

Contact: Aristotelis Spiliotis  
Group Investor Relations  
Phone: (+30 210) 6968 431  
Fax: (+30 210) 6968 076  
Email: tspiliotis@gekgroup.gr

# Press Release

**FOR IMMEDIATE RELEASE**

## **Q1 2005 a transition period for GEK & TERNA**

<b>Comp.</b>	<b>Sales</b>	<b>Ch%</b>	<b>EBITDA</b>	<b>Ch%</b>	<b>Net income</b>	<b>Ch%</b>
<b>GEK*</b>	66.8	-33.5	16.3	+2.5	9.6	+31
<b>TERNA</b>	60.9	-38.1	14.5	-15.8	8.8	-22

*Changes% refer to the equivalent period last year/Amounts in million euros-consolidated*

*\* Non comparable with 2004*

- **Construction results not indicative for the FY 05/Construction experienced relatively weak quarter, mainly due to delayed public work tenders after the Olympics/unfavourable comparison with strong “Olympic”Q1 04/ the outlook has already been improved**
- **Increasing energy contribution/One more wind park operational in June 05 (26 MW capacity)/ the gas fired plant performs very well in its first months of operation**

**Athens, Greece June 29<sup>th</sup> 2005 – GEK & TERNA group announces consolidated results for the first quarter 2005, ended March 31st, 2005.**

## 1. Overview

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

million euros	Q1 05	Q1 04	Change %
<b>Sales</b>	66.8	100.4	-33.5
<b>EBITDA</b>	16.3	15.9	+2.5
<b>EPS</b>	0.08	0.13	-38

\*non comparable with last year's results

**Revenues** reached €66.8 million, a decrease of 33.5% compared to €100.4 million in the same period last year. This decrease is attributed to Group's construction activities.

**EBITDA** reached 16.3 million compared to €15.9 million in 04.

**Profit before taxes** recorded a decrease of c5 %, reaching €10.8 million compared to €11.4 million in 2004.

It is worth mentioning that real estate did not contribute significantly in profitability within Q1 05. However, several real estate assets have already matured and are expected to generate profits within the following quarters.

**Net Cash position (in the parent level)** amounted to c€57 million, aided by the sale of TERNA's shares. This cash will be mostly used in concession investments (from which TERNA will be benefited as the construction company)

**Long -term debt related to Real estate** stood at c€21 million.

**All other long term and short - term borrowings** are attributed to TERNA and are related to increased working capital needs (short term) and energy investments (short and long term), as discussed below.

**TERNA S.A consolidated results:**

million euros	Q1 05	Q1 04	Change %
<b>Sales</b>	60,9	98,5	-38,1
<b>EBITDA</b>	14,5	17,2	-15,8
<b>EPS</b>	0,19	0.25	-24

**Revenues** decreased 38.1% reaching €60.9 million from €98.5 million in the prior year's equivalent period. This performance is mainly attributed to the weak Group's construction sector and is considered as coincidental and not indicative for the full year, due to state delays to launch new contracts after the Olympics and, moreover, the government change.

**EBITDA** reached €14.5 million, decreasing by 15.8%. The smaller decrease in EBITDA is attributed to energy operations, which generated an EBITDA of c3.5 million, or c24% of total EBITDA. Energy EBITDA stood at c1.6 million in Q4 04.

**PBT** reached €10.4 million, a decrease of 37 % compared to the equivalent period.

**Cash** stood at €34 million and the company has €39 million long-term debt (the bulk of which is attributed to the financing of energy investments). Short-term borrowings stood at c €108 million, 85 million of which are attributed to construction sector (mainly for working capital needs- due to the state delays to pay off the Olympic works). The remaining 23 are short term debt of the energy subsidiaries (mainly for working capital needs of both construction of wind parks and operation of gas fired plant). Short term debt will significantly be decreased in the following quarters, as the state has not yet paid off (as of end of June 05) c50 million (out of the initial "state" receivables of c130 million) for Olympic works made by TERNA.

As the management commented: **"the first quarter of 2005 was relatively weak in our construction operations, due to delays in public tendering during H2 04 and Q1 05. Also, the comparison with Q1 04 seems unfavourable, since 2004 was an "Olympic"**

year. We expect this situation to be reversed in the following quarters, since contract signing in Q2 05 was satisfactory, both in Greece and abroad (c350 million- almost equally divided between Greece and the Balkans).

Energy is performing very well and we anticipate an increasing contribution in profitability for each consequent quarter. Energy will be one of the main growth drivers, together with recovering construction, in the following quarters.

Large scale concession projects' awarding seems to overcome our initial estimations, in terms of time schedule (we estimate the sign of the first motorway concession project 1 semester ahead of expectations –H1 06).

## 2. Main operations' outlook

The first quarter of 2005 illustrates the weak performance of construction sector and the contributing value of the energy sector of the group.

In the **construction business** area, TERNA achieved, during the past years, to obtain a critical size and the fundamental soundness to consolidate its position as a contractor in the broader geographic area.

