



# **ANNUAL REPORT**

## **FISCAL YEAR 2007**

*According to the Directive 5/204/14-11-2000, as amended by the 7/372/15.02.2006 decision of the BoD of Capital Market Commission*

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- Income Statement
- Cash Flow Statement
- Statement of Changes in Equity
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**TERNA GROUP**

ANNUAL FINANCIAL STATEMENTS OF  
THE PARENT COMPANY AND ITS GROUP  
AS AT THE 31<sup>ST</sup> OF DECEMBER 2007  
IN ACCORDANCE WITH THE  
INTERNATIONAL FINANCIAL REPORTING  
STANDARDS (IFRS)

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**CONSOLIDATE MANAGEMENT REPORT  
Of the Societe Anonyme Technical Company**

**«TERNA SOCIETE ANONYME TOURIST TECHNICAL AND MARITIME COMPANY»**

**For the period 1/1 – 31/12/2007**

*Dear Shareholders,*

The year 2007 was a particularly dynamic one for the Group. The backlog in the construction sector amounted, at the end of the year, to the historical level of 1.9 bil. Euros compared to approximately 1 bil. Euros in the previous year, after the significant projects that were undertaken in 2007 both in Greece and abroad. TERNA is today one of the leading Greek construction companies, while at the same time the strategy of international expansion is adopted in order for the Group to increase its size and strengthen the geographical diversification of its business.

The outlook of the construction market in Greece in the coming year is positive as in the context of the 3<sup>rd</sup> and 4<sup>th</sup> European Community Support Frameworks new large scale public projects are expected to be tendered. At the same time, this co-operation between the Private and Public sector will further strengthen the construction business activities of the healthy players. Also, the entrance of the Balkan countries in the European Union and the consequent investments of these countries in infrastructure, as well as the strong expansion of construction sector in Middle East allow us to presume that TERNA will significantly strengthen its position in this region.

Turnover from the construction activity of the Group amounted to 368 mil. euros compared to 275 mil. euros during the previous year. As mentioned earlier, the backlog for the undertaken contracts in Greece at 31/12/2007 amounted to 1.9 bil. Euros, while in selected Balkan and Middle East countries the backlog approached 360 mil. euros. The participation percentage of projects undertaken abroad in the total backlog amounted to approximately 19%.

In Greece, we highlight among others the project for the construction of the Central Greece Highway, a project implying revenues of 400 mil. euros for TERNA.

In Balkans and specifically in Bulgaria, the Group signed a contract for the construction of a Carrefour building in Sofia, a project having a budget of 123 mil. euros. At the same time the Group continues to work on projects in Romania and Skopje that were undertaken in the previous periods.

In Middle East, Terna Group secured its position signing contracts amounting to 250 mil. euros.

In 2007, there were some important developments for the energy sector of the Group:

At the Renewable Energy Sources (RES) sector, our subsidiary TERNA ENERGY successfully listed its shares on the Athens Exchange. The raised capital approached 300 mil. euros, an amount adequate to finance the investment plan of the company in the RES market for the coming years, since a significant number of new projects matures regarding their licence and their construction will begin soon. In total, 118 MW are under operations, while additional 44 MW of wind parks and 15 MW of small hydroelectric projects are at a development stage and expected to become operational during the year. At the same time, the Company holds Production Licences for wind parks having a power of approximately 523 MW and 112 MW for 8 Small Hydroelectric Units (SHU) as well as a larger scale hydroelectric projects with a power of 60 MW. The completion of licensing for these projects is at different stages of development, while additional applications are submitted for the acquisition of production licences for wind parks having a capacity of 2,051 MW and 92 MW SMP.

Also, the Group plans to construct and operate photovoltaic systems as well as production units generating energy with the use of biomass.

Income from the operation of Wind Parks in 2007 amounted to approximately 21 mil. euros while operating profits, EBITDA, amounted to 14.7 mil. euros.

In the production of energy from thermal sources, TERNA participates in IRON THERMOELECTRIC by 50% jointly with the parent company GEK SA. The subsidiary operates an energy production unit, in Viotia, operating with natural gas and producing power of 147 MW. The income from this unit in 2007 amounted to 35 mil. euros.

For 2007, the consolidated financial figures of TERNA in accordance with the International Financial Reporting Standards are as follows:

Turnover amounted to 416 mil. euros increased by 32.9%, compared to 2006, mainly due to the increase of our construction business in Greece and abroad.

Operating earnings before depreciation (EBITDA) amounted to 51.2 mil. euros, compared to 52.6 mil. euros in the previous year, reduced by approximately 2%.

Earnings before taxes amounted to 32.9 mil. euros compared to 24.6 mil euros in 2006, increased by 33.8%,

Earnings after tax and minority interest amounted to 18.9 mil. euros increased by 45%.

Earnings per share amounted to 0.41 euros compared to 0.28 euros in 2006.

The Group holds cash that exceeds debt liabilities by 153 mil. euros (including the cash of TERNA ENERGY SA). The total equity of the Group amounts to 491 mil. euros.

The Board of Directors proposes, for the 2007 year, the distribution of 0.15 euros per share dividend.

Athens, 26 March 2008  
The Board of Directors

**EXPLANATORY REPORT**  
**TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS**  
**PURSUANT TO ARTICLE 11a para. 1 of Law. 3371/2005**

This explanatory report of the Board of Directors, addressed to the Ordinary General Meeting of shareholders of the Company, contains detailed information regarding the items of paragraph 1 of article 11a of Law 3371/2005.

**I. Structure of the Company's share capital**

The company's share capital amounts to fifty three million three hundred eighteen thousand eight hundred and twenty euros (€53.318.820,00), divided into forty five million nine hundred sixty four thousand and five hundred (45.964.500) common registered shares with voting rights, of a par value of one euro and sixteen cents (1.16 €) each.

The Company's shares are listed for trading at the Securities Market of the Stock Exchange of Athens (under "Large Cap" classification).

Each share confers all rights provided by the law and its articles, and especially:

- the right to receive dividends from the profits of the Company as they derive on an annual basis or upon liquidation, amounting to 35% of the net profits, upon deduction of the largest of either the ordinary reserve or 6% of the paid-up share capital. Such amount is distributed to the shareholders out of the profits of each fiscal year as a first dividend, while the distribution of additional dividends is decided by the General Meeting. Every shareholder listed in the register of shareholders kept by the Company as of the date of such decision is entitled to receive dividends. The dividend of each share is paid to the shareholder within two (2) months from the date of the Ordinary General Meeting that approved the annual financial statements. The manner and place of payment is published at the Daily Official List, as well as at the webpage of the Stock Exchange. The claim regarding the collection of the dividends is prescribed and the respective amount is transferred to the State upon 5 years from the end of the year, in which said dividends were decided by the General Meeting,
- the right to receive the contribution during the liquidation or, respectively, to amortize the capital pertaining to the share, if decided by the General Meeting,
- a first refusal right at each share capital increase of the Company involving payment in cash and the issuance of new shares,
- the right to obtain a copy of the financial statements and the reports of the auditors and the Board of Directors of the Company,
- the right to participate at the General Meeting, wherein each share confers the right to one vote.

The General Meeting of shareholders of the Company retains all its rights throughout the liquidation procedure (pursuant to para. 7 of article 34 of its Articles).

The shareholders are liable only up to the par value of the shares they hold.

**II. Restrictions on the transfer of the Company's shares**

The transfer of the Company's shares is effected in accordance with the Law and there are no restrictions on their transfer pursuant to the Company's articles, considering that they are intangible shares listed at the Stock Exchange of Athens.

### **III. Significant direct or indirect participations in the sense of L.3556**

The shareholders who directly held on 31/12/2007 a percentage of 5% or more of the share capital are listed in the following table:

<u>NAME OF SHAREHOLDER</u>	<u>SHARES</u>	<u>PERCENTAGE</u>
GEK S.A.*	25.115.771*	54,642%*
DWS INVESTMENT GMBH TOP50 EUROPA	2.380.000	5.178%

\* Direct participation of GEK S.A. with 24.466.471 shares, thus with a percentage of 53,229% and indirect participation through its subsidiary by 99,99% GEKE S.A., which held 649.300 shares of TERNA S.A, thus a percentage of 1,413%

### **IV. Shares conferring special control rights**

According to the Articles of Association there are no shares which award special rights of control.

### **V. Restrictions on voting rights**

No restrictions on the voting rights deriving from the Company's shares are provided in its Articles of Incorporation.

### **VI. Shareholders' agreements in the Company**

The Company is not aware of any agreements among its shareholders which might result in restrictions on the transfer of the Company's shares or on the exercise of the voting rights conferred by its shares.

### **VII. Rules of appointment and replacement of Board members and amendment of Articles**

The rules provided in the Company's articles regarding the appointment and replacement of its Board members as well as the amendment of its Articles do not deviate from those provided for in codified law 2190/1920. See also the provisions under IV above.

### **VIII. Competency of the Board to issue new shares or purchase owned shares**

1a) According to the provisions of article 13 para. 1 (b) and (c) of codified law 2190/1920 and article 6 para. a of the Articles of Incorporation, within the first five years from the issuance of the relevant decision of the General Meeting, which is subject to the publication requirements of article 7b of codified law 2190/1920, the Board of Directors of the Company is entitled to increase the share capital of the Company through the issuance of new shares, by virtue of a decision adopted by a majority of at least two thirds (2/3) of the total number of its members. In such case, the share capital may be increased only up to the amount of the capital which is paid-up on the date of adoption of the decision by the General Meeting. The aforementioned power of the Board of Directors may be renewed by the General Meeting for a period which cannot exceed five years for each renewal, and it shall enter into effect upon the expiration of each five-year period.

1b) According to the provisions of article 13 para. 9 of codified law 2190/1920, by virtue of a decision of the General Meeting a stock option plan may be implemented in favor of members of the Board and the personnel of the Company and its affiliates, in the form of the granting of a call option pursuant to the specific terms of such decision, a summary of which is subject to the publication requirements of article 7b of codified law 2190/1920. The decision of the General Meeting shall especially determine the maximum number of shares that may be issued, which according to the law cannot exceed 1/10 of the existing shares if the beneficiaries exercise their call option, as well as the price and the terms of distribution of the shares to the beneficiaries.

The Board of Directors shall adopt such decisions as to regulate any other relevant detail which is not otherwise determined by the General Meeting, it shall issue the call option certificates and, in December of each year, it shall issue shares to the beneficiaries who exercised their option, respectively increasing the share capital and confirming the payment of the relevant amount.

2) According to the provisions of paragraphs 5-13 of article 16 of codified law 2190/1920, companies listed at the Stock Exchange of Athens may acquire owned shares through the Stock Exchange of Athens upon decision of the General Meeting of their shareholders, up to 10% of the entirety of their shares.

The General Assembly of the Shareholders, held on 27/6/2007, making use of the provisions of the aforementioned law 2190/1920, decided the purchase on behalf of the Company of its own shares up to 10% of the total share capital of the Company at a minimum price of six (6) euros and a maximum price of twenty five (25) euros till June 27, 2008. The General Assembly also empowered the Board of Directors to follow the procedure in force regarding the approval of such purchase.

The Company during 2007 proceeded with the purchase of 4.891 own shares representing 0.01% of the total share capital of the Company at an average price of 12,47 euros per share and with a total transaction value of 60.990.96 euros.

**IX. Important agreements which will enter into effect, will be amended or will expire in case of change of control following a public offer**

There are no agreements which will come into effect, will be amended or will expire in case of change of control following a public offer.

**X. Agreements with members of the Board or personnel of the Company**

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

Athens, 26 March 2008  
The Board of Directors

## TERNA GROUP

### BALANCE SHEET

31<sup>st</sup> of December 2007

(All amounts are expressed in thousand of euros unless otherwise stated)

	Note	GROUP		COMPANY	
		31 December 2007	31 December 2006	31 December 2007	31 December 2006
<b>ASSETS</b>					
<b>Long-term assets</b>					
Intangible fixed assets	7	6,925	6,290	5,327	5,566
Tangible fixed assets	8	257,058	198,537	62,451	50,698
Real estate investment	9	8,671	7,840	7,748	6,917
Participations in associates	5	0	0	22,830	19,237
Participations in affiliated companies	5, 10	37,885	12	22,815	0
Participations in joint ventures	5, 32	0	1	12,066	12,028
Other investments		2,418	3,182	1,687	2,812
Other long-term assets	11	24,840	11,488	1,484	4,337
<b>Deferred tax receivables</b>	23	16,808	8,326	5,588	1,203
<b>Total long-term assets</b>		<b>354,605</b>	<b>235,676</b>	<b>141,996</b>	<b>102,798</b>
<b>Current assets:</b>					
Inventories	12	14,450	12,905	4,820	4,280
Trade receivables	13, 34	198,743	167,443	109,807	118,436
Prepayments and other receivables	13, 34	96,410	44,446	71,860	33,279
Income tax receivables	34	10,211	6,100	7,770	4,620
Other financial assets	15	1,343	7,204	1,343	1,168
Cash and cash equivalents	16, 34	383,210	74,517	32,115	24,020
<b>Total current assets</b>		<b>704,367</b>	<b>312,615</b>	<b>227,715</b>	<b>185,803</b>
Non-current assets held for sale	30	0	29,594	0	10,033
<b>TOTAL ASSETS</b>		<b>1,058,972</b>	<b>577,885</b>	<b>369,711</b>	<b>298,634</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity attributable to the shareholders of the parent</b>					
Share capital	24	53,319	53,319	53,319	53,319
Share premium account		168,894	35,922	35,922	35,922
Reserves		26,439	27,962	19,938	19,666
Profit carried forward		56,669	49,855	19,027	23,555
<b>Total</b>		<b>305,321</b>	<b>167,058</b>	<b>128,206</b>	<b>132,462</b>
Minority interest		186,559	19,467	0	0
<b>Total equity</b>		<b>491,880</b>	<b>186,525</b>	<b>128,206</b>	<b>132,462</b>

