

## GEK & TERNA FY 05 results

Comp.	Sales	Ch%	EBITDA	Ch%	Net Income*	Ch%*
GEK	274	-35%	63.4	-26.8%	18.7	-39%
TERNA	245	-42.7%	42.1	-47%	13.8	-66%

### Under IFRS

\* Adjusted for the non recurring 43.3 million net profit that resulted last year from the merger with HERMES

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

- **FY results were weak, as expected, due to exceptionally weak construction/ recovery already evident in the fourth quarter**
- **Dividend remains the same as last year, based on strong cash flow and increased confidence for construction outlook/backlog in construction was almost double at year end 2005 compared to year end 2004/ significant new business in the first months of 2006 should be expected**
- **Cash flow generation was very strong during 2005**
- **Wind park installation proceeds well/ the first two small hydro plants (15 MW) are already under construction**
- **The group has already submitted financial offer for the first motorway concession (another three will be tendered within the coming months, budgeted up to c6 billion)**
- **Real Estate (parent GEK) performed very well within 2005/ 12.4 million PBT in FY05 compared to 0.16 million in 2004.**

Athens, Greece March 30<sup>th</sup> 2006 – GEK & TERNA group announces consolidated results for the full year period of 2005, ended December 31<sup>th</sup>, 2005.

## 1. Overview

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

**Revenues** reached €245 million, a decrease of 42.7% compared to €427 million in FY04. Construction was very weak in 2005, due to the fact that during the post Olympic period and because of the government change, no public works were tendered. The situation is now reversed, as already reflected in TERNA' backlog, which is more than double compared to the beginning of 2005.

**Net debt** (including leasing obligations) further reduced (by c3 million) compared to the previous quarter (currently 97.5 million from 100.7 million in the 9 month period- a total reduction of 28 million within 2005) although there has been c16 million energy capex – 12 million in the last quarter.

In FY05, TERNA group generated c63 million of **Operating Cash Flow**, compared to negative operating cash flow in 2004 (- 6.6 million).

**EBITDA** reached 42.5 million compared to €80 million in 04. Energy operations generated EBITDA of c16 million, or c38% of total EBITDA. Energy EBITDA stood at c6 million in the equivalent period last year, or c 7% of total EBITDA.

Fourth quarter generated 13.5 million EBITDA compared to 5.7 million in the previous quarter.

**Net income after minorities** recorded a decrease of c66%, reaching €13.8 million compared to €40.7 million in FY 2005.

**Receivables** fell to c163 million from 220 million in FY04, but still, there are over 60 million to be received for Olympic works, to be collected within the following quarters.

**GEK S.A consolidated results:**

\*non comparable with last year

**Revenues** decreased 35% reaching €274 million from €425 million in the prior year. This decrease is attributed to weak construction turnover of TERNA.

**EBITDA** reached €64 million, decreasing by 27%.

**Net income after minorities** reached €18.7 million, a decrease of 39%, after adjusting for the non recurring 43.3 million net profit that occurred last year because of the merger with HERMES. On a non adjusted basis, the decrease is 74.6%.

**Net Cash position (in the parent level)** amounted to c€52 million.

**Long -term debt related to GEK's Real estate** stood at c€13 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 the management commented: **“2005 was a transitional year for our construction division. However, backlog has already recovered and 2006 seems promising for our construction division.**

**The government is accelerating the tendering process for large scale motorway concession projects. Our Group is well positioned to contest for these concessions, together with FERROVIAL-CINTRA and ACS DRAGADOS.**

**Existing wind parks perform well, whereas the outlook for this division of ours is improving, since the authorities seem determined to further promote and facilitate investments in Renewables.**

## 2. Main operations' outlook

### TERNA S.A

#### Construction:

Within the fourth quarter construction results were satisfactory, since the recovery of construction business is evident.

The backlog has increased, standing at c400 million at the beginning of this year.

Significant new business should be expected within the first semester, since numerous projects have been tendered by the state.

Moreover, the forthcoming 3 motorway concessions (apart from "Ionian Road" for which financial offers have already been submitted) increases confidence that the group can be successful.

TERNA participates in the construction JV together with the Spanish FERROVIAL and ACS DRAGADOS.

#### Energy:

In the **energy business** area, sales from wind parks (65 MW installed capacity by the end of 2005- on average, c50 MW operational throughout the year) stood at approximately €10.4 million. Another 54 MW will have been installed by the end of the first semester.

Based on the current portfolio of licenses, the total installed capacity will reach 450 MW in wind parks by 2009.

HERON S.A\*, the gas fired plant (147 MW), generated sales of c31.4 million, c16 million EBITDA and PBT of c9.4 million.

Overall, energy is c38% of total TERNA's EBITDA from c7% in FY 04.

\*HERON is owned 50% by TERNA and 50% by GEK and is consolidated proportionally by each company.

### GEK S.A

Apart from consolidating Construction and Energy activity of TERNA, GEK's activities are:

#### Real estate:

In the **real estate** business of GEK, within 2005, profit before tax reached c12.4 million compared to 0.16 million in 2004.

GEK's real estate investments, both in Greece and the Balkans, are creating value that will be reflected in the accounts within the next 1-2 years.

