

GEK & TERNA H1 06 results

| Comp. | Sales | Ch% | EBITDA | Ch% | PBT * | Ch% | Net Income | Ch% |
|-------|-------|-----|--------|-------|-------|-------|------------|-------|
| GEK | 133,5 | +12 | 34,1 | -7 | 19,6 | -24,7 | 7,4 | -50,8 |
| TERNA | 123.4 | +25 | 26,7 | +14,4 | 16.2 | +3 | 11.4 | -34 |

Under IFRS

* Profit before tax and minorities

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

- Recovery in construction is already evident/ backlog at 30/06/2006 stood at 560 million (compared to 400 million at the beginning of 2006) and will reach one billion by the end of the year
- The group will contest for 3 more motorway concessions in the coming months (total construction value: c5 billion)
- Energy performs very well / 41 MW in new wind parks were added during the second quarter/ installed capacity in renewables now reaches 109 MW/ Energy EBITDA is increasing both in Renewable Energy sources activity and thermal energy (gas fired plant)
- Real Estate (parent GEK) generated 4.9 million of PBT during the first semester

Athens, Greece August 30th 2006 – GEK & TERNA group announces consolidated results for the first semester of 2006, ended June 30th, 2006.

1. Overview

TERNA S.A consolidated results:

Revenues reached €123.4 million, an increase of 25.4% compared to €98.4 million in H105. Sales were affected by higher construction turnover, aided in turn by increased backlog. The sign of “Ionian road” project (€ 1.1 billion construction value - 33.3% participation) will boost backlog up to €1 billion by the end of the year, a historical high for the company’s backlog.

EBITDA reached €26.7 million compared to €23.3 million in H105, increasing by 14.4%.

Profit before tax increased by 3%, reaching €6.2 million.

Net income after minorities recorded a decrease of c34.5%, reaching € 11.4 million compared to €17.4 million in H1 2005, an unfavorable comparison due to a deferred taxation asset which positively affected last period’s results.

Net debt (including leasing obligations) reached € 132 million, increased by 19 million compared to the previous quarter, € 13 million of this increase is related to energy operations. Net debt related to construction (c€40 million) will decrease significantly in the coming quarters, since a significant part of the receivables (c60 million) from the state is scheduled to be collected by the end of the year.

GEK S.A consolidated results:

Revenues increased 12% reaching € 133.5 million from € 119.1 million in H1 05. This increase is due to construction turnover of TERNA.

EBITDA reached €34.1 million, decreasing by 7%.

Net income after minorities reached €7.4million, a decrease of 50.8%.

Net Cash position (in the parent level) amounted to c€57 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: **“the first half of 2006 signals the recovery in our construction division. Moreover, the group now starts to add in its portfolio (apart from the existing car park operations) motorway concessions assets (i.e “Ionian road project”), boosting this activity of ours. Three more large scale motorway concessions projects are pending.**

In our wind park activity, installed capacity increased by 41 MW (109 MW currently).

2. Main operations’ outlook

TERNA S.A

Construction:

The backlog has been increased to €60 million by the end of the second quarter. After the Ionian road is signed, the backlog will reach or even exceed 1 billion, securing business for the coming years. Three more large scale road concessions are pending, for which bids will be presented during the coming months. TERNA will be the construction company and the total construction value of these projects reaches 5 billion.

The first contract in the Middle East was signed (€26 million) and TERNA is the preferred bidder in 1 more project (€200 million total value).

Energy:

In the **energy business** area, EBITDA generated from wind parks stood at approximately €5 million compared to c €2.5 million last year. An extra 41 MW was operational during the second quarter.

The new law regarding land planning of renewables is expected to pass from the parliament within the coming months and will significantly facilitate installation procedures.

HERON S.A*, the gas fired plant (147 MW), generated sales of c16.2 million, c8.2 million EBITDA and PBT of c6 million.

*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 the first semester, profit before tax reached c€4.9 million compared to 9.7 million in H1 2005.

The first profits from GEK's investments in the Balkan real estate market have already been realized, signaling further appreciation in the coming months.

Concessions:

GEK is the concessionaire company in the forthcoming motorway concessions. The group (together with FERROVIAL – CINTRA and ACS DRAGADOS) has been declared as the provisional contractor in Ionian Road concession, awaiting for the signing of the project. Bids for three more motorway concessions will be presented in the coming months.

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.