<b>Long term liabilities:</b>					
Long-term loans	17, 34	103,042	84,355	36,500	26,500
Loans from finance leases	17, 34	19,684	15,710	17,889	10,129
Provisions for staff indemnities	18	1,515	971	1,124	771
Other Provisions	19	1,735	1,713	2,658	668
Grants	20	42,641	33,820	0	0
Other long-term liabilities		1	31	1	31
Deferred tax liabilities	23	10,957	7,247	0	0
<b>Total long term liabilities</b>		<b>179,575</b>	<b>143,847</b>	<b>58,172</b>	<b>38,099</b>
<b>Short term liabilities:</b>					
Suppliers	21, 34	82,547	70,972	44,723	50,535
Short term loans	22, 34	108,395	50,598	23,486	9,502
Long term loans payable during the next financial year	17, 34	24,544	14,436	12,876	5,955
Accrued and other short term liabilities	21, 34	165,081	93,238	99,844	62,081
Income tax payable	34	6,950	3,715	2,404	0
<b>Total short term liabilities</b>		<b>387,517</b>	<b>232,959</b>	<b>183,333</b>	<b>128,073</b>
Liabilities directly related to non-current assets held for sale	30	0	14,554	0	0
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>1,058,972</b>	<b>577,885</b>	<b>369,711</b>	<b>298,634</b>

The accompanying notes are an inseparable part of the consolidated financial statements

## TERNA GROUP

### INCOME STATEMENT

31st of December 2007

(All amounts are expressed in euros, unless otherwise stated)

	Note	GROUP		COMPANY	
		1/1 - 31/12 2007	1/1 - 31/12 2006	1/1 - 31/12 2007	1/1 - 31/12 2006
Net sales	6, 25	416,450	313,163	205,712	186,273
Cost of sales	26	(358,232)	(264,656)	(193,600)	(160,885)
<b>Gross profit</b>		<b>58,218</b>	<b>48,507</b>	<b>12,112</b>	<b>25,388</b>
Administration and Distribution expenses	26	(29,545)	(26,300)	(22,834)	(22,109)
Research and Development expenses		(1,907)	(1,097)	0	0
Other income / (expenses)	27	15,715	12,391	20,553	13,625
Net financial income/(expense)	28	(10,053)	(8,841)	(5,736)	(3,543)
Profit / (loss) from the valuation of associates using the equity method		553	(15)	0	0
<b>PROFIT BEFORE TAX</b>		<b>32,981</b>	<b>24,645</b>	<b>4,095</b>	<b>13,361</b>
Income tax	23	(6,117)	(8,654)	2,552	(5,628)
<b>Net profit/(Loss) from continuing operations</b>		<b>26,864</b>	<b>15,991</b>	<b>6,647</b>	<b>7,733</b>
<b>Discontinued operations</b>					
Profit/(Loss) from discontinued operations after tax	30	0	5,095	0	0
<b>NET PROFIT</b>		<b>26,864</b>	<b>21,086</b>	<b>6,647</b>	<b>7,773</b>
<b>Attributable to:</b>					
Shareholders of the parent company from continuing operations	24	18,976	13,013		
Shareholders of the parent company from discontinued operations		0	4,852		
Minority interest – KAX from continuing operations		7,888	2,978		
Minority interest – KAX from discontinued operations		0	243		
		<b>26,864</b>	<b>21,086</b>		
<b>Basic earnings per share (in euro)</b>					
From continuing operations attributable to shareholders of the parent	24	0,41	0,28		
From discontinued operations attributable to shareholders of the parent		0,00	0,11		
<b>Weighted average number of shares</b>					
Basic	24	45,963,093	45,964,500		

## TERNA GROUP

### CASH FLOW STATEMENT

31st of December 2007

(All amounts are expressed in thousand of euros unless otherwise stated)

	GROUP		COMPANY	
	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12
	2007	2006	2007	2006
<b>Cash flow from operating activities</b>				
Profit before tax	32,981	30,825	4,095	13,361
Adjustments for the agreement of the net flows from the operating activities				
Depreciation	18,136	15,310	7,937	5,450
Provisions	216	(7,302)	2,156	(225)
Interest and related revenue	(4,174)	(1,642)	(893)	(400)
Interest and other financial expenses	14,227	10,483	6,629	3,715
Results from participations and securities	(11,821)	(463)	(18,294)	(3,864)
Results from intangible and tangible asset and real estate	(1,422)	(6,840)	(1,310)	(748)
Amortization of grants	(1,688)	(1,294)	0	0
Other adjustments	1,146	516	1,208	(50)
<b>Operating profit before changes in working capital</b>	<b>47,601</b>	<b>39,593</b>	<b>1,528</b>	<b>17,239</b>
<b>(Increase)/Decrease in:</b>				
Inventories	(1,545)	(2,134)	(540)	44
Trade receivables	(29,800)	(7,227)	449	(25,955)
Prepayments and other short term receivables	(27,850)	(3,901)	(36,391)	5,815
<b>Increase/(Decrease) in:</b>				
Suppliers	11,575	35,033	(5,795)	27,753
Accruals and other short term liabilities	68,343	22,070	48,909	10,622
Collection of grants	1,065	12,100	0	0
(Increase)/Decrease of other long term claims and liabilities	(7,846)	(4,062)	2,825	(4,191)
Tax payments	(12,405)	(8,089)	(5,008)	(4,731)
<b>Cash inflow from operating activities</b>	<b>49,138</b>	<b>83,383</b>	<b>5,977</b>	<b>26,596</b>
<b>Cash flows from investment activities</b>				
Purchases of intangible and tangible assets	(68,670)	(49,615)	(7,821)	(4,154)
Sale of tangible fixed assets	1,621	1,514	1,178	1,371
Interest and related income received	2,179	1,645	893	400
(Purchases) / Income from the sale of participations and securities	(28,663)	41	(8,822)	(8,675)
Receipts from dividends participations and securities	9	0	7,155	0
Real estate investments	124	(3,826)	124	1,472
<b>Cash outflows for investment activities</b>	<b>(93,400)</b>	<b>(50,241)</b>	<b>(7,293)</b>	<b>(9,586)</b>

**Cash flows from financial activities**

Receipts from share capital increase of a subsidiary	289,868	0	0	0
Net change of short term loans	57,797	(4,185)	13,713	(16,588)
Net change of long term loans	28,795	28,051	15,455	30,000
Loan payments for finance leases	(7,845)	(9,199)	(3,558)	(4,948)
Dividends paid to shareholders of the parent	(10,440)	(11,325)	(10,094)	(10,621)
Interest paid	(11,256)	(9,153)	(6,044)	(3,654)
Change of other financial receivables	6,036	(1,945)	(61)	3
<b>Cash outflows for financial activities</b>	<b>352,955</b>	<b>(7,756)</b>	<b>9,411</b>	<b>(5,808)</b>
<b>Net increase of cash</b>	<b>308,693</b>	<b>25,386</b>	<b>8,095</b>	<b>11,202</b>
<b>Cash at the beginning of the period from continued operations</b>	74,517	49,131	24,020	12,818
<b>Cash at the end of the period</b>	<b>383,210</b>	<b>74,517</b>	<b>32,115</b>	<b>24,020</b>

The accompanying notes are an inseparable part of the consolidated financial statements

## TERNA SA

### STATEMENT OF CHANGES IN EQUITY

31<sup>ST</sup> OF December 2007

(All amounts are in thousand euros unless otherwise stated)

	Share capital	Share premium	Reserves	Profit carried forward	Total
<b>1<sup>st</sup> January 2006</b>	53,319	35,922	15,969	28,362	<b>133,572</b>
Net result from the valuation of investments available for sale	0	0	1,018	0	<b>1,018</b>
Foreign exchange difference from the consolidation of foreign companies	0	0	284	0	<b>284</b>
Net profit for the year	0	0	0	7,733	<b>7,733</b>
<b>Total net earnings recorded</b>	<b>0</b>	<b>0</b>	<b>1,302</b>	<b>7,733</b>	<b>9,035</b>
Dividends	0	0	0	(10,112)	<b>(10,112)</b>
Distribution of reserves	0	0	2,395	(2,428)	<b>(33)</b>
<b>31<sup>st</sup> December 2007</b>	<b>53,319</b>	<b>35,922</b>	<b>19,666</b>	<b>23,555</b>	<b>132,462</b>
<b>1<sup>st</sup> January 2006</b>	<b>53,319</b>	<b>35,922</b>	<b>19,666</b>	<b>23,555</b>	<b>132,462</b>
Net result from the valuation of investments available for sale	0	0	(454)	1	<b>(453)</b>
Foreign exchange difference from the consolidation of foreign companies	0	0	(277)	0	<b>(277)</b>
Net profit for the year	0	0	0	6,647	<b>6,647</b>
<b>Total net earnings recorded</b>	<b>0</b>	<b>0</b>	<b>(731)</b>	<b>6,648</b>	<b>5,917</b>
Dividends	0	0	0	(10,112)	<b>(10,112)</b>
Distribution of reserves	0	0	1,064	(1,064)	<b>0</b>
Acquisition of own shares	0	0	(61)	0	<b>(61)</b>
<b>31<sup>st</sup> December 2007</b>	<b>53,319</b>	<b>35,922</b>	<b>19,938</b>	<b>19,027</b>	<b>128,206</b>

**TERNA GROUP**

**STATEMENT OF CHANGES IN EQUITY**

**31<sup>ST</sup> OF December 2007**

(All amounts are in thousand euros unless otherwise stated)

	<b>Share capital</b>	<b>Share premium account</b>	<b>Reserves</b>	<b>Profit carried forward</b>	<b>Sub-Total</b>	<b>Minority Interest</b>	<b>Total</b>
<b>1<sup>st</sup> January 2006</b>	53,319	35,922	21,783	47,989	<b>159,013</b>	17,046	<b>176,059</b>
Corrections of errors			(4,980)	4,125	<b>(855)</b>	(529)	<b>(1,384)</b>
<b>Restated balances at 1<sup>st</sup> of January 2006</b>	53,319	35,922	16,803	52,114	<b>158,158</b>	16,517	<b>174,675</b>
Net result from the valuation of investments available for sale	0	0	1,064	0	<b>1,064</b>	0	<b>1,064</b>
Foreign exchange difference from the consolidation of foreign companies	0	0	272	0	<b>272</b>	0	<b>272</b>
Net profit for the year	0	0		17,865	<b>17,865</b>	3,221	<b>21,086</b>
<b>Total net earnings recorded</b>	<b>0</b>	<b>0</b>	<b>1,336</b>	<b>17,865</b>	<b>19,201</b>	<b>3,221</b>	<b>22,422</b>
Dividends	0	0	0	(10,112)	<b>(10,112)</b>	(345)	<b>(10,457)</b>
Reduction of the share of a consolidated subsidiary	0	0	0	0	<b>0</b>	74	<b>74</b>
Transfers – Other movements	0	0	10,876	(10,876)	<b>0</b>	0	<b>0</b>
Distribution of reserves	0	0	(1,053)	864	<b>(189)</b>	0	<b>(189)</b>
<b>31<sup>st</sup> of December 2006</b>	<b>53,319</b>	<b>35,922</b>	<b>27,962</b>	<b>49,855</b>	<b>167,058</b>	<b>19,467</b>	<b>186,525</b>

<b>1<sup>st</sup> January 2007</b>	<b>53,319</b>	<b>35,922</b>	<b>27,962</b>	<b>49,855</b>	<b>167,058</b>	<b>19,467</b>	<b>186,525</b>
Net result from the valuation of investments available for sale	0	0	(460)	0	(460)	0	(460)
Foreign exchange difference from the consolidation of foreign companies	0	0	(645)	0	(645)	(8)	(653)
Net profit for the year	0	0		18,976	<b>18,976</b>	7,888	<b>26,864</b>
<b>Total net earnings recorded</b>	<b>0</b>	<b>0</b>	<b>(1,105)</b>	<b>18,976</b>	<b>17,871</b>	<b>7,880</b>	<b>25,751</b>
Dividends	0	0		(10,112)	(10,112)	(345)	(10,457)
Share capital issue of a subsidiary	0	(16)	3,886	0	<b>3,870</b>	4,968	<b>8,838</b>
Share capital issue of a subsidiary for its listing in Athens	0	133,640	0	0	<b>133,640</b>	148,321	<b>281,961</b>
Exchange							
Distribution of reserves	0	0	1,463	(1,463)	<b>0</b>	0	<b>0</b>
Purchase of own shares	0	0	0	(61)	(61)	0	(61)
Acquisition of a subsidiary	0	0	0	0	<b>0</b>	188	<b>188</b>
Sale of a subsidiary	0	0	0	0	<b>0</b>	(865)	(865)
Change in percentage holding of a consolidated subsidiary	0	(652)	(5,767)	(526)	(6,945)	6,945	<b>0</b>
<b>31<sup>st</sup> December 2007</b>	<b>53,319</b>	<b>168,894</b>	<b>26,439</b>	<b>56,669</b>	<b>305,321</b>	<b>186,559</b>	<b>491,880</b>

**TERNA GROUP**  
**NOTES ON FINANCIAL STATEMENTS**  
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*(Amounts in thousand Euros, unless otherwise stated)*

## **1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY**

Terna SA (hereinafter the Company or TERNA) was founded in 1972 (Govt. Gazette 1338/04.07.72), is domiciled in Athens, 85 Mesogeion Str. and has a duration of 50 years, until 04.07.2022.

