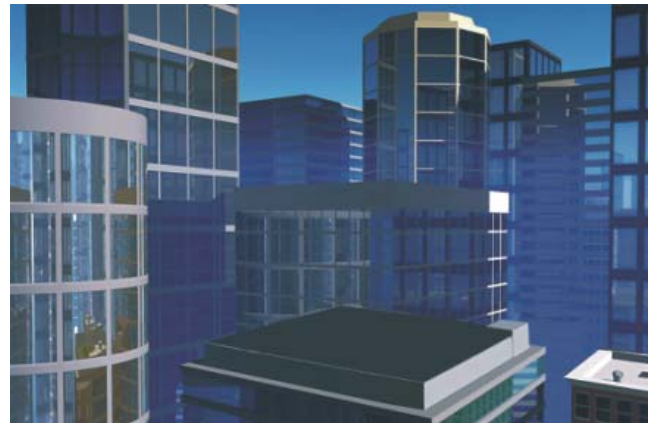


# ***GEK TERNA GROUP***



## GEK TERNA Group: Business Divisions

### *Business Divisions*

*Energy*

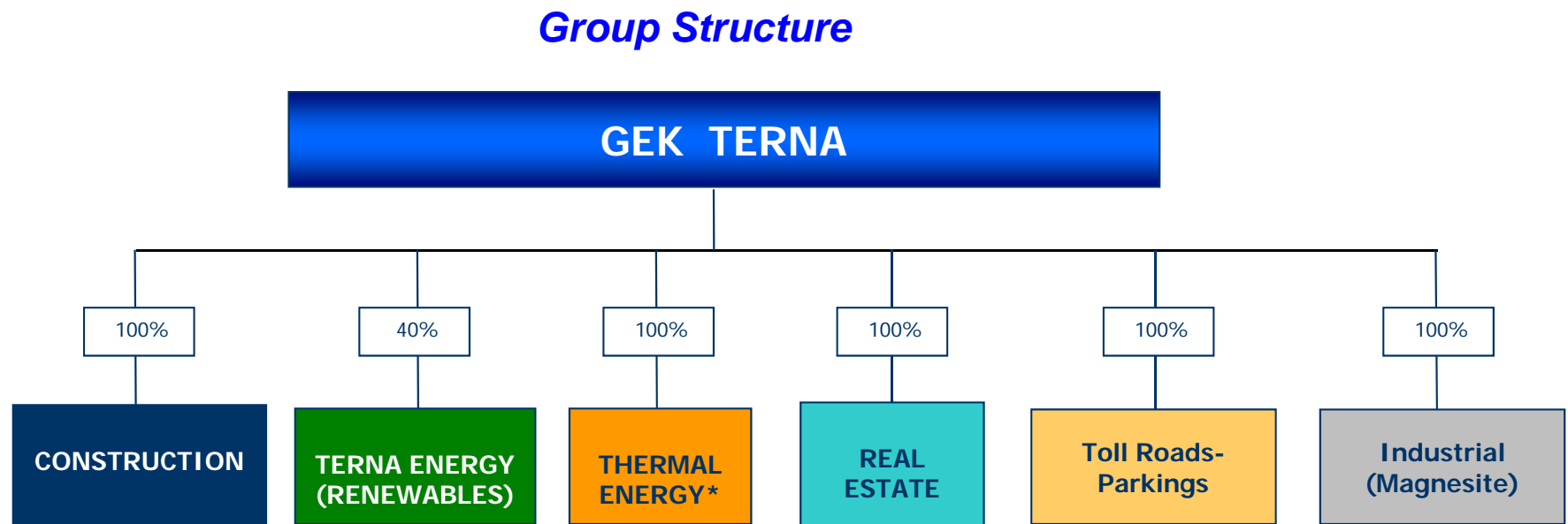
*Concessions*

*Construction*

*Industrial*

*Real Estate*

## Group Structure



CONSTRUCTION

ENERGY

REAL ESTATE

CONCESSIONS

Industrial

\* 50% ownership in the first plant (HERON 1) and 25% in HERON 2 after the deals with GDF SUEZ and Qatar Petroleum

## Investment points



### Achievements

- **One of the leading positions** in Construction, Energy, Concessions in Greece
- The Group has already been established **in key markets outside Greece (S.E Europe, MENA region, USA etc) in Energy and Construction**
- Strong **capital structure**, which reassures
  - ✓ easier access in financing investment opportunities

