

# PRESS RELEASE



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## **Financial results for the first half of 2008 for GEK and TERNA**

According to the interim financial statements of 30/06/2008, compiled in accordance with International Financial Reporting Standards, the first quarter 2008 financial results of the GEK group are as follows:

Consolidated turnover of GEK amounted to 301.4 mil. euro, compared to 198.1 mil. euro in the first half of 2007, increased by 52.4%.

Operating earnings before depreciation (EBITDA) of GEK group amounted to 52.9 mil. euro, increased by 27.1% compared to the same period of last year. Operating earnings (EBIT) amounted to 37.2 mil. euro compared 31.8 mil. euro in the first half of 2007, increased by 16.9%. Respectively, earnings before taxes of GEK group amounted to 35.1 mil. euro compared to 34.1 mil. euro in the same half of 2007, increased by 2.9%. Net earnings after minority interest amounted to 15.7 mil. euro, compared to 17.8 mil. euro in the same period of 2007, decreased by 11.8%.

The net debt position of the Group amounted to 92.6 mil. euro, while share capital amounted to 726 mil. euro.

Regarding individual activities of the Group, in Real Estate sector, the operating earnings (EBIT) amounted to 19.8 mil. euro compared to 18.2 mil. euro in the first half of 2007, increased by 8.8%. Besides the Greek market, the Group is strongly active in the regions of Balkans and South Eastern Europe holding land that either already develops or it will soon start to develop.

In the concessions sector, the operating earnings before depreciation amounted to 6.3 mil. euro compared to only 0.8 mil. euro in the first half of 2007, significantly increased due to the operation of the Ionia Road project and the operation of car park stations.

In the energy sector from thermal sources, revenues amounted to 27.8 mil. euro and the operating earnings before depreciation (EBITDA) amounted to 4.6 mil. euro compared to 6.7 mil. euro in the respective period of 2007. Also, the Group constructs its second thermoelectric factory in Viotia having a power of 435 MW which is expected to be included in the system during 2009, while it also prepares the third thermoelectric unit with similar power.

Regarding the consolidated results of TERNA, turnover amounted to 264.6 mil. euro, increased by 54.6%. Earnings before interest tax depreciation and amortisation (EBITDA) increased by 20%, amounting to 28.1 mil. euro compared to 23.4 mil. euro. Earnings before tax increased by 1% and amounted to 18.6 mil. euro, compared to 18.4 mil. euro in the same period of 2007.

Net earnings after tax and after minority interest amounted to 5.3 mil. euro compared to 11.9 mil. euro, decreased by 55.4% due to the increased deferred taxation as a result of the coming merger with GEK SA but also due to significant amount of earnings in the same period of the previous year.

The construction backlog of TERNA amounts to approximately 2 bil. Euro and 1/3 of this refers to projects taking place in the Middle East and Balkans areas.

In the first half of 2008, revenues from the construction activity amounted to 234.5 mil. euro increased by 51.8% while the operating earnings (EBIT) amounted to 12.2 mil. euro compared to 2.5 mil. euro in the same period of 2007.

In the sector of Renewable Energy Sources (RES), TERNA ENERGY, subsidiary of TERNA SA, operates installations producing power of 118 MW, while within the year is expected that additional 59 MW would become operational. Revenues from RES amounted to 10.2 mil. euro, while operating earnings (EBITDA) exceeded 6.4 mil. euro in the first half of 2008.

Regarding the merger between GEK and TERNA, the procedures are under progress and its completion is expected in the fourth quarter of the year.

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