The basic sector in which the Group is active is the construction one. TERNA S.A. holds a 7th grade construction certificate and its main activity is to undertake and carry out public and private construction projects of any kind. According to the legislation in effect, companies that hold a 7th grade construction certificate may only undertake public projects of over 35 mil. euros. There is no upper limit to the budget of the projects that the Group may independently undertake. Furthermore, TERNA owns and operates a quarry and trades in inert materials.

At the Group level, TERNA is active in the industrial sector with its subsidiary companies «BIOMEK», which undertakes metal constructions and «STROTIRES AEBE», which produces and distributes skids from armed concrete. Also, through «HERON THERMOELEKTRIKI SA» and «TERNA ENERGY ABETE» the Group is active in the energy sector through wind parks with a total installed capacity of 66MW on 31.12.2005. The consolidated financial statements of TERNA are included in the consolidated financial statements of its parent company GEK SA, which on the balance sheet date held (directly and indirectly) 53.2% of its share capital.

During 2007 the company DIKEVE SA that was active in exploiting a warehouse for goods was sold. Also, during the same period the group acquired the total number of shares of the company Lithos SA which is active in quarry business.

## **2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

### ***a) Basis for the preparation of the financial statements***

The attached financial statements of the Company and the Group have been prepared according to the historic cost principle, except investment property which is valued at fair value. Moreover some own-used intangible fixed assets on the date of transition (1st of January 2004) to the International Financial Reporting Standards (IFRS) were fairly valued, and these values were used as implied cost in accordance with the clauses of IFRS 1 “First-Time adoption of International Financial Reporting Standards”.

The attached Company and Group financial statements have been prepared in accordance with the IFRS, as these have been adopted by the European Union. No standards have been applied before their effective date.

### ***b) Statutory Financial Statements***

Until the 31<sup>st</sup> of December 2004 TERNA SA and its subsidiaries kept its accounting books and compiled financial statements according to the provisions of L. 2190/1920 and the tax legislation in effect. From January 1<sup>st</sup>, 2005 it is obliged, according to the legislation in effect, to compile its Statutory Financial Statements according to the IFRS that have been adopted by the European Union. The Company continues to keep its accounting books in accordance with the provisions of the tax laws, as it has the right to do so. Out-of-books adjustments are then made in order to compile the attached financial statements in accordance with the IFRS.

### ***c) New standards, interpretations and amendments***

The accounting principles adopted are the same as those adopted for the period ending on December, 31 2006, except the adoption of new standards that became mandatory from January, 1 2007. Therefore, from January, 1 2007 the Group and the company adopted new standards and amendments as follows:

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- *IFRS 7, Financial instruments: Disclosures.* IFRS 7 requires further disclosures regarding financial instruments, with the objective of improving the provided information and specifically it requires the disclosure of qualitative and quantitative information as regards to the risk exposure emerging from financial instruments. The new disclosures are included in the financial statements while the adoption of the standard did not have any effect on results and on equity.

- *Additional adjustment to IAS 1, Presentation of Financial Statements-Equity disclosure:* The relevant adjustment of IAS 1 regards disclosures concerning the amount of a company's capital and the way such is managed. The relevant disclosures are analysed in Note 36.

- Amendment of IFRS 4 Insurance Contracts. It is not applied in the company and the group and it does not affect the financial statements.

Upon the date of approval of the financial statements, there are new IFRS interpretations and amendments of existing standards that will be mandatory for the years starting on 1<sup>st</sup> of January 2008 onwards. The assessment of the management of the Group regarding the effect of these new standards is offered below:

- *IFRS 8, Operating segments:* (applied for annual accounting periods beginning on or after January 1<sup>st</sup> 2009). IFRS 8 replaces IAS 14 *Segment reporting* and adopts an administrative approach as regards to financial information provided by segment. The information provided will be that used by management internally for the evaluation of the return by operating *segments* and the allocation of resources to such *segments*. This information may differ from that presented in the balance sheet and income statements and companies must provide explanations and reconciliation regarding such differences. IFRS 8 is expected to be adopted by the European Union in the near future. The Group is in the process of evaluating the effect of this standard on its financial statements.

- *IAS 23 (amendment)* (applied for annual accounting periods beginning on or after January 1<sup>st</sup> 2009). Withdrawal of the option to expense borrowing costs related to the acquisition, construction or production of a special asset. The amendment of Standard 23 is expected to be adopted by the European Union in the near future.

- *IAS 1 'Presentation of Financial Statements' (amendment)* (effective date: annual periods beginning on or after 1 January 2009).

The revisions include changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed a statement of financial position). The most important changes are:

- at the cases in which an accounting policy is applied retrospectively or accounts are revised or reclassified in the financial statements, for comparability reasons it is necessary to report also the opening Statements of Financial Position for the earliest presented previous periods.
- all income and expenses data (including those recorded directly in Equity) must be reported in one statement (Statement of comprehensive income), or in two statements (a Statement for the current year Results and a Statement of comprehensive income).
- it is not allowed the separate presentation of results that are directly recorded in equity (e.g. profit/loss of fair value). Such changes that do not arise from the shareholders must be presented in the Statement of comprehensive income, the total of which must be transferred to the Statement of changes in Equity.
- the presentation of shareholders transactions when they are acting as owners is not allowed to be presented in the notes. The Statement of changes in Equity must be presented as a separate financial statement.
- new requirements are introduced regarding an analytical presentation of results that are directly recorded in equity.

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- *IFRIC 11, IFRS 2 – Group and treasury shares Transactions* : (applied for annual accounting periods beginning on or after March 1<sup>st</sup> 2007). This Interpretation requires that transactions in which a right on participating titles is granted to an employee be considered for accounting purposes as remuneration defined by the value of the share and is settled with participating titles, even if the company chooses or is obliged to purchase such titles by third parties or the company shareholders provide the granted participating titles. The Interpretation is also extended to the way subsidiaries, in their individual financial statements, account for plans where their employees receive rights on participating titles of the parent company.

- *IFRIC 12, Service Concession Agreements*: (applied for annual accounting periods beginning on or after January 1<sup>st</sup> 2008). IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. Based on the Interpretation, concession managers must not recognize the relevant infrastructure as tangible fixed assets, but must recognize a financial asset or an intangible asset. IFRIC 12, which is expected to be adopted by the European Union in the near future, does not apply to the Group.

- *IFRIC 14, The limit on a Defined Benefit Asset, minimum funding requirements and their interaction*: (applied for annual accounting periods beginning on or after January 1<sup>st</sup> 2008). IFRIC 14 addresses three issues, specifically a) when capital refunds or reductions in future contributions should be presented as “available” in the context of paragraph 58 of IAS 19, Employee Benefits, b) how a minimum funding requirement may affect the availability of the reductions in future contributions, and c) when a minimum funding requirement creates an obligation. Furthermore, given that there is a minimum funding requirement, the Interpretation distinguishes between contributions that are necessary to cover an inadequacy for a past service on the base of the minimum contribution and, the future recognition of benefits. IFRIC 14 is expected to be adopted by the European Union in the near future. The company estimates that the application of IFRIC 14 is not expected to affect the financial statements of the Group.

**d) Approval of the Financial Statements**

The attached annual financial statements were approved by the Board of Directors of the Company on March, 26 2008. The amended financial statements are approved by the Board of Directors of the Company on the 26<sup>th</sup> of May 2008 and are subject to approval at the Shareholders’ Annual General Meeting.

**e) Use of estimates**

The Group makes estimations, assumptions and judgements in order to choose the best accounting principles related to the future evolution of events and transactions. These estimations, assumptions and judgements are continuously assessed in order to reflect current information and risk and are based on the management’s experience related to level/volume of transactions or events.

The main assumptions and judgements that may affect the financial statements in the coming months are as follows:

- a) Recognition of income from construction contracts: The Group uses the percentage of completion method to recognize revenue from construction contracts, in accordance with IAS 11. According to this method the construction cost as of each balance sheet date is compared to the budgeted total cost of the project in order to determine the percentage of completion of the project. The cumulated effect of the restatements/reassessments of the total budgeted cost of the projects and the total contractual payment (recognition of work over and above the contract) is recorded in the financial years during which such restatements arise. The total budgeted cost and the total contractual payment of the projects arise from estimation procedures and are reassessed and reviewed at each balance sheet date.

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b) Provision for income tax: The provision for income tax according to IAS 12 is calculated with the estimation of taxes to be paid to tax authorities and includes the current income tax for each period and a provision for additional taxes that may occur from tax audits. The final settlement of income tax may differ from the relevant amounts recognized in the financial statements.

c) Provision for environmental rehabilitation: The Group creates a provision against its relevant liabilities for dismantlement of technical equipment of wind parks and environmental rehabilitation, that arise based on the written environmental legislation or by the Group's restrictive practices. The environmental rehabilitation provision reflects the present value (based on an appropriate discount rate), at the balance sheet date of the rehabilitation liability less the estimated recoverable value of material estimated to be dismantled and sold.

### **3 SUMMARY OF KEY ACCOUNTING PRINCIPLES**

The main accounting principles adopted during the compilation of the attached consolidated financial statements are the following:

#### ***a) Basis of consolidation***

The attached consolidated financial statements include those of TERNA and its subsidiaries. The subsidiaries in which the Group has a direct or indirect participation of more than 50% of the voting rights has the right to control the consolidated operations. The subsidiaries are consolidated from the date the Group acquires the control and stop being consolidated at the date this control cease to exist.

The participation of the Group in Joint ventures when there is common control, are consolidated in the attached financials statements with the method of proportionate consolidation which includes the proportion of the joint-venture on the assets, liabilities and results with the inclusion of the items in their Financial Statements.

Intracompany transactions and balances are deleted from the attached consolidated financial statements. When necessary, the accounting bodies of subsidiaries are amended in order to secure the consistency with the accounting principles adopted by the Group.

#### ***b) Participation in related companies***

The participations of the Group in other companies in which Terna has an important influence are consolidated with the net equity method. Based on this method, the participation in related company is recorded at book cost plus the change of the Group's participation in their equity, less any provisions for impairments. The consolidated statement reflects the proportion of the Group in the results of the related company.

#### ***c) Investments and other (non-derivative) financial assets***

Financial assets that fall under the provisions of IAS 39 and are governed by them are classified according to their nature and characteristics into one of the following four categories:

- (i) Investments available for sale
- (ii) Receivables and loans
- (iii) Financial assets at fair value through the profit or loss
- (iv) Investments held to maturity

Initially they are recognised at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses.

The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

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(i) **Investments available for sale**

Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investment available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized as a separate item in equity. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the profit or loss.

(ii) **Receivables and loans**

Receivables and loans created by the activities of the Company (and which fall outside the usual credit limits), are valued at net amortized cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortisation process.

(iii) **Financial assets at fair value through the profit or loss**

This relates to the trading portfolio and comprises investments acquired with a view to liquidate them in the near future. Gains or losses from the valuation of such assets are recorded in the profit or loss.

(iv) **Investments held to maturity**

Financial assets (non-derivative) with defined flows and defined maturity are classified as held to maturity when the company is willing and able to retain them until their maturity. Investments held indefinitely or for a predetermined period cannot be classified in this category. Held to maturity investments are valued, after the initial recording, at net amortised cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortisation process.

The current value of such investments that are traded in an organised exchange is derived by the exchange value of the investment at the closing date. As regards investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques. These techniques are based on recent arm's-length investment transactions, with reference to the exchange value of another investment with characteristics similar to the investment valued, discounted cash-flow analysis and investment valuation models.

**d) Financial Instruments and Risk Management**

Non-derivative financial assets and liabilities in the balance sheet include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial products. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem. Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Company, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time. Financial risk management aims to reduce possible negative consequences. More specifically:

(i) **Interest rate risk and exchange rate risk**

The Company's bank loans are denominated in euros and are subject to variable interest rates. The Group use swap contracts in euro in order to reduce its exposure to interest rate risk. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.

(ii) **Fair Value**

The amounts appearing in the attached Balance Sheets for cash balances, short-term receivables and other short-term liabilities approximate their respective real values due to their short-term nature. The fair value of short-term bank loans does not differ from their accounting value due to the use of floating interest rates.

**(iii) Credit Risk Concentration**

A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no credit risk, per se. Company's policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within an amicable settlement context. Moreover the credit risk concentration is limited due to the great dispersion of the balances.

**(iv) Market Risk**

The Company has not entered into contracts in order to hedge the market risk arising from its exposure to fluctuations in the prices of raw materials used in the production process.

**e) Operation and Presentation Currency and Foreign Exchange Conversion**

The euro is the currency of operation and presentation of the Company. Transactions in other currencies are converted into euros using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.

The profits and losses resulting from transactions in foreign currencies and from the end-of-year valuation of monetary items in foreign currencies are recorded in the attached consolidated income statement.

The currency of operation for the foreign subsidiaries of the Group is the official currency of the country in which the subsidiary operates. Therefore, at any balance sheet date all subsidiaries' accounts are translated to euro based on the foreign exchange rate prevailing at that date. Revenues and expenses are translated based on the weighted average exchange rate of the year. Any foreign exchange differences resulting from the valuation of foreign subsidiaries are recoded directly in equity. During the sale or distribution of foreign subsidiaries the cumulative foreign exchange differences are recorded in income statement.

**f) Intangible assets**

Intangible assets mainly consist of royalties related to quarries, software acquisition costs and all expenses incurred to develop the software in order to bring it to operating condition. Amortisation on royalties are based on straight line method during the normal period for the use of quarries (30 years) and the one on software is accounted for based on the straight line method for a period of three years.

**g) Income recognition**

Income is recognized to the extent that it is probable that economic benefits will result for the Group and that the relevant amounts can be accurately measured. The following specific recognition criteria must also be met for the recognition of income.