## Strategy

**Concessions will boost cash flow to equity in 2017-2038**

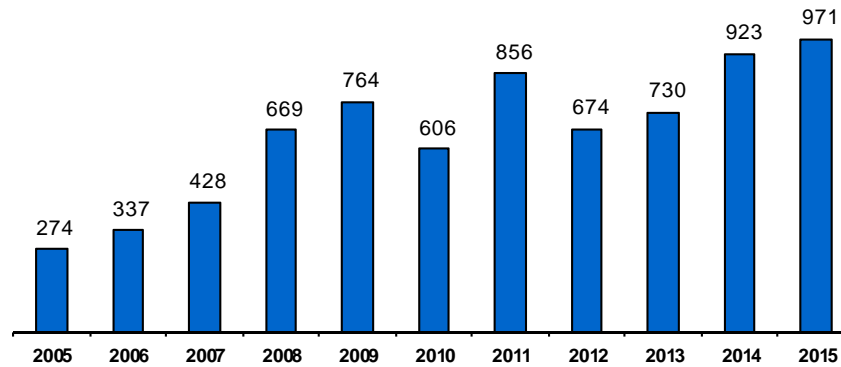
**Construction cash flow will support investments of the Group**

**In Renewables, 1.000 MW totally installed in the coming years**

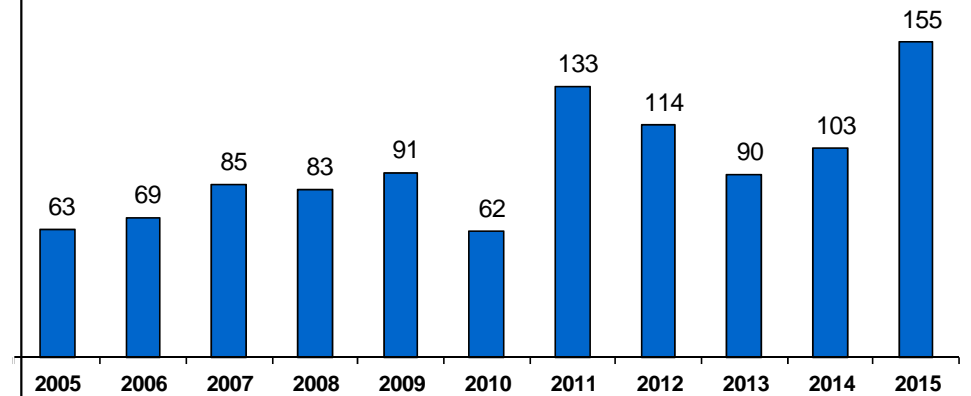
**Magnesite mine will enhance growth in the future – a new stable activity  
which further improves risk profile of the Group**

## Historical IFRS Financials – GEK TERNA

**SALES(€m)**

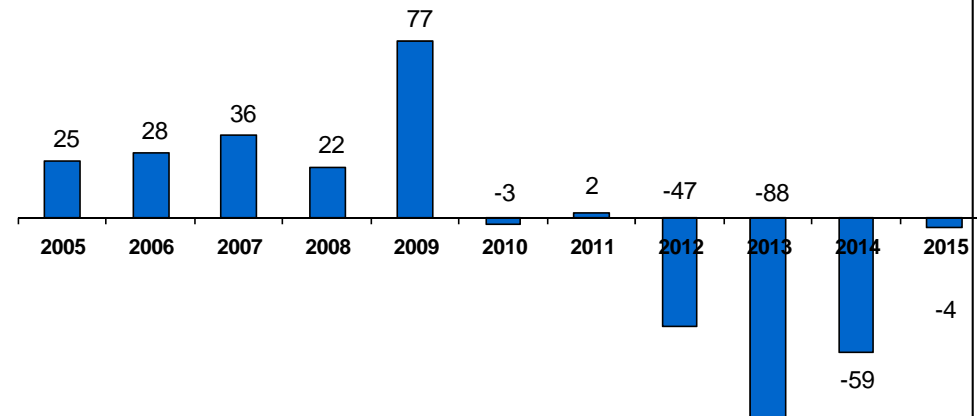


**EBITDA (€m)**



Within 2012-2015, significant  
impairments  
in real estate and construction

**Net Profit (€m)**



## Segments – Results

million €	SALES			EBITDA			EBIT			NET INCOME bm		
<i>Segments</i>	<i>FY 15</i>	<i>FY 14</i>	<i>Ch%</i>	<i>FY 15</i>	<i>FY 14</i>	<i>Ch%</i>	<i>FY 15</i>	<i>FY 14</i>	<i>Ch%</i>	<i>FY 15</i>	<i>FY 14</i>	<i>Ch%</i>
<i>Construction</i>	778.9	793,5	-1.8	59.2	35.9	64.9	30.3	3.9	N/A	14.5	-38.9	137.2
<i>Renewables</i>	140.3	110.3	27.1	97.9	74.2	31.9	60	41.7	43.9	17.7	8.2	115.7
<i>Thermal Energy</i>	26.8	12.4	116.1	0.3	-0.3	200	0.3	-0.4	176,3	-12.7	-4,8	-
<i>Real Estate</i>	6.1	3.6	69.4	-0.7	-0.7	-	-8.7	-14.5	40.0	-15.4	-29.8	48.5
<i>Concessions</i>	14.7	0.7	N/A	0	-2.3	100	-0.5	-2.6	81.7	2.0	1.2	70.7
<i>Industrial</i>	3.5	1.9	84.2	-1.6	-2.2	27.3	-2.7	-3.9	31.0	-4.5	-5.0	10.0
<i>Holding</i>	1.5	1.5	-	0.1	-0.6	120.6	0.1	-0.6	116.7	-5.8	0.4	N/A
<b>Total</b>	<b>971.8</b>	<b>923.9</b>	<b>5.2</b>	<b>155.2</b>	<b>103.9</b>	<b>49.4</b>	<b>78.8</b>	<b>23.6</b>	<b>234.4</b>	<b>-4.2</b>	<b>-59.1</b>	<b>92.8</b>

