is currently competing for the construction of 4 concession road works that have an indicative value of 3 billion euros. Also, the state is expected to start the bidding process of several large-scale projects, from which new order taking should result, securing new business for the forthcoming years.

In the **energy business** area, sales from wind parks stood at approximately € 8,6 million increased by 28% compared to last year, benefited from normal wind conditions that occurred this year, whereas profitability stood at 3 million. Also, the group is the preferred bidder for the construction of the first private gas-fired plant that will be operational in Greece, in early summer.

In the **real estate** business, the group proceeds with the merge of GEK SA. and HERMES S.A (one of the largest Greek real estate companies) and the management is confident that, due to synergies, flexibility and strong capital structure of the new company, the real estate sector of the group will soon enjoy an excellent performance.

### About GEK group

GEK group is activated mainly in three business areas, Construction, Real Estate and 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 the large Real Estate portfolio 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.

**APPENDIX**Consolidated Interim Income Statement for **GEK Group**

For the full year period ended December 31, 2003

**Consolidated Income Statement**

(In thousands)

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	Full Year 03	Full Year 02
Company Sales	261,880	185,038
Joint ventures	147,735	95,530
Cost of goods sold	211,135	150,633
<b><u>Gross profit</u></b>	<b><u>54,070</u></b>	<b><u>36,271</u></b>
<b>Plus:</b> Other operating		
income	3,344	1,867
S & A expenses	16,540	18,923
Financial results	13,907	8,572
Extraordinary results	(870)	6,588
<b><u>Profit before taxation</u></b>	<b><u>50,566</u></b>	<b><u>32,373</u></b>
<b>Minority interests</b>	<b><u>17,859</u></b>	<b><u>8,591</u></b>
<b><u>Net Profit before</u></b>		
<b><u>taxation</u></b>	<b><u>32,706</u></b>	<b><u>23,782</u></b>

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

For the period ended December 31, 2003

**Consolidated Income Statement**

(In thousands)

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	Full Year 03	Full Year 02
Company Sales	264,635	185,329
Joint Ventures	147,735	95,530
Cost of goods sold	215,215	151,619
<b><u>Gross profit</u></b>	<b><u>49,420</u></b>	<b><u>33,709</u></b>
Other operating income	3,274	1,848
S & A expenses	15,319	18,134
Financial results	6,681	4,556
Extraordinary results	(881)	1,262
<b><u>Profit before taxation</u></b>	<b><u>43,175</u></b>	<b><u>23,240</u></b>
Minority interests	3,220	967
<b><u>Net Profit before taxation</u></b>	<b><u>39,954</u></b>	<b><u>22,136</u></b>

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