**(i) Income from construction activities**

Income from construction contracts is recognised in the accounting books based on amounts invoiced to customers, which result from the relevant partial certifications of work completed that are issued by the responsible engineers and correspond to the work completed up to the closing date. For reasons of compliance with the IFRS, income from construction activity is accounted for in the attached consolidated financial statements using the percentage-of-completion method in accordance with the provisions of IAS 11 "Construction Contracts".

According to the percentage-of-completion method the construction costs incurred up to the Balance Sheet date are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed. This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total

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contract price are accounted for during the accounting periods in which they arise. In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognised in the year during which the loss-making events become probable.

Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced, while non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.

Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount appears as a liability in the attached financial statements.

*(ii) Sale of goods*

Revenue from the sale of goods, net of trade discounts, sales incentive discounts and the corresponding VAT, is recognized when the significant risks and benefits from ownership of the goods have been transferred to the buyer.

*(iii) Revenue from the sale of Electric Energy*

Revenue from the sale of Electric Energy is accounted for in the year in which it accrues. Revenue from sales of electric energy to DESMHE or any other buyer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements.

*(iv) Revenue from the construction and sale of buildings*

Buildings owned by the Company that are under construction, appear as inventories. When the final sale contracts are drawn, by which the risks and benefits of ownership of the building are transferred, and to the extent that after the compilation of these contracts there remains significant construction work to be carried out, the relevant revenue is recognized according to the percentage-of-completion method, as described above.

*(v) Rent Revenue*

Rent revenue is recognized using the straight-line method, according to the terms of the lease.

*(vi) Dividends*

Dividends are accounted for when the right to receive them has been finalized by the shareholders by virtue of a Shareholders' General Meeting resolution.

*(vii) Interest*

Interest income is recognized on an accruals basis.

***h) Tangible Fixed Assets***

As previously mentioned, the Company has valued certain land and buildings at fair value on January 1<sup>st</sup>, 2004 and these fair values have been used as implied cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.

Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.

Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.

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Fixed assets under construction include fixed assets that are work in progress and are recorded at cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

**i) Depreciation**

Depreciation is calculated according to the straight-line method using rates that approximate the relevant useful economic life of the respective assets. The useful economic life per fixed asset category ranges between:

	<u>YEARS</u>
Buildings and Construction projects	8-30
Machinery and Technical Installations	3-12
Vehicles	5-12
Fixtures and Other Equipment	3-12

**j) Impairment of the Value of Fixed Assets**

The book values of long-term asset, other than goodwill and tangible fixed assets with an infinite life, are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the income statement. The recoverable amount is defined as the largest value between the net estimated sales price and the acquisition value. The net sales value is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The acquisition cost consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.

A reversal of an impairment loss for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such an impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income. The Management assesses that there is no case of impairment of the Group's fixed assets and thus a calculation of the assets' recoverable amounts has not been made.

**k) Investment property**

Investments in property are those held for the purpose to receive rent or goodwill and are valued at their real value which is based on market value, that is to say at the estimated value of which the property may be sold, at the day of the estimation, in a normal transaction. The estimation is contacted regularly by external professionals estimators who have the knowledge on the property market.. Profits or losses that arise from changes in the real value of investments in property are included in the income statement of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalised when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost. The acquisition cost and the accumulated depreciation of an investment property are eliminated from the accounts upon sale. All gains or losses resulting from the sale of a property are included in the income statement of the year during which it was sold. Investment property being build or developed are recorded at book value in tangible assets till their completion, and then they are transferred to investment property.

**l) Inventories**

Inventories include excavated from the quarry material, construction material, spare parts and raw material. Inventories are valued at the lower of cost and net realisable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.

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The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials. The net realisable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale. The net realisable value of raw materials is their estimated replacement cost during the normal course of business. A provision for impairment is made if it is deemed necessary.

***m) Receivables Accounts***

Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables, while long-term receivables are valued at net amortised cost based on the effective interest rate method. At each balance sheet date all overdue or doubtful receivables are reviewed in order to determine the necessity for a provision for doubtful receivables. The balance of the specific provision for doubtful receivables is appropriately adjusted at each balance sheet date in order to reflect the estimated relevant risks. Each write-off of customer balances is debited to the existing provision for doubtful receivables.

***n) Cash and Cash Equivalents***

The Group considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.

For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

***o) Long-term loan liabilities***

All long-term loan liabilities are initially booked at cost, which is the actual value of the received payment less the issuance expenses related to the loan. After the initial recording, interest-bearing loans are valued at the net book value using the effective interest rate method. The net book value is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortisation procedure. Interest expenses are recognized on an accruals basis.

It is noted that the interest on loans taken for the construction of fixed assets and inventories that requires time for their completion will increase the value of these assets from 1.1.2008 hereafter based on amended IAS 23. The capitalisation of interest will be interrupted when the asset will be ready for its intended use.

***p) Provisions for Staff Retirement Indemnities***

According to the provisions of L2112/20, the Group reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement). The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years. The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation. Net retirement costs for the period are included in the attached income statement and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The prior service costs are recognized on a straight line basis over the average period during which access to the program's benefits is earned. The liabilities for retirement benefits are not financed. As at the 1<sup>st</sup> of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Company, applying the

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exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1<sup>st</sup> of January 2004. During the compilation of subsequent financial statements TERNA, applying the general provisions of IAS 19, followed the “margin” method for the recognition of accumulated actuarial losses/profits. Actuarial profits and losses are registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceed 10% of the largest value between the liability of the defined benefit and the actual value of the program’s assets. These profits or losses are systematically recorded during the expected average remaining working life of employees participating in the programs.

**q) Government Pension Plans**

The staff of the Group is mainly covered by the main Government Social Security Fund for the private sector (IKA) and which provides pension and medical-pharmaceutical benefits. Each employee is required to contribute part of his/her monthly salary to the fund, while part of the total contribution is covered by the Company. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Company has no legal or constructive obligation for the payment of future benefits according to this plan.

**r) Income Tax (Current and Deferred)**

Current and deferred taxes are calculated based on the financial statements of each of the companies included in the consolidated statements that are compiled according to the tax regulations in effect in Greece or in other countries in which the foreign subsidiaries operate. Current income tax is calculated based on the earnings of the Company as such are reformed on the company’s tax reports, additional income tax emerging from the Tax Authorities’ tax audits and on deferred income tax based on the enacted tax rates.

Deferred income tax is calculated using the liability method on all temporary differences between the tax base and the book value of assets and liabilities on the balance sheet date. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all the exempt temporary differences and the transferable tax losses, to the extent that it is likely that there will be available taxable earnings, which will be set against the exempt temporary differences and the transferable unused tax losses.

The deferred tax assets are estimated on each balance sheet date and are reduced to the degree that it is not considered likely that there will be adequate taxable earnings against which part or the total of receivables from deferred income taxes may be used.

Deferred tax assets and liabilities are calculated according to the tax rates that are expected to be in effect during the financial year when the asset will be realised or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted on the balance sheet date.

Income tax that relates to items, which have been directly recognized in equity, is directly recorded in equity and not in the income statement.

**s) Finance and Operating Leases**

Finance leases, which essentially transfer to the Company all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset’s fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the results. Capitalized leased fixed assets are depreciated based on the estimated useful life of the asset.

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Leases where the lessor maintains all the risks and returns related to ownership of the fixed asset, are recorded as operating leases. The payments of operating leases are recognized as an expense in the income statement on a constant basis for the duration of the lease.

***t) Government Grants***

Government grants relating to subsidies of tangible fixed assets, are recognized when there is reasonable certainty that the grant will be received and all relevant terms will be met. These government grants are recorded in a deferred income account and are transferred to the income statement in equal annual instalments based on the expected useful life of the asset that was subsidized, as a reduction to the relevant depreciation expense. When the grant relates to an expense it is recognized as income during the period deemed necessary to match the grant on a systematic basis with the expenses it is meant to reimburse.

***u) Provisions, Contingent Liabilities and Contingent Receivables***

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each balance sheet date and are adjusted in order to reflect the present value of expenses that are expected to be required for the settlement of the liability. If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the outflow of economic resources that include an economic loss benefits is probable. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is possible.

***v) Earnings per Share***

Basic earnings per share (EPS) are calculated by dividing net earnings with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the Company as own-shares.

Diluted earnings per share are calculated by dividing the net earnings attributable to the shareholders (after deducting the interest on convertible shares, after taxes) with the weighted average number of shares that are outstanding during the year (adjusted for the effect of the diluted convertible shares).

***w) Information per sector of activity***

Sector of activity is a recognisable part of the Group that produces products or services (business sector) or offers products or services in a specific geographic environment (geographic sector) which differs in risk and benefits compared to other sectors. The primary type of information is reported for business sector while the secondary one is reported for geographic sector.

The sectors of activity refer to activities in construction, sale of electricity, property management, industrial production, concessions as well as remaining activities. Geographical sectors refer to construction activities taken place in Greece, Cyprus, Balkans and Middle East. Regarding revenues and assets of geographic sectors these are recorded in accordance to on where the customer and the asses are based.

The basic assumption for the presentation of assets and liabilities as well as revenues and expenses for each sector, which are not included directly in a specific sector, is their allocation to sectors according to criteria that are applied consistently. Cross-sectoral income is calculated based on real and allocated expenses of each sector plus a margin on its employed capital.

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Transactions between business units take place in market terms as occurs in the case for transactions with third parties.

#### **4 ERROR CORRECTION OF PREVIOUS PUBLICATIONS**

During the compilation of financial statements some errors and omissions were noticed for the periods 31 December 2006 and 2005, emerged from the consolidated sub-group TERNA ENERGY SA during the audit for the listing of company's shares in Athens Exchange. The Management decided to correct these mistakes retrospectively and therefore to restate the financial statements for 31 December 2006 and 2005 in accordance with IAS 8 «Accounting Principles, Changes in Accounting Estimations and Errors». The adjustments made and reported below refer to:

i) Provision for the dismantlement of technical equipment of Wind Parks and rehabilitation of environment. In 2006 the Group, based on its policy, periodically examines the procedures and assumptions of its estimates restating the relevant accounts of provisions according to a new study that took place regarding the liabilities arising from the dismantlement and rehabilitation based on new data regarding the estimation of their residual value. Therefore, the reduces net book value of the technical equipment of Wind Parks will be depreciated in accordance with the residual useful life of the relevant assets.

ii) In 2006 the Group, based on its policy to periodically review the main accounting estimations and assumptions during the compilations of its financial statements and due to the change legal framework that set the period of conventional operating period for Wind Parks to twenty years, at least, amended the depreciation period of Wind Parks and the relevant grants (Substations/Connection Networks, Technical Installations of Wind Parks) from 14 or 15 years (depreciation period emerged in accordance with the conventional plan and the application of depreciation coefficient of P.D. 299/2003) to 20 years. This re-estimation of useful life of the technical equipment of wind parks made in 2006 and will be valid since then based on IAS 16. Therefore, the grants for Wind Parks will be depreciated in accordance with the residual useful life of the relevant assets.

iii) During the procedure of measuring percentage of completion for construction works and the preparation of the accompanying consolidated financial statements, some numerical and other errors were detected, which as a result affecting the revenue or construction cost (income statement accounts) and the respective unbilled deferred revenue and expenses (balance sheet accounts).

At the consolidated financial statements of 31.12.2006 there is made a correction (reduction) of trade receivables and consequently profits carried forward for the amount of 2,403 euro that refer to year 2004 resulting from joint ventures for the execution of technical projects of TERNA ENERGY ABETE.

iv) Re-introduction to the balance sheet of building licence and other expenses of first installation that in the initially financial statements of 2006 were recorded in income statement.

v) The Company did not initially made provisions for additional (in addition and not on-top) income tax that finally emerged in 2007 for the tax year of 2006.

vi) In previous years the Company did not evaluate and record in the income statements the change in fair value of investment property according to the chosen accounting method. During the compilation of the attached restated financial statements the Company attributed the change in fair value of investment property, as emerged from a valuation made by independent evaluators on March, 19 2007, proportionally to years 2000 till 2006.

vii) The interest for the construction period that were initially recorded in construction cost of tangible assets were transferred to expenses.

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viii) The record of difference from discounting to present value of receivables and grants as well as the relevant non-accrued income was reversed.

ix) In the fiscal year 2004, the Group recorded a tax-exempt reserve based on L.2601/98 amounting to € 5,000 approximately, interpreting the relevant provisions of the Law as regards to the time period for creating the relevant reserve. The tax audit conducted in 2006 did not recognize the ability to create the aforementioned tax-exempt reserve for 2004 and an additional tax was imposed amounting to € 1,750 for the latter period, while the recognition of the relevant tax-exempt reserve was recognized for tax purposes and registered by the Company in fiscal year 2005. Therefore, the imposed tax amount of € 1,750, which was imposed with the tax audit of 2006, was considered as a correction of the income tax for 2004.

From the aforementioned tax amount, 1,663 euro is already corrected in the financial statements for the years 2005 and 2006.

x) It was consolidated in year 2005 the foreign subsidiary GP ENERGY S.A. of the Group TEPNA ENERGY ABETE.

xi) The deferred tax for the years 2004 - 2006 were amended due to corrections emerged from the issues mentioned above in paragraphs (i) - (iii) and (vii-x).

xii) In the balance sheet and income statement accounts for the year 2006 some reclassifications made for better presentation. These reclassifications did not have any impact on the results.