n/a = non applicable

## Key consolidated CF items

€ million	FY 2015	FY 2014
<i>Operating Cash Flow (before WC changes)</i>	<i>175.1</i>	<i>242.1</i>
<i>WC in construction improved by cash collections due to EPC construction in Ptolemais project</i>		

€ million	FY 2015	FY 2014
<i>CAPEX</i>	<i>92.8</i>	<i>111</i>
<i>CAPEX expected to accelerate within 2016 mostly due to Renewables', Magnesite and Concessions' investments</i>		



## Key consolidated BS items – Net Financial Debt

NET DEBT	FY 2015	9M 2015
<i>Construction</i>	<b>-108.6</b>	<b>-134.4</b>
<i>Renewables</i>	<b>328.7</b>	<b>259.0</b>
<i>Thermal</i>	<b>-1.0</b>	<b>9.3</b>
<i>Real Estate</i>	<b>82.8</b>	<b>84.9</b>
<i>Industrial</i>	<b>31.8</b>	<b>30.8</b>
<i>Concessions</i>	<b>46.5</b>	<b>44.6</b>
<i>Holding</i>	<b>36.4</b>	<b>0.0</b>
<i>Total</i>	<b>416.6</b>	<b>294.2</b>
<i>Net Financial Debt increased by c122 million in Q4 2015 mostly due to Capex in RES plus WC in construction</i>		

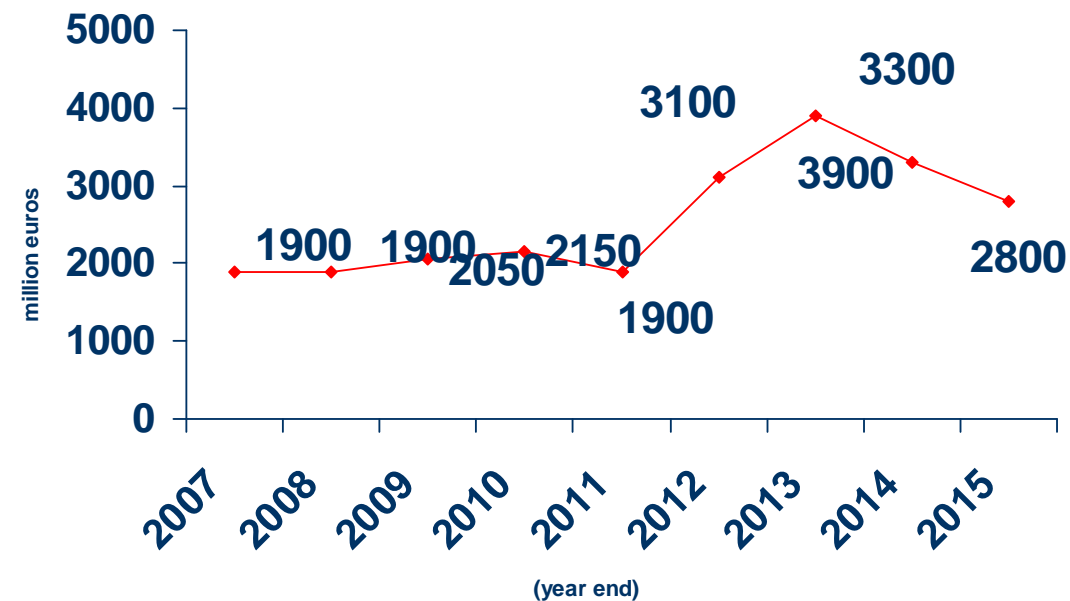
## **Construction Activity**

## Construction Division Outlook

### Construction

Strong profitability evidenced in Q4 - Backlog remains at high level (c2.8 billion), expectations for new additions remain high

### Backlog ( million euros)



## Concession Activity

# Concessions

**Motorways under construction, pace of execution  
accelerating again**

**c120 m equity already injected and c50 m more to be  
injected within H1 2016**

## Concessions – BOT (GEK TERNA)

	Status	Development value	Participation now	Participation after construction period
Ionian Road	Under construction	1.4 billion	33%	ca 56%
Central Greece Motorway	Under construction	1.7 billion	33%	ca 50%
Olympia Odos Motorway	Under construction	1.7 billion	17%	17%
Kastelli Airport	Bid anticipated	1.2 billion (e)		