APPENDIXConsolidated Financial Statements of **GEK Group**

For the first quarter 2006 ended June 30, 2006

Consolidated Balance Sheet

| ASSETS | H1 2006 | H1 2005 |
|---|----------------|----------------|
| Fixed assets | 235.569 | 210.476 |
| Participations and other long-term financial assets | 7.723 | 9.059 |
| Inventories | 87.660 | 77.227 |
| Real estate investments | 64.605 | 59.569 |
| Trade receivables | 186.443 | 162.924 |
| Cash and cash equivalents | 97.971 | 104.179 |
| Other Assets | 73.390 | 77.076 |
| TOTAL ASSETS | 753.361 | 700.510 |
| LIABILITIES AND EQUITY | | |
| Long-term loans | 82.122 | 68.957 |
| Loans from finance leases | 26.045 | 30.860 |
| Other long-term liabilities | 29.437 | 25.790 |
| Current liabilities to banks | 106.671 | 82.129 |
| Other short-term liabilities and deferred income | 127.141 | 127.478 |
| Total liabilities (a) | 371.416 | 335.214 |
| Shareholders' equity | 23.567 | 23.567 |
| Other equity | 252.221 | 241.604 |
| Minority interests | 106.157 | 100.125 |
| Total equity (b) | 381.945 | 365.296 |
| TOTAL LIABILITIES AND EQUITY | 753.361 | 700.510 |
| | | |

Consolidated Income Statement

| | H1 2006 | H1 2005 |
|--|---------------|---------------|
| Turnover | 133.513 | 119.195 |
| Cost of sales | -102.829 | -86.479 |
| Gross profit | 30.684 | 32.716 |
| EBITDA | 34.195 | 36.773 |
| Depreciation | 9.187 | 6.076 |
| EBIT | 25.008 | 30.697 |
| Profit before tax | 19.699 | 26.161 |
| Income tax | -6.940 | -3.081 |
| Profit after tax | 12.759 | 23.080 |
| Attributable to: | | |
| Shareholders of the Company | 7.437 | 15.129 |
| Minority interests | 5.322 | 7.951 |
| | 12.759 | 23.080 |
| Basic earnings after tax per share (in euro) | 0,11 | 0,23 |

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

For the first half of 2006 ended June 30, 2006

Consolidated balance sheet

| | H1 2006 | H1 2005 |
|---|----------------|----------------|
| <u>ASSETS</u> | | |
| Fixed assets | 183.320 | 160.496 |
| Participations and other long-term financial assets | 503 | 256 |
| Inventories | 26.305 | 26.305 |
| Real estate investments | 17.295 | 14.260 |
| Trade receivables | 183.019 | 163.511 |
| Cash and cash equivalents | 36.555 | 49.067 |
| Other Assets | 48.824 | 54.191 |
| TOTAL ASSETS | 495.821 | 468.086 |
| <u>LIABILITIES AND EQUITY</u> | | |
| Long-term loans | 55.403 | 53.994 |
| Loans from finance leases | 14.368 | 17.353 |
| Other long-term liabilities | 25.537 | 21.474 |
| Short-term liabilities to banks | 99.709 | 75.267 |
| Other short-term liabilities and deferred income | 119.459 | 119.873 |
| Total liabilities (a) | 314.476 | 287.961 |
| Share capital | 53.319 | 53.319 |
| Other equity | 109.994 | 108.205 |
| Minority interests | 18.032 | 18.601 |
| Total equity (b) | 181.345 | 180.125 |
| TOTAL LIABILITIES AND EQUITY (a) + (b) | 495.821 | 468.086 |

Consolidated Income Statement

| | H1 2006 | H1 2005 |
|--|---------------|---------------|
| Turnover | 123.489 | 98.486 |
| Cost of sales | -95.133 | -68.020 |
| Gross profit | 28.356 | 30.466 |
| EBITDA | 26.740 | 23.367 |
| Depreciation | 6.810 | 4.906 |
| EBIT | 19.930 | 18.461 |
| Profit before tax | 16.263 | 15.820 |
| Income tax | -4.820 | 1.664 |
| Profit after tax | 11.443 | 17.484 |
| Attributable to: | | |
| Shareholders of the Company | 11.088 | 16.426 |
| Minority interests | 355 | 1.058 |
| | 11.443 | 17.484 |
| Basic earnings after tax per share (in euro) | 0,24 | 0,36 |

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