The effect of these corrections and reclassifications in the balances of 31.12.2005 and 31.12.2006 is as follows:

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<b>TERNA GROUP 31.12.2005</b>	<b>Balances at 31.12.2005 as published in the consolidated financial statements of 31.12.2005</b>	<b>Error corrections</b>	<b>Restatements Reclassifications of balances</b>	<b>Restated balances 31.12.2005</b>
Tangible assets	154,637	-237	904	155,304
Investment property	26,305	58	216	26,579
Deferred income tax	7,092	158	17	7,267
Inventories	14,260	0	20	14,280
Trade receivables	155,294	-718	-504	154,072
Prepayments and other receivables	42,182	1,126	-1,523	41,785
Other short-term financial assets	4,935	-150	35	4,820
Cash and equivalents	49,067	64	0	49,131
<b>TOTAL CORRECTIONS OF ASSETS</b>		<b>301</b>	<b>-835</b>	
Profit/(loss) carried forward	47,989	-957	5,082	52,114
Reserves	21,783	38	-5,018	16,803
Minority interest	17,046	-529	0	16,517
Long-term loans	53,994	0	-12,001	41,993
Other provisions	2,092	138	0	2,230
Provision for staff indemnities	1,277	-13	0	1,264
Grants	14,296	-4	93	14,385
Supplier	38,252	284	-403	38,133
Short-term loans	75,267	0	10,170	85,437
Long-term liabilities falling due	527	0	1,830	2,357
Accrued and other short-term liabilities	80,919	-276	1,181	81,824
Income tax payable	176	1,620	-1,769	27
<b>TOTAL CORRECTION OF LIABILITIES</b>		<b>301</b>	<b>-835</b>	
<b>TERNA GROUP 31.12.2006</b>	<b>Balances at 31.12.2006 as published in the consolidated financial statements of 31.12.2006</b>	<b>Error corrections</b>	<b>Reclassifications Restatements of balances</b>	<b>Restated balances 31.12.2006</b>
Intangible assets	6,207	81	2	6,290
Tangible assets	191,841	6,696	0	198,537
Other long-term receivables	4,420	7,068	0	11,488
Deferred income tax	4,705	-227	3,848	8,326
Trade receivables	170,153	-2,710	0	167,443
Prepayments and other receivables	55,997	-11,551	0	44,446
Income tax receivables	6,181	-100	19	6,100
<b>TOTAL CORRECTIONS OF ASSETS</b>		<b>-743</b>	<b>3,869</b>	
Reserves	22,066	-108	6,004	27,962
Profit/(loss) carried forward	56,311	-454	-6,002	49,855
Minority interest	19,871	-404	0	19,467
Provision for staff indemnities	914	58	-1	971
Other provisions	2,661	-948	0	1,713
Grants	30,354	1,163	2,303	33,820
Deferred income tax	3,389	11	3,847	7,247
Accrued and other short-term liabilities	95,718	-180	-2,300	93,238
Income tax payable	3,575	121	19	3,715
<b>TOTAL CORRECTION OF LIABILITIES</b>		<b>-741</b>	<b>3,869</b>	

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The effect of corrections and reclassifications in the income statements for 2006 is as follows:

TERNA GROUP 31.12.06	Amounts for year 2006 published in the consolidated financial statements of 31.12.06	Error corrections	Restated balances for 2006
Net turnover	312,087	1,076	313,163
Cost of sales	(264,228)	(428)	(264,656)
<b>Gross profit</b>	<b>47,859</b>	<b>648</b>	<b>48,507</b>
Administrative and distribution expenses	(26,139)	(161)	(26,300)
Research and development expenses	(1,097)	0	(1,097)
Other income(expenses)	11,456	935	12,391
Net financial income/(expenses)	(8,266)	(575)	(8,841)
Loss from the valuation of associates and other investments	(15)	0	(15)
<b>Profit before tax</b>	<b>23,798</b>	<b>847</b>	<b>24,645</b>
Income tax	(8,221)	(433)	(8,654)
<b>Net profit from continuing operations</b>	<b>15,577</b>	<b>414</b>	<b>15,991</b>
Profit from discontinued operations after tax	5,095	0	5,095
<b>Net profit for the period</b>	<b>20,672</b>	<b>414</b>	<b>21,086</b>
Attributed to:			
Shareholders of the parent from continuing operations	12,718	295	13,013
Minority interest from continuing operations	2,859	119	2,978
Shareholders of the parent from discontinuing operations	4,852	0	4,852
Minority interest from discontinuing operations	243	0	243
	<b>20,672</b>	<b>414</b>	<b>21,086</b>
Profit/(Loss) after tax per share (in Euro)			
Basic from conditioning operations attributed to shareholders of the parent	0,28	0,00	0,28
Basic from discontinuing operations attributed to shareholders of the parent	0,11	0,00	0,11

## 5 GROUP STRUCTURE

Participations in subsidiaries, related and joint ventures on 31.12.2006 are as follows:

### A) Subsidiaries of TERNA SA

Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2007	2006		
1.BIOMEK ABETE	Greece	66,50	66,50	Full	6
2.TERNA ENERGY ABETE	Greece	47,39	63,19	Full	2
3.STROTIREA AEBE	Greece	51,00	51,00	Full	6
4.LITHOS SA	Greece	100,00	-	Full	3
5.ILIOCHORA SA	Greece	100,00	100,00	Full	3

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Company name	Country of Domicile	Participation percentage		Consolidation method	Un-audited tax years
		2007	2006		
6. SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	Romania	100,00	100,00	Full	3
7. TERNA OVERSEAS LTD	Cyprus	100,00	100,00	Full	2
8. TERNA BAHRAIN HOLDING WLL*	Bahrein	99,99	99,99	Full	2
9. TERNA QATAR LLC*	Qatar	35,00	35,00	Full**	2
10. PCC TERNA WLL*	Bahrein	80,00	-	Full	1

\* Participation through TERNA OVERSEAS LTD.

\*\* The company TERNA QATAR LLC fully consolidates in accordance with MED 12 «Consolidation-Special purpose entities», because the Group, based on a shareholders' agreement controls the management.

**B) Subsidiaries of the parent consolidated using the proportionate method:**

No	Name	Country of domicile	Participation percentage 2007 and 2006 %	Un-audited tax years
1.	HERON THERMOELECTRIKI SA	Greece	50%	4
2.	QBC S.A. – TERNA SA	Qatar	40%	1 <sup>st</sup> year

**C) Taxed Joint Ventures of TERNA SA that were consolidated under the proportionate method**

No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
1.	J/V MAIN ARROGATION CANAL D 1	75,00	6
2.	J/V TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	55,00	1
3.	J/V IRAKLEION CAMPUS	50,00	2
4.	J/V ANCIENT OLYMPIA BY-PASS	50,00	4
5.	J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20,00	1
6.	J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50,00	4
7.	J/V DEPA PROJECT	10,00	4
8.	J/V UNDERGROUND CARS THESSALONIKI	50,00	4
9.	J/V ARTA-FILIPPIADA BY-PASS	98,00	4
10.	J/V ATHENS CONCERT HALL	45,00	5
11.	J/V ATHENS CAR PARKS	20,00	4
12.	J/V PERISTERI METRO	50,00	4
13.	J/V TERNA S.A. - ATHINA ATE ARAHTHOS PERIST. PROJECTS	62,50	1
14.	J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	24,00	2
15.	J/V THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	22,25	6
16.	J/V ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	35,00	3
17.	J/V TERNA S.A. PANTECHNIKI S.A.	37,50	3
18.	J/V TERNA S.A. AKTOR A.T.E. J&P AVAX	83,50	3
19.	J/V TERNA S.A. J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	33,00	5
20.	J/V TERNA SA - ATHINA ATE	35,00	2
21.	J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	62,50	3
22.	J/V SALONIKA PARK	50,00	6
23.	J/V SIEMENS-AKTOR ATE-TERNA SA	50,00	2
24.	J/V TERNA-MICHANIKI AGRINIO BY-PASS	37,50	2
25.	TERNA SA BIOTER SA NAT BUILDING	65,00	2
26.		50,00	7

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No.	Name	Participation percentage 2007 and 2006	Tax unaudited years
27.	J/V TERNA S.A.-THALES S.A.	50,00	4
28.	J/V TOMI ABETE-ILIOHORA SA	30,00	2
29.	J/V AVAX-BIOTER-ILIOHORA SA	37,50	2
30.	J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	25,00	1
31.	J/V BUILDING CONSTRUCTION OSE ILIOHORA SA	13,30	1
32.	J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	49,00	1
33.	J/V UNDERGROUND CHAIDARI-PART A	50,00	1
34.	J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	60,00	1
35.	J/V TERNA-TERNA ENERGY-TSMPRAS ATE	40,00	4
36.	J/V TERNA SA - TERNA ENERGY SA	50,00	4
37.	J/V BIOTER SA-TERNA SA	50,00	4
38.	J/V TERNA SA - IONIOS SA	90,00	4
39.	J/V TERNA ENERGY SA - TERNA SA- MANIOTIS	37,50	4
40.	J/V TERNA-TERNA ENERGY-TSMPRAS (EPL)	56,00	4
41.	J/V ATHINA-PANTECHNIKI-TERNA-J/V PLATAMONAS PROJECT	39,20	3
42.	J/V BIOTER SA-TERNA SA	50,00	4
43.	J/V TERNA-MOCHLOS ATE	70,00	7
44.	J/V TERNA-VIOTER SA	50,00	4
45.	J/V TERNA-ERGODOMI-KTISTOR ATE	50,00	4
46.	J/V EDRASI-PSALLIDAS-TERNA-EDRACO	51,00	4
47.	J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P ΑΒΑΞ-IMEC GmbH	24,00	5
48.	J/V TERNA-ATERMON ATEE	50,00	2
49.	J/V TERNA-VERMION ATE-ANAPLASEON	50,00	3
50.	J/V TERNA-KARAGIANNIS	50,00	3
51.	J/V EUROPEAN TECHNICAL-HOMER-TERNA	50,00	10
52.	J/V TERNA-THEMELIODOMI	60,00	4
53.	J/V TERNA-AKTOR GOULANDRI MUSEUM	50,00	6
54.	J/V TERNA-THEMELIODOMI	60,00	6
55.	J/V TERNA-TEMA SA	36,50	5
56.	J/V FRAGMATOS PRAMORITSA	33,33	4
57.	J/V TERNA-EDRASI-STROTIRES	41,00	5
58.	J/V UNIVERSITY OF CRETE-RETHYMNON	25,00	2
59.	J/V PROJECT FOR COMPLETION OF WASTEWATER TREATMENT (BIOLOGICAL)	50,00	4
60.	J/V EKTER-TERNA (THETIKON)	50,00	4
61.	TERNA SA & Co	99,00	4
62.	J/V AKTOR-TERNA SA	50,00	4
63.	J/V AKTOR-TERNA SA IASO BUILDING	50,00	4
64.	TERNA SA - PANTECHNIKI S.A. (OAKA)	50,00	3
65.	J/V ALPINE MAYREDER BAU GmbH-TERNA SA-PANTECHNIKI SA	31,50	1
66.	J/V TERNA-MOCHLOS-AKTOR KIATO-AIGIO	35,00	1
67.	J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33,33	1
68.	J/V AKTOR-TERNA-J&P AVAX KALLIDROMO TUNNEL	33,33	1
69.	J/V THEMELIODOMI-TERNA-DIEKAT-KTIRIODOMI SA	25,00	5
70.	J/V MINISTRY OF TRANSPORTATION	33,00	4
71.	J/V AEGEK TERNA	44,78	4
72.	J&P AVAX SA-TERNA SA-EYKLEIDIS	35,00	4
73.	ALTE ATE - TEPNA SA	50,00	4
74.	J/V EURO IONIA	33,33	1
75.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
76.	J/V AKTOR ATE – J&P AVAX - TERNA SA	12,00	1
77.	J/V TERNA-KARAYIANNIS-ATTALOS-ILIOCHORA	50,00	1
78.	J/V TERNA - AKTOR	50,00	1
79.	K/Ξ TEPNA-THALES RAIL SIGNALING	50%	1

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**D) Taxed joint ventures that did not consolidate on 31.12.2007**

No.	NAME	PARTICIPATION PERCENTAGE
1	J/V BIOTER SA-TERNA SA- REVIEW	50.00%
2	J/V BIOTER SA-TERNA SA-FENCING (APOLLONIA SPA)	50.00%
3	J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
4	J/V CAR PARK "PARKING OYIL SA"	12.16
5	J/V MARITIME MIDSHIPMEN –GNOMON ATE-GEK SA-GENER SA	33.00%
6	J/V IMPREGILO S.p.a – TERNA SA-ALTE SA (EXECUTIONS)-in clearance	33.33%
7	J/V ARCHIRODON HELLAS ATE-TERNA SA	30.00%
8	J/V ATHINA ATE-PANTECHNIKI SA –TERNA SA	33.33%
9	J/V EVINOUS-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
10	J/V CENTRAL GREECE MOTORWAY E-65	33.33%

The aforementioned joint ventures from No 1 till No 9 for technical projects construction in which the Company participates have already completed the projects for which they were established for, the guarantee time has passed, the relations with third parties are cleared and their final clearance is pending. The Joint Venture 10 has not started its activities yet.