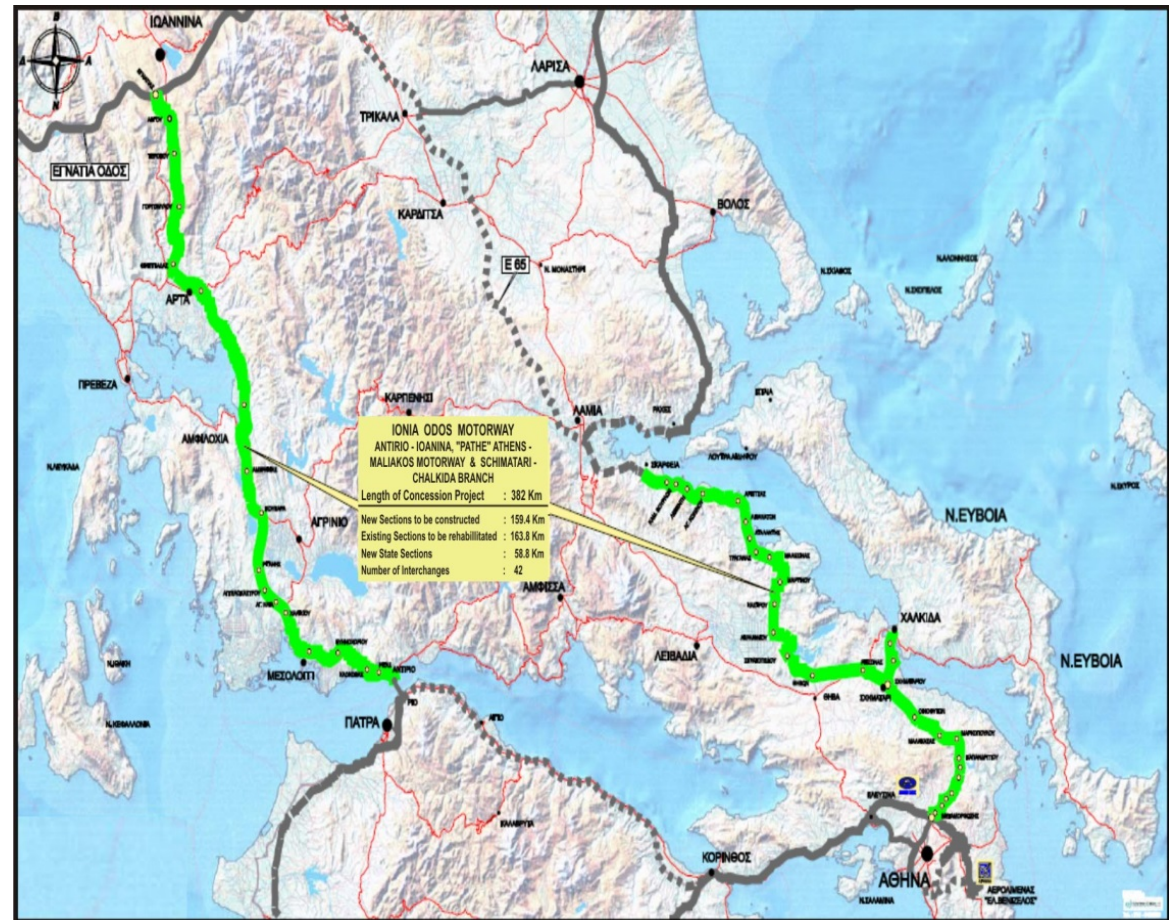
Equity investment for GEK TERNA in the 3 signed projects: ca €170 million



**Significant Value Creation**

## Concessions – IONIAN ROAD

- Total separate motorways in Eastern and Western coast of Greece (length: 378.7 km /159 km newly built)
- Estimated construction cost: 1.15 billion euro
- Financing during the construction phase (8 year construction period):
  - Subsidy: 622 million euro
  - Cash flow during construction from the section already in operation: 530 million euro
  - Equity: 192 million (100%)
  - Senior bank debt without recourse to partners: 175 million euro
- Term: 30 years