TERNA, during the past months, has been awarded 3 major projects abroad, together with 2 large contracts domestically, bringing back the backlog at the satisfactory level of c450 million. TERNA currently contests for significant amount of contracts abroad (mostly Balkans) and in Greece.

In the **energy business** area, sales from wind parks (where TERNA ENERGY is active, owning and operating 67 MW – 41 MW generated sales in Q1 05-) stood at approximately € 2.2 million. Another 58 MW of wind parks are currently under construction, which is expected to generate income within 2005, beginning 2006. TERNA's target remains the 200 MW installed by end 2006 and 400-450 installed by 2009.

Also, the gas fired plant (147 MW) generated 8.3 million of sales.

In the **real estate** business of GEK, several projects have already matured, which are expected to contribute in the profitability of GEK within the next 2 quarters.

### **About GEK group**

GEK group is active mainly in four business areas, Construction, Energy, Real Estate and Concessions, achieving synergies and diversification of its activities. Construction and Energy are represented by TERNA, whereas Real Estate and Concessions are GEK's 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, financial soundness and substantial experience, together with its commitment on delivering to its customers the optimum outcome and creating shareholder's value.

**APPENDIX**Consolidated Financial Statements of **GEK Group**

For the first quarter 2005 ended March 31, 2005

**Consolidated Balance Sheet**

	<u>31.03.2005</u>	<u>31.12.2004</u>
<b><u>ASSETS</u></b>		
Fixed Assets	189.296	206.258
Participations & other L/T receivables	31.163	28.955
Inventory	59.107	63.500
Property Investment	77.248	59.739
Receivables	243.869	240.015
Cash and cash equivalents	94.237	83.786
Other assets	78.126	70.150
<b>TOTAL ASSETS</b>	<b><u>773.046</u></b>	<b><u>752.403</u></b>
<b><u>LIABILITIES</u></b>		
Long term Liabilities	120.018	116.866
Short term bank loans	120.280	130.799
Other short term liabilities	161.089	169.466
<b>Total Liabilities</b>	<b><u>401.387</u></b>	<b><u>417.131</u></b>
<b>Equity</b>	<b><u>371.659</u></b>	<b><u>335.272</u></b>
<b>Minority Interest</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Total Equity</b>	<b><u>371.659</u></b>	<b><u>335.272</u></b>
<b>Total equity and liabilities</b>	<b><u>773.046</u></b>	<b><u>752.403</u></b>

**Consolidated Income Statement**

	<b><u>Consolidated</u></b>	
	<u>31.03.2005</u>	<u>31.03.2004</u>
Turnover	66.820	100.496
Cost of sales	-48.815	-84.433
Gross Profit	18.005	16.063
EBITDA	16.376	15.976
EBIT	13.552	13.895
Profit before tax	10.841	11.416
Less: (taxes)	-1.144	-4.019
Profit after taxes	9.697	7.397
EPS – basic(in €)	0,08	0,13

Consolidated Financial Statements of **TERNA S.A**

For the first quarter 2005 ended March 31, 2005

**Consolidated balance sheet**

	<b><u>Consolidated</u></b>	
	<b>31.03.2005</b>	<b>31.12.2004</b>
<b><u>ASSETS</u></b>		
Fixed assets	151.003	156.817
Participations and other long term receivables	6.728	5.552
Inventory	13.978	14.528
Investment property	31.937	29.368
Receivables from clients	231.475	220.338
Cash and cash equivalents	33.895	4.819
Other assets	55.482	78.957
<b>TOTAL ASSETS</b>	<b>524.498</b>	<b>510.379</b>
<b><u>Liabilities</u></b>		
Long term liabilities	80.346	75.194
Short term bank loans	109.363	111.367
Other short term liabilities	148.724	147.514
<b>Total liabilities</b>	<b>338.433</b>	<b>334.075</b>
<b>Equity (a)</b>	<b>168.037</b>	<b>159.014</b>
<b>Minority interests</b>	<b>18.028</b>	<b>17.290</b>
<b>Total equity (b)</b>	<b>186.065</b>	<b>176.304</b>
<b>TOTAL EQUITY AND LIABILITIES (α) + (β)</b>	<b>524.498</b>	<b>510.379</b>

**Consolidated Income Statement**

	<b><u>Consolidated</u></b>	
	<b>31.03.2005</b>	<b>31.03.2004</b>
Turnover	60.963	98.590
Cost of sales	45.561	81.506
Gross profit	15.402	17.084
EBITDA	14.544	17.286
EBIT	12.114	15.256
Profit Before Tax	<b>10.445</b>	<b>16.715</b>
Less: taxes	-716	-5.050
<b>Profit after taxes</b>	<b>9.729</b>	<b>11.665</b>
Attributable to:		
Shareholders	8.883	11.399
Minority interests	846	266
<b>Net profit per share – basic (in €)</b>	<b>0,19</b>	<b>0,25</b>