**E) Subsidiaries of TERNA ENERGY SA**

	Name	Country of domicile	Participation percentage		Consolidation method	Tax unaudited years
			2007	2006		
1	IWECO CHONOS LASITHI CRETE SA	Greece	100,00	100,00	Full	2
2	TERNA ENERGY ABETE&Co ENERGIKI SERVOUNIO SA	Greece	100,00	100,00	Full	2
3	TERNA ENERGY EVROS SA	Greece	100,00	100,00	Full	1
4	GP ENERGY	Bulgaria	100,00	100,00	Full	1
5	PPC RENEWABLE- TERNA ENERGY SA	Greece	51,00	51,00	Full	2
6	TERNA ENERGY ABETE & SIA AIOLIKI RACHOYLAS DERVENOCHORION G.P.	Greece	100,00	100,00	Full	1
7	TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	Greece	100,00	100,00	Full	1
8	TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOUPOLEOS G.P.	Greece	100,00	100,0	Full	1
9	TERNA ENERGY ABETE & SIA ENERGIKI DERVENOHORION G.P.	Greece	100,00	100,00	Full	1
10	TERNA ENERGY ABETE & SIA ENERGIKI VELANIDION LAKONIAS G.P.	Greece	100,00	100,00	Full	1
11	TERNA ENERGY ABETE & SIA ENERGIKI DISTION EVIAS G.P.	Greece	100,00	100,00	Full	1
12	TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS G.P.	Greece	100,00	100,00	Full	1
13	TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	Greece	100,00	100,00	Full	1
14	TERNA ENERGY ABETE & SIA ENERGIKI FERRON EVROU G.P.	Greece	100,00	100,00	Full	1
15	TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAIANOUPOLEOS G.P.	Greece	100,00	100,00	Full	1
16	TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	Greece	100,00	100,00	Full	1
17	TERNA ENERGY ABETE & SIA ENERGIKI ARI SAPPON G.P.	Greece	100,00	100,00	Full	1
18	TERNA ENERGY ABETE & SIA ENERGIKI PELOPONNISOUS G.P.	Greece	100,00	100,00	Full	1
19	TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	Greece	100,00	100,00	Full	1
20	TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS G.P.	Greece	100,00	100,00	Full	1
21	TERNA ENERGY ABETE & SIA ENERGIKI PETRION EVIAS G.P.	Greece	100,00	100,00	Full	1
22	TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION G.P.	Greece	100,00	100,00	Full	1
23	TERNA ENERGY ABETE & SIA ENERGIKI STIRON EVIAS G.P.	Greece	100,00	100,00	Full	1
24	TERNA ENERGY ABETE & SIA ENERGIKI NEAPOLEOS LAKONIAS G.P.	Greece	100,00	100,00	Full	1
25	TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION G.P.	Greece	100,00	100,00	Full	1
26	TERNA ENERGY ABETE & SIA ENERGIKI KAFIREOS EVIAS G.P.	Greece	100,00	100,00	Full	1

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These companies are established having as a sole purpose the acquisition of licences required to construct energy plants producing electricity by using renewable resources, and if the construction goes ahead, they will be absorbed by TERNA ENERGY ABETE. Till today they have no activities and therefore no tax interest.

**F) Joint ventures of TERNA ENERGY ABETE proportionally consolidated**

Name	Participation percentage 2007 and 2006		Tax unaudited years
	%		
1. J/V TRAM POLITICAL ENGINEERING WORKS	36%		1
2. J/V ENVAGELISMOU, PROJECT C'	50%		4
3. J/V TERNA ENERGY - TSAMPR. DRAMAS HOSPITAL	40%		4
4. J/V EPL DRAMAS	24%		4
5. J/V TERNA ENERGY - OLYMPIOS ATE	50%		1
6. J/V K. MANIOTIS - TERNA - TERNA ENERGY	37.50%		4
7. J/V/ EMBEDOS - PANTECHNIKI - TERNA ENERGY	50.10%		1
8. J/V THEMELI-TERNA ENERGY ABETE-J/V TERNA SA	40%		1
9. J/V EKTER - TERNA - ATHONIKI	31%		1
10. J/V/ KL. ROUTSIS - TERNA ENERGY ABETE	50%		1
11. TERNA ENERGY ABETE & Co	70%		5
12. TERNA ENERGY - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYBAR G.P.	50%		1
13. TERNA ENERGY SA & SIA ENERGIAKI XIROVOUNIOU G.P.	70%		1

**G) Associates of TERNA SA**

Name	Country of domicile	Participation percentage		Consolidation method	Tax unaudited years
		2007	2006		
ATTIKAT ATE	Greece	21.40	-	Equity	5
HAMRIYAH CEMENT COMPANY FZC*	U.A.E.	40.00	-	Equity	1

**H) Associates of TERNA ENERGY ABETE**

Name	Country of domicile	Participation percentage		Consolidation method	Tax unaudited years
		%			
		2007	2006		
Energy Center RES Cyclades SA *	Greece	45.00	45.00	Net Equity	2

\* Participation through IWECO CHONOS LASITHI CRETE SA.

**6 INFORMATION BY SECTOR OF ACTIVITY**

The table below presents the analysis of the results of the Group as of the 31<sup>st</sup> of December 2007 and the 31<sup>st</sup> of December 2006 according to its main activities:

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Sectors of activity 31.12.2007	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Non-allocated	Deletions on Consolidation	Total
<b>Revenues from external clients</b>								
Sales of products	6,185	21,082	17,553	0	8,682	0		53,502
Sales of services	4,437	0	0	373	0	0		4,810
Revenues from construction activities	358,138	0	0	0	0	0		358,138
<b>Total revenues from external clients</b>	<b>368,760</b>	<b>21,082</b>	<b>17,553</b>	<b>373</b>	<b>8,682</b>	<b>0</b>		<b>416,450</b>
Intragroup revenues	17,374	0	0	0	4,390	0	(21,764)	0
<b>Total revenues</b>	<b>386,134</b>	<b>21,082</b>	<b>17,553</b>	<b>373</b>	<b>13,072</b>	<b>0</b>	<b>(21,764)</b>	<b>416,450</b>
<b>Results per sector</b>	<b>23,316</b>	<b>10,196</b>	<b>3,176</b>	<b>3,507</b>	<b>492</b>	<b>8,805</b>	<b>(7,012)</b>	<b>42,480</b>
Net financial results								(10,053)
Earnings from related enterprises	555	(2)						553
Income tax								(6,117)
<b>Net results</b>								<b>26,864</b>
Net depreciations for the year	8,562	4,504	2,126	0	1,256	0		16,448
EBITDA	25,931	14,715	5,301	3,507	1,798	0		51,252
EBIT	17,369	10,211	3,175	3,507	542	0		34,804
Assets per sector	389,350	207,960	40,897	8,671	18,911	419,112	(63,814)	1,021,087
Investments in related companies	29,313	10	0	0	8,562	0	0	37,885
<b>Total assets</b>	<b>418,663</b>	<b>207,970</b>	<b>40,897</b>	<b>8,671</b>	<b>27,473</b>	<b>419,112</b>	<b>(63,814)</b>	<b>1,058,972</b>
<b>Liabilities of sectors</b>	<b>275,997</b>	<b>59,544</b>	<b>9,368</b>	<b>0</b>	<b>11,376</b>	<b>273,263</b>	<b>(62,456)</b>	<b>567,092</b>
Capital expenditure	11,368	72,744	425	0	839	78		85,454

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Sectors of activity 31.12.2006	Construction	Electricity from renewable sources	Electricity from Thermal sources	Real Estate	Industry	Non-allocated	Deletions on Consolidation	Total
<b>Revenues from external clients</b>								
Sales of products	0	17,348	16,844	0	3,914	0		<b>38,106</b>
Sales of services	0	0	0	0	0	0		
Revenues from construction activities	275,056	0	0	0	0	0		<b>275,056</b>
<b>Total revenues from external clients</b>	<b>275,056</b>	<b>17,348</b>	<b>16,844</b>	<b>0</b>	<b>3,914</b>	<b>0</b>		<b>313,162</b>
Intragroup revenues	9,433	0	0	0	5,458	0	(14,891)	<b>0</b>
<b>Total revenues</b>	<b>284,489</b>	<b>17,348</b>	<b>16,844</b>	<b>0</b>	<b>9,372</b>	<b>0</b>	<b>(14,891)</b>	<b>313,162</b>
<b>Results per sector</b>	<b>16,903</b>	<b>9,101</b>	<b>5,822</b>	<b>952</b>	<b>853</b>	<b>163</b>	<b>(293)</b>	<b>33,501</b>
Profit from the sale of discontinued operations before tax				<b>6,182</b>				<b>6,182</b>
Operating results								<b>39,683</b>
Net financial results								<b>(8,841)</b>
Earnings from related enterprises		(15)						<b>(15)</b>
Income tax								<b>(9,741)</b>
<b>Net results</b>								<b>21,086</b>
Net depreciations for the year	6,282	5,334	2,062	0	338	0		<b>14,016</b>
EBITDA	21,759	14,476	7,884	7,084	1,454	0		<b>52,657</b>
EBIT	15,477	9,142	5,822	7,084	1,116	0		<b>38,641</b>
Assets per sector	294,916	135,924	33,482	37,434	8,386	105,045	(37,314)	<b>577,873</b>
Investments in related companies		12						<b>12</b>
<b>Total assets</b>	<b>294,916</b>	<b>135,936</b>	<b>33,482</b>	<b>37,434</b>	<b>8,386</b>	<b>105,045</b>	<b>(37,314)</b>	<b>577,885</b>
<b>Liabilities of sectors</b>	<b>186,555</b>	<b>44,757</b>	<b>13,657</b>	<b>14,554</b>	<b>2,965</b>	<b>181,541</b>	<b>(52,668)</b>	<b>391,361</b>
Capital expenditure	17,848	42,438	532	5,298	90	0		<b>66,206</b>

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<b>Geographical sectors 31.12.2007</b>	<b>Greece</b>	<b>Balkans</b>	<b>Middle East</b>	<b>Other areas</b>	<b>Consolidated totals</b>
Revenues from external clients	297,207	75,308	43,935	0	<b>416,450</b>
Assets	546,952	51,727	41,180	419,113	<b>1,058,972</b>
Capital expenditure	78,361	899	5,924	0	<b>85,454</b>

<b>Geographical sectors 31.12.2006</b>	<b>Greece</b>	<b>Balkans</b>	<b>Middle East</b>	<b>Other areas</b>	<b>Consolidated totals</b>
Revenues from external clients	254,033	56,940	2,190	0	<b>313,163</b>
Assets	395,366	74,667	1,883	105,969	<b>577,885</b>
Capital expenditure	65,565	626	15	0	<b>66,206</b>

**7 INTANGIBLE ASSETS**

The intangible fixed assets figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, is analysed as follows:

	<b>GROUP</b>			<b>COMPANY</b>		
	<b>Concessions and Royalties</b>	<b>Software</b>	<b>Total</b>	<b>Concessions and Royalties</b>	<b>Software</b>	<b>Total</b>
<b>Net Book Value 1.1.2007</b>	<b>6,174</b>	<b>116</b>	<b>6,290</b>	<b>5,492</b>	<b>74</b>	<b>5,566</b>
Additions - deletions	747	36	<b>783</b>	0	24	<b>24</b>
Newly consolidated companies (depreciation for the year)	189 (274)	0 (63)	<b>189</b> <b>(337)</b>	0 (219)	0 (44)	<b>0</b> <b>(263)</b>
<b>Balance 31.12.2007</b>	<b>6,836</b>	<b>89</b>	<b>6,925</b>	<b>5,273</b>	<b>54</b>	<b>5,327</b>
Cost 01.01.2005	7,291	854	<b>8,145</b>	6,603	634	<b>7,237</b>
Accumulated depreciation	(1,117)	(738)	<b>(1,855)</b>	(1,111)	(560)	<b>(1,671)</b>
<b>Net Book Value 01.01.2007</b>	<b>6,174</b>	<b>116</b>	<b>6,290</b>	<b>5,492</b>	<b>74</b>	<b>5,566</b>
Cost 31.12.2007	8,238	837	<b>9,075</b>	6,603	658	<b>7,261</b>
Accumulated depreciation	(1,402)	(748)	<b>(2,150)</b>	(1,330)	(604)	<b>(1,934)</b>
<b>Net Book Value 31.12.2007</b>	<b>6,836</b>	<b>89</b>	<b>6,925</b>	<b>5,273</b>	<b>54</b>	<b>5,327</b>

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	GROUP			COMPANY		
	Concessions and Royalties	Software	Total	Concessions and Royalties	Software	Total
<b>Net Book Value 1.1.2006</b>	5,712	147	<b>5,859</b>	5,712	109	<b>5,821</b>
Additions	688	97	<b>785</b>	0	32	<b>32</b>
(depreciation for the year)	(226)	(128)	<b>(354)</b>	(220)	(67)	<b>(287)</b>
<b>Balance 31.12.2006</b>	<b>6,174</b>	<b>116</b>	<b>6,290</b>	<b>5,492</b>	<b>74</b>	<b>5,566</b>
Cost 01.01.2006	6,603	757	<b>7,360</b>	6,603	602	<b>7,205</b>
Accumulated depreciation	(891)	(610)	<b>(1,501)</b>	(891)	(493)	<b>(1,384)</b>
<b>Net Book Value 01.01.2006</b>	<b>5,712</b>	<b>147</b>	<b>5,859</b>	<b>5,712</b>	<b>109</b>	<b>5,821</b>
Cost 31.12.2006	7,206	854	<b>8,060</b>	6,603	634	<b>7,237</b>
Corrections and reclassifications	85	0	<b>85</b>	0	0	<b>0</b>
Revised cost 31.12.2006	7,291	854	<b>8,145</b>	6,603	634	<b>7,237</b>
Accumulated depreciation 31.12.2006	(1,115)	(738)	<b>(1,853)</b>	(1,111)	(560)	<b>(1,671)</b>
Corrections and reclassifications	(2)	0	<b>(2)</b>	0	0	<b>0</b>
Revised accumulated depreciations 31.12.2006	(1,117)	(738)	<b>(1,855)</b>	(1,111)	(560)	<b>(1,671)</b>
<b>Net Book Value 31.12.2006</b>	<b>6,174</b>	<b>116</b>	<b>6,290</b>	<b>5,492</b>	<b>74</b>	<b>5,566</b>

The depreciation for 2007 for the group and the company amounts to 337 thousand euro and 263 thousand euro respectively (354 thousand euros and 287 thousand euros in 2006 respectively) and is recorded in Income Statement at cost of sales and at Administration and Distribution Expenses.