## Concessions – CENTRAL GREECE (E65)

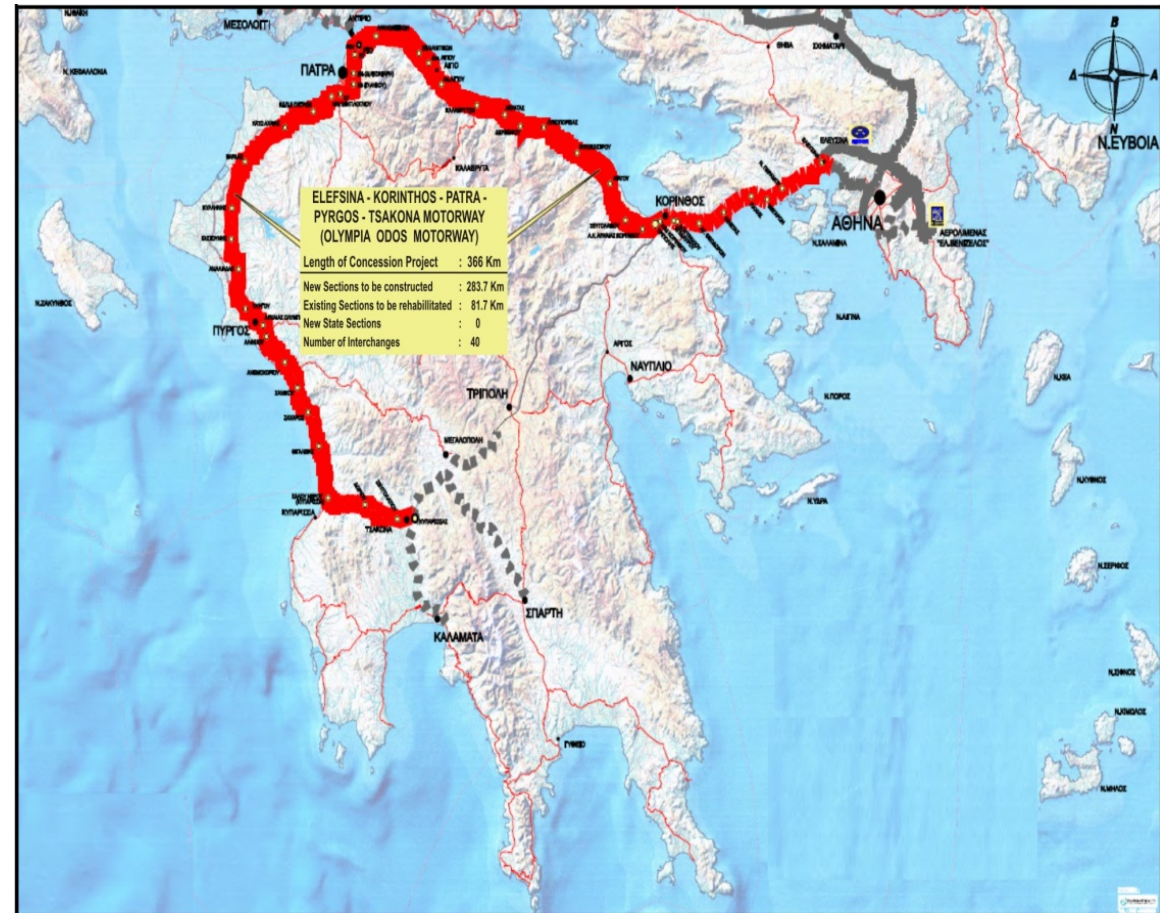
- New motorway in Central Greece (total length: 231 km )
- Estimated construction cost: 1.5 billion euro
- 8 year construction period
- Financing:
  - Subsidy: ca 750 million euro
  - Equity: 86.6 million (100%)
  - Senior bank debt without recourse to partners : 451 million euro
- Term: 30 years





## Concessions – Olympia Odos

- Motorway in North Peloponnesus (total length: 365 km )
- Estimated construction cost: 1.7 billion euro
- 8 year construction period
- Financing:
  - Subsidy: c850 million euro
  - Equity: 209 million (100%)
  - Senior bank debt without recourse to partners : 675 billion euro
- Concession Term: 30 years



## Concessions – Parking stations

Current participations in parking concessions				
Stations	Capacity	Participation (%)	Net Participation (parking spaces)	Format of Ownership
Parking Station Rizari (In operation)	657	21.31%	140	Concession until 2031
Parking Station Hospital Agia Sofia Square (In operation)	651	21.31%	139	
Parking Station Aigiptou Square (In operation)	361	21.31%	77	
Parking Station Kanigos Square (In operation)	491	21.31%	105	
Parking Station OLP (In operation)	885	31.52%	279	Concession until 2033
Parking Station Ippokratis Hospital in Thessaloniki (In operation)	528	24,7%	130	Concession until 2034
Parking Station in Nea Smyrni (In operation)	665	20%	133	Concession until 2034
Parking Station in the city of Larissa (In operation)	280	50%	140	Concession until 2027
Parking Station Platanos Square in the city of Kifisia (In operation)	617	100%	617	Concession until 2035
Parking Station in the city of Volos (In operation)	161	100%	161	Concession until 2055
Parking Station Dimitrakopoulou (Kalithea), Parking Station Dioharous, Parking Station A' Nekrotafio (Under Construction)	1.160	22.91%	26	Concession until 2036
Parking Station in the city of Kerkira (Under Construction)	358	100%	358	Concession until 2041
<b>Parking Spaces Total</b>	<b>6.814</b>		<b>2.544</b>	