#### Concessions:

Currently, GEK participates in several parking stations' concessions (more than 4.300 parking spaces), targeting to double this figure within 3 years.

GEK is the concessionaire company in the forthcoming motorway concessions. The first offer has been submitted whilst another 2 are expected within the next quarter. The fourth one will take place in early autumn. GEK's JV with Ferrovial - CINTRA and ACS DRADADOS will contest for these value creating investments.

#### **About GEK & TERNA group**

GEK is the parent company of a group that 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 of its construction division, the well established position in the Greek energy market, its major Real Estate assets and the intense activity in Concession business, have already consolidated the group among the leaders in these business areas. GEK group envisages future development through its credibility, 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 FY period 2005 ended December 31, 2005

**Consolidated Balance Sheet**

<b>ASSETS</b>	<b>2005</b>	<b>2004</b>
Fixed assets	221.236	205.465
Participations and other long-term financial assets	16.729	17.579
Inventories	59.569	63.499
Real estate investments	66.467	59.739
Trade receivables	208.837	293.855
Cash and cash equivalents	104.179	83.786
Other Assets	23.493	20.550
<b>TOTAL ASSETS</b>	<b>700.510</b>	<b>744.473</b>
<b>LIABILITIES AND EQUITY</b>	<b>2005</b>	<b>2004</b>
Long-term liabilities	68.957	51.008
Loans from finance leases	30.860	40.277
Other long-term liabilities	737	5.722
Provisions	3.901	4.754
Grants	16.087	12.822
Deferred income tax	5.065	3.109
Current liabilities to banks	82.129	127.851
Other short-term liabilities and deferred income	127.478	172.474
<b>Total liabilities (a)</b>	<b>335.214</b>	<b>418.017</b>
Shareholders' equity	23.567	23.567
Minority interests	241.604	220.589
Total equity (b)	265.171	244.156
Minority rights (c)	100.125	82.300
<b>Total Net Worth (d)=(b)+(c)</b>	<b>365.296</b>	<b>326.456</b>
<b>TOTAL LIABILITIES AND EQUITY (e) = (a) + (d)</b>	<b>700.510</b>	<b>744.473</b>

**Consolidated Income Statement**

	<b>2005</b>	<b>2004</b>
Turnover	274.188	425.860
Cost of sales	-213.533	-334.381
Gross profit	60.655	91.479
EBITDA	63.408	86.628
Depreciation	-14.836	-12.761
EBIT	48.572	73.867
Profit before tax	38.600	109.162
Income tax	-12.303	-19.745
Profit after tax	26.297	89.417
Attributable to: Shareholders of the Company	18.770	74.150
Minority interests	7.527	15.267
	26.297	89.417
Basic earnings after tax per share (in euro)	0,29	1,13
Proposed dividend per share (in €) - Basic	0,12	0,12

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

For the FY period 2005 ended December 31, 2005

**Consolidated balance sheet**

	<u>2005</u>	<u>2004</u>
<b><u>ASSETS</u></b>		
Fixed assets	160.496	156.023
Participations and other long-term financial assets	256	263
Inventories	14.260	14.528
Real estate investments	26.305	29.368
Trade receivables	163.511	220.338
Cash and cash equivalents	49.067	37.013
Other Assets	54.191	52.264
<b>TOTAL ASSETS</b>	<b><u>468.086</u></b>	<b><u>509.797</u></b>
<b><u>LIABILITIES AND EQUITY</u></b>		
Long-term loans	53.994	28.673
Loans from finance leases	17.353	22.924
Other long-term liabilities	21.474	23.535
Short-term liabilities to banks	75.267	110.840
Other short-term liabilities and deferred income	119.873	148.101
<b>Total liabilities (a)</b>	<b><u>287.961</u></b>	<b><u>334.073</u></b>
<b>Share capital</b>	<b>53.319</b>	<b>53.319</b>
<b>Other equity</b>	<b>108.205</b>	<b>104.458</b>
<b>Minority interests</b>	<b><u>18.601</u></b>	<b><u>17.947</u></b>
<b>Total equity (b)</b>	<b><u>180.125</u></b>	<b><u>175.724</u></b>
<b>TOTAL LIABILITIES AND EQUITY (a) + (b)</b>	<b><u>468.086</u></b>	<b><u>509.797</u></b>

**Consolidated Income Statement**

	<u>2005</u>	<u>2004</u>
Turnover	245.209	427.986
Cost of sales	-185.520	-331.125
Gross profit	59.689	96.861
Profit before tax, financial and investment results and depreciation	42.458	80.229
Depreciation	12.600	9.818
Profit before tax, financial and investment results	29.858	70.411
<b>Profit before tax</b>	<b><u>23.012</u></b>	<b><u>64.091</u></b>
Less (Tax)	-7.841	-18.519
<b>Profit after tax</b>	<b><u>15.171</u></b>	<b><u>45.572</u></b>
<b>Attributable to:</b>		
Shareholders of the company	13.861	40.705
Minority interests	1.310	4.867
	<u>15.171</u>	<u>45.572</u>
<b>Basic earnings after tax per share (in euro) - basic</b>	<b><u>0,30</u></b>	<b><u>0,89</u></b>

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