In the concession and rights account there are recorded purchased rights for the exploitation of quarries, of net book value of 5,273 thousand (euro 5,492 in 2006), with initially agreed period of 20-30 years. Also, in the account are recorded the paid rights for the installation of wind parks, for a net book value of 1,381 (euro 681 in 2006).

## **8 TANGIBLE FIXED ASSETS**

The tangible fixed assets account reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, is analysed as follows:

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<b>GROUP</b>	<b>Quarries/ Land Plots</b>	<b>Buildings</b>	<b>Machinery</b>	<b>Vehicles</b>	<b>Other</b>	<b>Fixed Assets under construction</b>	<b>Total</b>
<b>Net Book Value 1.1.2007</b>	<b>4,929</b>	<b>37,643</b>	<b>135,501</b>	<b>6,769</b>	<b>1,675</b>	<b>12,020</b>	<b>198,537</b>
Additions	664	2,699	16,410	5,398	1,946	42,855	<b>69,972</b>
(Disposals – Write-offs)	0	(207)	(835)	(97)	(166)	0	<b>(1,305)</b>
New companies in the consolidation	7,631	21	1	0	1	0	<b>7,654</b>
Transfers	0	70	6,029	216	6	(6,321)	<b>0</b>
(Depreciation for the year)	(277)	(2,241)	(11,863)	(2,177)	(1,242)	0	<b>(17,800)</b>
<b>Balance as at 31.12.2007</b>	<b>12,947</b>	<b>37,985</b>	<b>145,243</b>	<b>10,109</b>	<b>2,220</b>	<b>48,554</b>	<b>257,058</b>
Cost 01.01.2007	4,929	44,190	177,160	12,031	7,416	12,020	<b>257,747</b>
Accumulated Depreciation	<b>0</b>	<b>(6,547)</b>	<b>(41,659)</b>	<b>(5,262)</b>	<b>(5,741)</b>	<b>0</b>	<b>(59,209)</b>
<b>Net Book Value 01.01.2007</b>	<b>4,929</b>	<b>37,643</b>	<b>135,501</b>	<b>6,769</b>	<b>1,675</b>	<b>12,020</b>	<b>198,537</b>
Cost 31.12.2006	13,224	46,773	198,765	17,548	9,203	48,554	<b>334,067</b>
Accumulated Depreciation	(277)	(8,788)	(53,522)	(7,439)	(6,983)	0	<b>(77,009)</b>
<b>Net Book Value 31.12.2007</b>	<b>12,947</b>	<b>37,985</b>	<b>145,243</b>	<b>10,109</b>	<b>2,220</b>	<b>48,554</b>	<b>257,058</b>

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GROUP	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fixed Assets under construction	Total
<b>Net Book Value 1.1.2006</b>	<b>4,629</b>	<b>27,977</b>	<b>94,455</b>	<b>4,459</b>	<b>1,591</b>	<b>21,526</b>	<b>154,637</b>
Corrections and reclassifications	0	0	667	0	0		667
<b>Restated net book value 1.1.2006</b>	<b>4,629</b>	<b>27,977</b>	<b>95,122</b>	<b>4,459</b>	<b>1,591</b>	<b>21,526</b>	<b>155,304</b>
Additions	300	11,790	29,776	3,607	1,523	13,127	<b>60,123</b>
(Disposals – Write-offs)	0	(60)	(1,823)	(44)	(8)	0	<b>(1,935)</b>
Transfers	0	0	22,610	18	6	(22,634)	<b>0</b>
(Depreciation for the year)	0	(2,064)	(10,184)	(1,271)	(1,437)	0	<b>(14,956)</b>
<b>Balance as at 31.12.2006</b>	<b>4,929</b>	<b>37,643</b>	<b>135,501</b>	<b>6,769</b>	<b>1,675</b>	<b>12,020</b>	<b>198,537</b>
Cost 1.1.2006	4,629	32,173	126,957	8,450	5,580	21,526	<b>199,315</b>
Corrections and reclassifications	0	0	667	0	0	0	<b>667</b>
<b>Restated cost 1.1.2006</b>	<b>4,629</b>	<b>32,173</b>	<b>127,624</b>	<b>8,450</b>	<b>5,580</b>	<b>21,526</b>	<b>199,982</b>
Accumulated Depreciation	0	(4,196)	(32,502)	(3,991)	(3,989)	0	<b>(44,678)</b>
<b>Net Book Value 01.01.2006</b>	<b>4,629</b>	<b>27,977</b>	<b>95,122</b>	<b>4,459</b>	<b>1,591</b>	<b>21,526</b>	<b>155,304</b>
Cost 31.12.2006	4,929	44,039	178,763	12,031	7,101	5,654	<b>252,517</b>
Corrections and reclassifications	0	(136)	(1,603)	0	0	6,366	<b>4,627</b>
<b>Restated cost 31.12.2006</b>	<b>4,929</b>	<b>43,903</b>	<b>177,160</b>	<b>12,031</b>	<b>7,101</b>	<b>12,020</b>	<b>257,144</b>
Accumulated Depreciation	0	(6,547)	(43,440)	(5,262)	(5,426)	0	<b>(60,675)</b>
Corrections and reclassifications	0	287	1,781	0	0	0	<b>2,068</b>
Restated accumulated depreciation 31.12.2006	<b>0</b>	<b>(6,260)</b>	<b>(41,659)</b>	<b>(5,262)</b>	<b>(5,426)</b>	<b>0</b>	<b>(58,607)</b>
<b>Net Book Value 31.12.2006</b>	<b>4,929</b>	<b>37,643</b>	<b>135,501</b>	<b>6,769</b>	<b>1,675</b>	<b>12,020</b>	<b>198,537</b>

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COMPANY	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fixed Assets under construction	Total
<b>Net Book Value 1.1.2007</b>	<b>3,399</b>	<b>13,139</b>	<b>26,592</b>	<b>6,439</b>	<b>1,129</b>	<b>0</b>	<b>50,698</b>
Additions	0	82	14,883	4,477	778	50	<b>20,270</b>
(Disposals – Write-offs)	0	(86)	(545)	(59)	(133)	0	<b>(823)</b>
Transfers	0	0	(216)	218	0	(20)	<b>(18)</b>
(Depreciation for the year)	0	(498)	(4,735)	(1,959)	(482)	0	<b>(7,674)</b>
<b>Balance as at 31.12.2007</b>	<b>3,399</b>	<b>12,637</b>	<b>35,979</b>	<b>9,114</b>	<b>1,292</b>	<b>30</b>	<b>62,451</b>
Cost 01.01.2007	3,399	15,318	39,338	10,898	4,865	0	<b>73,818</b>
Accumulated Depreciation	0	(2,179)	(12,746)	(4,459)	(3,736)	0	<b>(23,120)</b>
<b>Net Book Value 01.01.2007</b>	<b>3,399</b>	<b>13,139</b>	<b>26,592</b>	<b>6,439</b>	<b>1,129</b>	<b>0</b>	<b>50,698</b>
Cost 31.12.2006	3,399	15,314	53,460	15,532	5,510	30	<b>93,245</b>
Accumulated Depreciation	0	(2,677)	(17,481)	(6,418)	(4,218)	0	<b>(30,794)</b>
<b>Net Book Value 31.12.2007</b>	<b>3,399</b>	<b>12,637</b>	<b>35,979</b>	<b>9,114</b>	<b>1,292</b>	<b>30</b>	<b>62,451</b>

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*(Amounts in thousand Euros, unless otherwise stated)*

COMPANY	Quarries/ Land Plots	Buildings	Machinery	Vehicles	Other	Fixed Assets under construction	Total
<b>Net Book Value 1.1.2006</b>	<b>3,194</b>	<b>13,672</b>	<b>19,138</b>	<b>4,079</b>	<b>1,016</b>	<b>12</b>	<b>41,111</b>
Additions	205	0	11,279	3,472	490	0	<b>15,446</b>
(Disposals – Write-offs)	0	(84)	(589)	(3)	(8)	0	<b>(684)</b>
Transfers	0	0	0	0	0	(12)	<b>(12)</b>
(Depreciation for the year)	0	(449)	(3,236)	(1,109)	(369)	0	<b>(5,163)</b>
<b>Balance as at 31.12.2006</b>	<b>3,399</b>	<b>13,139</b>	<b>26,592</b>	<b>6,439</b>	<b>1,129</b>	<b>0</b>	<b>50,698</b>
Cost 01.01.2007	3,194	15,402	28,648	7,429	4,383	12	<b>59,436</b>
Accumulated Depreciation	0	(1,730)	(9,510)	(3,350)	(3,367)	0	<b>(18,325)</b>
<b>Net Book Value 01.01.2006</b>	<b>3,194</b>	<b>13,672</b>	<b>19,138</b>	<b>4,079</b>	<b>1,016</b>	<b>12</b>	<b>41,111</b>
Cost 31.12.2006	3,399	15,318	39,338	10,898	4,865	0	<b>73,818</b>
Accumulated Depreciation	0	(2,179)	(12,746)	(4,459)	(3,736)	0	<b>(23,120)</b>
<b>Net Book Value 31.12.2006</b>	<b>3,399</b>	<b>13,139</b>	<b>26,592</b>	<b>6,439</b>	<b>1,129</b>	<b>0</b>	<b>50,698</b>

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The depreciations for the Group for 2007 is recorded in the Income Statement in the cost of sales for 16,783 euro (14,125 euro in 2006), in the Management and administration expenses for 924 euro (831 euro in 2006) and in Research and Development expenses for 93 euro (0 euro in 2006). Respectively, the depreciations of the company is recorded in the cost of sales for 6,784 euro (4,371 euro in 2006) and in the Management and administration expenses for 1,153 euro (1,079 euro in 2006).

Of the tangible fixed assets analyzed above, the following have been acquired through financial leasing:

	GROUP			COMPANY		
	Machinery	Vehicles	Machinery	Vehicles	Machinery	Vehicles
<b>Cost 31.12.2007</b>	<b>44,050</b>	<b>18,173</b>	<b>62,223</b>	<b>15,797</b>	<b>2,028</b>	<b>17,825</b>
Less: Accumulated Depreciation	(4,106)	(2,350)	(6,456)	(2,312)	(79)	(2,391)
<b>Net Book Value 31.12.2007</b>	<b>39,944</b>	<b>15,823</b>	<b>55,767</b>	<b>13,485</b>	<b>1,949</b>	<b>15,434</b>

	GROUP			COMPANY		
	Machinery	Vehicles	Total	Machinery	Vehicles	Total
<b>Cost 31.12.2006</b>	<b>57,433</b>	<b>2,028</b>	<b>59,461</b>	<b>15,797</b>	<b>2,028</b>	<b>17,825</b>
Less: Accumulated Depreciation	(6,896)	(79)	(6,975)	(2,312)	(79)	(2,391)
<b>Net Book Value 31.12.2006</b>	<b>50,537</b>	<b>1,949</b>	<b>52,486</b>	<b>13,485</b>	<b>1,949</b>	<b>15,434</b>

On property of a group's company having a book value of 1,541 euro at 31.12.2007 (31,000 euro in 2006) there are prenotations amounting to 1,507 euro (17,100 euro in 2006) for securing bank loans.

During 2007 there were expenses amounting to 45,732 (13,127 in 2006) for fixed assets that are under construction.

In years 2007 and 2006, wind-generators for wind parks of a net book value of € 17,538 (22,721 euro in 2006) which are included in above as "Technological and Mechanical Equipment", have been collateralized towards banks as security for loans.

The Group has made provisions for the rehabilitation of the land in which it has installed wind parks for the production of electricity, amounting to 525 euro (406 euro at 31.12.2006). This amount recorded as tangible asset and as liability and is depreciated in the income statements for a period equal to the production life of the wind park.

The categories "Land-Plots", "Buildings" and "Technological and mechanical equipment", include a net book cost of € 6,060, and € 6,710, as at December 31st 2007, and 2006, respectively, which concerns Installations of Distribution Networks constructed by the Company and, as stipulated by the agreements with PPC, are transferred to PPC with no charge, during the commencement of operations of each wind park. The same applies to inventories related to Distribution Network for the amount of 179 euro. Due to legal and procedural difficulties, until today no transfer has taken place. However, following their transfer, such installations will continue to serve the purpose of their construction, namely the sale of the produced electric energy to PPC and DESMIE, and they will remain at the exclusive use by the Company. Therefore, the net book cost during the transfer date will continue to be depreciated, as previously, until the completion of the 20year depreciation period of wind parks.

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**9 INVESTMENT PROPERTY**

The investment property account reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, is analysed as follows.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Balance January 1<sup>st</sup></b>	<b>7,840</b>	<b>26,305</b>	<b>6,917</b>	<b>7,935</b>
Corrections and reclassifications	0	274	0	0
<b>Restated balance January 1<sup>st</sup></b>	<b>7,840</b>	<b>26,579</b>	<b>6,917</b>	<b>7,935</b>
Additions	0	5,298	0	0
Reductions	(180)	(1,018)	(180)	(1,018)
Adjustments to fair value	1,011	6,139	1,011	0
Transfers to available for sale	0	(29,158)	0	0
<b>Balance 31 December</b>	<b>8,671</b>	<b>7,840</b>	<b>7,748</b>	<b>6,917</b>

During 2007 the investment property of the company and the group were valued at fair value and the surplus that emerged was recorded in the income statement in the account Other income/expenses (see also note 27). The fair value were estimated by professional external evaluators who have knowledge of the specific market in which each property is located and who apply widely accepted valuation methods.

Investment property that in the previous period 2006 were transferred to the non-current assets held for sale refer to the sold in 2007 company DIKEVE SA.