# Renewable Energy

## Renewables – strategy

**Become a diversified renewable energy producer targeting 1 GW installed within the coming years**

## Renewables

Installed capacity increases – 664 MW currently installed

New installations are expected till end H1 2016 – c72 MW

## Portfolio

### Diversified portfolio of RES projects

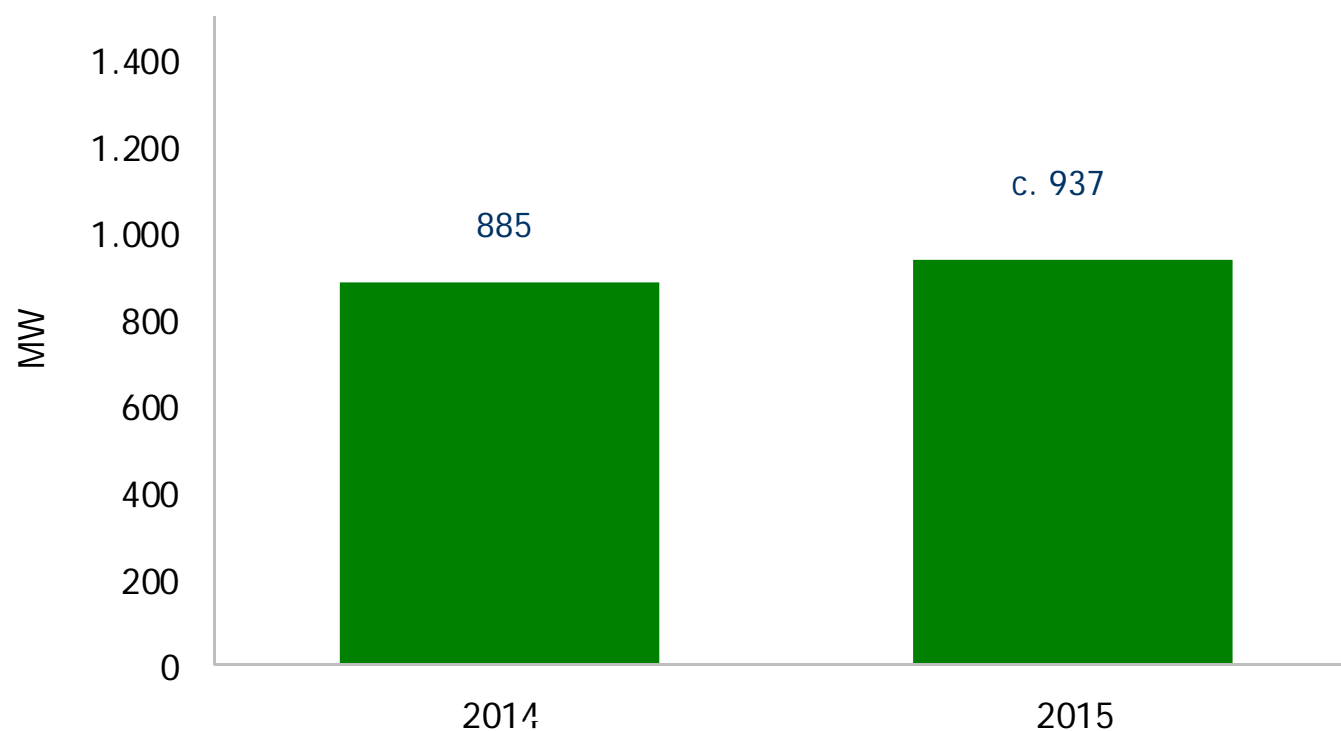
### Expansion outside Greece

Status		Wind (MW)	SHPS & Pump Storage (MW)	P/V (MW)	Biomass & Co-generation (MW)
In operation	<i>Greece 394</i> <i>Poland 102</i> <i>Bulgaria 30</i> <i>USA 138</i>	638	18	8.5	
Under construction (or ready to built)	<i>Greece 123</i> <i>USA 150</i>	273			
With production licence		1.605	761	18	
Application for production license filed		3.263	3.444	15	19

## Wind projects: business plan roll-out

Current RES in operation/under construction or ready to build: 937 MW

Targeted installed/under construction or ready to build capacity at year end



## **Thermal Energy Activity**



## Thermal Energy

### HERON GAS PLANTS

- HERON operates in the sectors of electric energy production and supply since 2004 through HERON THERMOELECTRIC S.A. (HERON I) and HERON THERMOELECTRIC STATION OF VIOTIA S.A. (HERON II), respectively
- GEK Terna owns 50% of HERON I and 25% of HERON II while GDF-Suez Group owns 50% of HERON I and HERON II. Both companies were 50:50 partners until July 2013 when GEK Terna sold 25% of HERON II (half of its stake) to Qatar Petroleum International (QPI) for a total consideration of \$58m

## Thermal Energy

### Overview of thermal plants

Project	Status	MW	Type
HERON I	In operation	147	OCGT
HERON II	In operation	432	CCGT

#### HERON I

- The first private thermal plant in Greece
- OCGT - 147 MW capacity and 40% efficiency
- Total investment: €80m
- Operational since September 2004

#### HERON II

- The group erected and started operation of a CCGT power plant (432 MW capacity)
- Total investment: €282m
- 70% non-recourse project finance
- In operation since August 2010

## **Industrial Activity (Magnesite mining)**

# Magnesite mining

## About TERNAMAG

- TERNAMAG (ex-Skalistiris Group) has been acquired by GEK Terna in 2010; It is situated in the northeast part of the island of Evia just 120kms from Athens and Piraeus;
- Magnesite minning activities commenced in autumn 2012 while,
- Decision to proceed with the investment in order to produce CCM (Caustic Calcined Magnesium), DBM (Dead Burned Magnesium) and EFM (Electro-Fused Magnesium) products was taken in February 2013;
- Proven magnesite deposits consist of ~50 million tons of superior quality compared to other magnesite mines worldwide;
- Raw Magnesite ( $\text{MgCO}_3$ ) that exists in nature is extracted either from underground mines or open pits and depending on the process followed can be sold either as extracted (raw magnesite) or as Caustic Calcinated Magnesite (CCM), Dead-Burned Magnesite (DBM) and Electro-Fused Magnesite (EFM) depending on the process and final use;

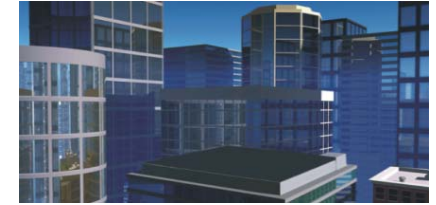
# Magnesite mine

## About TERNAMAG

- CCM is used in fertilizers, animal feed, medicine, glass industry, waste treatment, fuels & lubricants, various chemical products and in many other applications. The use of CCM is growing year by year since it is a very pure and versatile ingredient suitable for numerous different applications;
- DBM is used is mainly used in the production of refractories and in the cable and heating industries;
- EFM is used as a primary ingredient for very high quality refractories and very high quality electrical cablings and electronic circuits;
- TERNAMAG's magnesite deposits (i.e. the raw material) have a very rare crystallic composition and are of high quality (purity). Therefore, they offer excellent prospects since magnesite traded from China is of substantially lower quality;
- Furthermore, through its state-of-the-art chemistry and R&D it can offer various product solutions to its customers covering their needs for different qualities, compositions, sizes, etc. gradually becoming "partner" to the major CCM clients around the globe.
- TERNAMAG is a 100% export company.

## **Real Estate Activity**

## Activity: Real Estate



GEK, being a Real Estate developer, holds a differentiated portfolio in Greece and abroad



- ✓ Logistic centers-industrial parks
- ✓ Offices
- ✓ Entertainment parks
- ✓ Second home properties
- ✓ Residential properties
- ✓ Commercial properties

Real Estate

The activity still weak - Total assets in real estate at 158 million

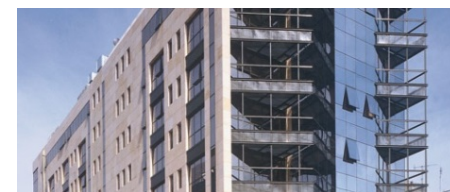
# Activity: Real Estate

## General Overview

- GEK Terna is engaged in Real Estate development - the company holds a differentiated portfolio in Greece, Bulgaria and Romania:
  - Logistic centers-industrial parks
  - Offices
  - Entertainment parks
  - Second home properties
  - Residential properties
  - Commercial properties
  - Hotels
  - Parking stations
- The activity is low leveraged and c40% of the portfolio comprises of licensed land. This secures planning safety and minimize “market volatility” induced risks

## Portfolio Valuation (end 2015)

PROJECT TYPE	GROSS ASSET VALUE (mil)	
	VALUE	%
PARKING SPACES	10,2	6,5%
WAREHOUSES - INDUSTRIAL BUILDINGS	3,4	2,1%
OFFICES - COMMERCIAL	18,3	11,6%
HOTEL - RESIDENTIAL	22,8	14,4%
LAND	58,0	36,7%
ENTERTAINMENT PARKS	17,0	10,7%
PROJECTS UNDER DEVELOPMENT	28,5	18,0%
TOTAL	158,2	100,0%
GREECE	102,4	64,7%
ABROAD	55,8	35,3%





# Strategy and Future Opportunities

New opportunities in tourism related projects (hotels and holiday residential projects with recreational components)

New opportunities in internally structured (complete with central infrastructure) logistics and industrial parks, strategically positioned and integrated with the transportation infrastructure

Strategic decision for development and disposal of existing portfolio

**GEK TERNA**  
GROUP OF COMPANIES

Greece is recognised as a prime location for tourism and logistics:  
Hotels, holiday resorts, rehabilitation centers, medical tourism projects, 2nd home serviced residencies etc.

Industrial parks, logistics' centers, freight villages, and other strategically positioned infrastructure related to combined transport operations

Strategic decision to evaluate and selectively participate in medium sized investments opportunities related to PPP and Privatisation Projects

# APPENDIX

## Financial Data

Amounts in '000 euros

# Balance Sheet

BALANCE SHEET – FY 2015			
	31.12.2015		31.12.2014
<b>ASSETS</b>			
Fixed assets	976,171		936,460
Real estate investments	56,215		61,214
Intangible assets	107,864		116,817
Participations and other long-term financial assets	259,974		239,200
Inventories	78,500		75,718
Trade receivables	318,382		228,661
Other current assets	427,078		369,326
Cash & cash equivalents	365,637		352,739
Non current assets available for sale	18,978		778
<b>TOTAL ASSETS</b>	<b>2,608,799</b>		<b>2,380,913</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	58,792		53,844
Other equity	291,949		310,169
Total shareholders' equity	350,741		364,013
Minority interests	211,624		201,938
Total Equity	562,365		565,951
Long term bank debt	511,442		476,182
Provisions/ Other L/T Liabilities	633,196		545,821
Short term bank debt	270,974		256,222
Other S/T Liabilities	631,049		536,737
Liabilities of non current assets available for sale	0		0
<b>TOTAL LIABILITIES</b>	<b>2,046,434</b>		<b>1,814,962</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,608,799</b>		<b>2,380,913</b>

## Profit & Loss

PROFIT & LOSS FY 2015		
	1/1 - 31/12	1/1 - 31/12
	2015	2014
Continuing Operations		
Net Sales	971,773	923,894
Cost of goods sold	-862,453	-861,203
Gross Profit	109,320	62,691
Administration Expenses	-33,042	-34,984
RnD Expenses	-2,760	-2,524
Other Income/expenses	9,082	-39,101
Operating results	-18,710	12,367
Net Financial Income/Expenses	-45,072	-53,272
Pre tax profit	-18,818	-54,823
Taxes	-23,070	-4,240
Net Profit from continuing operations	-4,252	-59,063
Other income recognized directly in Equity from:		
Profit /Loss from the evaluation of financial assets available for sale	-3,315	-2,352
Profits to the part of the joint venture's other comprehensive incomes	789	-2,262
Profits to the part of the associate's other comprehensive incomes	-63	0
Profit/Loss from evaluation of cash flow hedging contracts	1,032	-4,071
Profit/Loss from Foreign exchange differences from foreign operations	1,298	-6,195
Other comprehensive income	4,251	-2,521
Expenses of share capital increase	-315	-219
Tax which corresponds to the above results	369	1,858
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-206	-74,825
Net results attributed to:		
Shareholders of the parent from continued activities	-14,467	-61,261
Minority interest from continued activities	10,215	2,198
Total income attributed to:		
Shareholders of the parent from continued activities	-10,995	-74,738
Minority interest from continued activities	10,791	-87
Earnings per share (in Euro)	-0.14737	-0.65967

# CASH FLOW

CASH FLOW STATEMENT – FY 2015		
	1/1-31/12/2015	1/1-31/12/2014
<u>Operating activities</u>		
Profit before tax	18,818	-54,823
Plus/less adjustments for:		
Depreciation	77,436	73,435
Provisions	1,460	13,537
Interest income and related income	-7,819	-7,093
Interest expenses and related expenses	52,891	60,366
Amortization of grants	-11,107	-9,039
Other adjustments	21,219	18,932
<u>Operating profit before changes in working capital</u>	152,898	95,315
Plus/Less adjustments for working capital account movements or movements related to operating activities:		
Decrease / (increase) in inventories	-4,404	741
Decrease / (increase) in receivables	-20,940	30,502
(Decrease) / increase in liabilities (other than to banks)	90,804	131,856
(Less):		
Taxes paid	-43,199	-16,256
Inflows/outflows of non continuing operating activities	0	0
<u>Total inflows / (outflows) from operating activities (a)</u>	175,159	242,158
<u>Investing activities</u>		
Purchases of tangible, intangible assets & investment properties	-94,934	-85,604
Interest received	3,109	1,955
(Purchases)/sales of participations and securities	-8,674	912
Other adjustments	-661	0
Inflows / outflows of non continuing investing activities	0	0
<u>Total inflows / (outflows) from investing activities (b)</u>	-101,160	-82,737
<u>Financing activities</u>		
Share capital's refund of the subsidiaries to the shareholders	-3,668	-7,164
Purchases of treasury shares	-1,643	-192
Net change in short-term loans	-13,702	-26,337
Net change in long-term loans	65,665	-41,268
Leasing payments	-9,872	-10,811
Interest and related expenses paid	-64,911	-53,051
Dividends paid	-315	0
Other adjustments	-42,095	4,652
<u>Total inflows / (outflows) from financing activities (c)</u>	-66,873	-134,171
Effect of FX differences on cash equivalents (d)	5,772	881
<u>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c) + (d)</u>	12,898	26,131
Cash and cash equivalents at the beginning of the period	352,739	326,608
Cash and cash equivalents at the end of the period	365,637	352,739