**10 PARTICIPATIONS IN ASSOCIATES**

The financial assets of associates are as follows (100%):

<b>GROUP 31.12.2007</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Income</b>	<b>Net results</b>
HAMRIYAH CEMENT CO	12,121	12,244	(123)	102	(817)
ATTIKAT ATE	418,253	282,104	136,150	180,318	2,860
Renewable Energy Center Kykladon SA	49	26	23	0	(4)

<b>COMPANY 31.12.2007</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Income</b>	<b>Net results</b>
ATTIKAT ATE	418,253	282,104	136,150	180,318	2,860

<b>GROUP 31.12.2006</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Income v</b>	<b>Net results</b>
Renewable Energy Center Kykladon SA	47	21	26	0	(32)

The fair value of the listed in Athens Exchange company ATTIKAT S.A. at 31.12.2007 was 17,575 euro.

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**11 OTHER LONG TERM RECEIVABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Receivables from grants	12,642	7,086	0	0
Receivables from withheld money from clients as a guarantee for good execution	0	4,179	0	4,179
Loans to joint ventures	616	0	0	0
Other	11,582	223	1,484	158
<b>Total</b>	<b>24,840</b>	<b>11,488</b>	<b>1,484</b>	<b>4,337</b>

The Group till 31.12.2007 recognised receivables from grants amounting to €12,642 (7,086 euro at 31.12.2006). These grants refer to investments in Wind Park of Terna Energy Evros SA and PPC Renewable-Terna Energy SA which are expected to be received after the completion of the relevant investments which is estimated at the end of 2008.

Also, the Other Long-term Receivables of the Group at December, 31 2007 include guarantees of € 10,019 million of which € 9,968 refers to guarantees to foreign companies for achieving production priority for future co-operation.

Also, the Other Long-term Receivables of the Group at December, 31 2007 include guarantees of € 10,019 million of which € 9,968 refers to guarantees to foreign companies for the commitment of future industrial co-operation.

**12 INVENTORIES**

The inventory and work in progress figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, is analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Raw and auxiliary materials	8,841	8,027	3,451	3,405
Finished products and work in progress	5,323	4,431	1,199	869
Buildings under construction	0	384	0	0
Merchandise	286	63	170	6
<b>Total</b>	<b>14,450</b>	<b>12,905</b>	<b>4,820</b>	<b>4,280</b>

Raw and auxiliary materials refer to materials that would be used in technical projects undertaken by the Company as well as replacement parts for fixed assets.

On 31<sup>st</sup> of December 2007 and 2006 there were no provisions for impaired or slowly moved inventories.

**13 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER RECEIVABLES**

The trade receivables figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, are analysed as follows:

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	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Trade receivables	119,828	117,091	62,666	85,485
Receivables from construction contracts under development	76,715	51,705	46,149	34,662
Customers - Doubtful and in Litigation	5,611	5,521	5,368	5,298
Overdue Notes/Cheques Receivable	0	72	0	72
Checks receivable	4,616	2,720	3,388	2,183
Less: Provisions for doubtful debt	(8,027)	(9,666)	(7,764)	(9,264)
	<b>198,743</b>	<b>167,443</b>	<b>109,807</b>	<b>118,436</b>

The aforementioned trade receivables include the receivables from Wind Energy customers amounting to 370 euro (4,108 euro at December, 31 2006) which are given to banks for securing loans for the construction of Wind Parks.

The prepayments and other receivables at December, 31 2007 included in the attached financial statements are analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Prepayments to suppliers	43,110	6,654	41,660	7,975
Prepayments and Credits Control Accounts	5,305	3,753	1,144	980
Prepaid expenses – Accrued Income	8,755	5,463	2,891	2,545
Other receivables by Group's joint ventures	14,468	5,955	20,664	14,930
Blocked deposits	1,438	1,473	1,438	0
Other receivables-Sundry debtors	25,698	22,452	6,367	8,153
Less: provisions for doubtful receivables	(2,364)	(1,304)	(2,304)	(1,304)
	<b>96,410</b>	<b>44,446</b>	<b>71,860</b>	<b>33,279</b>

The Group recognised at December, 31 2007 a receivable from grant amounting to 5,439 euro. The grants refer to investment in Wind Parks which are expected to be received after the completion of the relevant investments within the year.

The movements in provisions for receivables from customers in the period is analysed as follows:

	<b>GROUP</b>	<b>COMPANY</b>
Balance 31.12.2006	<b>10,970</b>	<b>10,569</b>
Provisions for the year	1,060	1,000
Unused provisions	(1,639)	(1,500)
Balance 31.12.2007	<b>10,391</b>	<b>10,068</b>

	<b>GROUP</b>	<b>COMPANY</b>
Balance 31.12.2005	<b>18,554</b>	<b>18,503</b>
Provisions for the year	350	0
Unused provisions	(7,934)	(7,934)
Balance 31.12.2006	<b>10,970</b>	<b>10,569</b>

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The reversal in formed provisions of 1,600 euros is due to the fact that reasons for which the impairment loss was recorded are no longer valid according to latest development.

The receivables include amounts of 14,980 euro regarding receivables between 1-5 years for which there was not recognised any impairment loss. The reason is that there is certainty that these amounts will be received in full.

**14 CONTRACTS FOR THE CONSTRUCTION OF TECHNICAL PROJECTS**

The technical projects under construction that have been undertaken by the Group as at the date of compilation of the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
<b>Cumulatively from the commencement of the projects</b>				
Cumulative cost	1,433,980	1,066,650	879,758	691,253
Cumulative profit	249,892	183,532	185,111	162,047
Cumulative loss	25,964	26	13,522	26
Prepayments	74,578	31,441	53,153	13,283
Withheld amounts from customers	11,304	2,732	10,396	2,099
Invoiced receivables	1,616,775	1,209,879	1,034,892	825,553
Receivables from customers	76,715	51,705	46,149	34,662
Liabilities to customers	(35,582)	(11,428)	(29,693)	(6,941)
Net receivable from customers	41,133	40,277	16,456	27,721

**15 OTHER FINANCIAL ASSETS**

The other financial assets figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, include shares of Societe Anonyme and Mutual Funds and are analysed as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Securities available for sale	1,297	1,262	1,297	1,123
Securities held till maturity	0	5,896	0	0
Securities of trading portfolio	46	46	46	45
	<b>1,343</b>	<b>7,204</b>	<b>1,343</b>	<b>1,168</b>

On 31.12.2007 the securities available for sale were valued at fair value and a profit of 175 was realised (309 euro in 2006) that was recorded in equity. The relevant amount for the company amounted to 175 euro (309 euro in 2006).

**16 CASH AND CASH EQUIVALENTS**

The cash and cash equivalents figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, are analysed as follows:

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	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Cash in hand	344	263	68	31
Sight deposits	382,466	74,254	32,047	23,989
Time deposits	400	0	0	0
<b>Total</b>	<b>383,210</b>	<b>74,517</b>	<b>32,115</b>	<b>24,020</b>

**17 LONG-TERM LOANS AND FINANCE LEASE**

The long-term loans figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, are analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Liabilities from finance leases	27,787	23,343	20,764	12,939
Less: Short-term part	(8,103)	(7,633)	(2,875)	(2,810)
Long-term debt	119,483	91,159	46,500	30,000
Less : Short-term part	(16,441)	(6,804)	(10,000)	(3,500)
	<b>122,726</b>	<b>100,065</b>	<b>54,389</b>	<b>36,629</b>

The repayment period of the aforementioned loans is analysed as follows:

	<b>GROUP</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>
Till 1 year	16,441	6,804
Between 2 & 5 years	75,926	42,420
Over 5 years	27,116	41,935

  

	<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>
Till 1 year	10,000	3,500
Between 2 & 5 years	32,500	17,500
Over 5 years	4,000	9,000

Liabilities from finance lease refer to companies of the Group and the repayment periods are reported in the following table:

	<b>GROUP</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>
Till 1 year	8,103	7,633
Between 2 & 5 years	17,593	13,362
Over 5 years	2,091	2,348

  

	<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>
Till 1 year	2,875	2,810
Between 2 & 5 years	15,798	7,781
Over 5 years	2,091	2,348

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Finance leases are in euro and for the most part used to cover the financing requirements of the installation and operation of a factory producing electric power, as well as the lease of mechanical and factory equipment.

Long-term loans are in euro and for the most part used to cover the financing requirements of the development of wind parks of the energy sector of the Group. Also, part of the long term loans cover the financing requirements of building investment property. The weighted average interest on the above loans is calculated as Euribor plus a spread of 0.9%.

**18 PROVISIONS FOR STAFF RETIREMENT INDEMNITIES**

According to Greek labour law, each employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of the indemnity depends on the length of service with the company and the employee's wages the day he/she is dismissed or retires. Employees that resign or are justifiably dismissed are not entitled to such an indemnity. The indemnity payable in case of retirement in Greece is equal to 40% of the indemnity calculated in case of dismissal. According to the practices in the countries where the subsidiaries of the Group are operating in, staff indemnity programmes are usually not funded.

The liabilities for staff indemnity liabilities Were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the results for the financial year ended on the 31<sup>st</sup> of December 31, 2007 and the movement of the relevant provision accounts for staff indemnities presented in the attached consolidated Balance Sheet for the year ended on December 31st 2007.

The provision for staff indemnities recognized in the consolidated Income Statement for the financial year is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Present value of liabilities	1,565	1,371	1,124	1,164
Non recorded actuarial losses	(50)	(400)	0	(393)
Recognised liability	<b>1,515</b>	<b>971</b>	<b>1,124</b>	<b>771</b>

The expense for staff indemnities recognised in income statements is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Current service cost	333	202	181	167
Finance cost	129	53	67	47
Write-off of not-recognised actuarial losses	104	75	94	64
Additional payments	343	40	324	0
	<b>909</b>	<b>370</b>	<b>666</b>	<b>278</b>

The aforementioned expense is recorded in Income statement in cost of sales account.

The movement of the relevant provision account in the consolidated Balance Sheet is as follows:

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	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
<b>Opening balance</b>	<b>971</b>	<b>1,277</b>	<b>771</b>	<b>996</b>
Corrections and reclassifications	0	(13)	0	0
<b>Revised opening balance</b>	<b>971</b>	<b>1,264</b>	<b>771</b>	<b>996</b>
Provision recognized in the income statement	909	370	666	278
Indemnities paid	(365)	(663)	(313)	(503)
<b>Closing balance</b>	<b>1,515</b>	<b>971</b>	<b>1,124</b>	<b>771</b>

The main assumptions for financial years 2007 and 2006 are as follows:

Discount rate	4.1%
Average annual rate of inflation	2%
Average annual long-term increase of GDP	3%
Mortality: Greek mortality table 1990	
Future wage increases	2.9%
Movement of salaried workers (departure under their own will)	3%
Movement of day-waged workers (departure under their own will)	2%
Movement of salaried workers (laid-off)	12%
Movement of day-waged workers (laid-off)	25%

## 19 OTHER PROVISIONS

The movement of relevant provision in the Balance Sheet is as follows:

	GROUP			COMPANY		
	Provisions for restoration of nature	Other provisions	Total	Provisions for restoration of nature	Other provisions	Total
<b>Balance 1.1.2007</b>	<b>406</b>	<b>1,307</b>	<b>1,713</b>	<b>0</b>	<b>668</b>	<b>668</b>
Provision recognised in assets	114		<b>114</b>	0	0	0
Provision recognised in the income statement	6	147	<b>153</b>	0	2,125	2,125
Unused provisions	0	(240)	<b>(240)</b>	0	(135)	(135)
Used provisions	0	(5)	<b>(5)</b>	0	0	0
<b>Balance 31.12.2007</b>	<b>526</b>	<b>1,209</b>	<b>1,735</b>	<b>0</b>	<b>2,658</b>	<b>2,658</b>

	GROUP			COMPANY		
	Provisions for restoration of nature	Other provisions	Total	Provisions for restoration of nature	Other provisions	Total
<b>Balance 1.1.2006</b>	<b>0</b>	<b>2,092</b>	<b>2,092</b>	<b>0</b>	<b>668</b>	<b>668</b>
Corrections and reclassifications	759	(621)	<b>138</b>	0	0	<b>0</b>
<b>Restated balance 1.1.2006</b>	<b>759</b>	<b>1,471</b>	<b>2,230</b>	<b>0</b>	<b>0</b>	<b>668</b>
Provision recognised in the income statement	262	0	<b>262</b>	0	0	<b>0</b>
Provision recognised in assets	(615)	0	<b>(615)</b>	0	0	<b>0</b>
Used provisions	0	(164)	<b>(164)</b>	0	0	<b>0</b>
<b>Balance 31.12.2006</b>	<b>406</b>	<b>1,307</b>	<b>1,713</b>	<b>0</b>	<b>668</b>	<b>668</b>

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Companies of the energy sector are obliged to restore nature in places they install units for the production of electricity when the installation finishes and the licences granted by the state last for twenty years. The aforementioned provision of 526 euro (406 euro at 31.12.2006) reflects the necessary expenses for un-installation and area restoration with the use of current technology and material.

**20 GRANTS**

The grants figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, are analysed as follows:

<b>Net book value 1.1.2007</b>	<b>33,820</b>
Amortisation of grants	(1,688)
Receipt of grants	1,065
Approved grants	9,444
<b>Net book value 31.12.2007</b>	<b>42,641</b>
<b>Balance 1.1.2006</b>	<b>14,296</b>
Corrections and reclassifications	89
<b>Restated balance 1.1.2006</b>	<b>14,385</b>
Transfers to income statement	(1,294)
Receipt of grants	12,100
Approved grants	8,629
<b>Net book value 31.12.2006</b>	<b>33,820</b>

Grants relate to government grants for the development of Wind Parks and are amortized according to the depreciation rate of fixed assets granted, in the income statement such refer to.

The approved grants refer to amounts not yet collected that and of which € 5,241 which are included in "Other long-term receivables" and € 4,203 included in "Prepayments and other receivables". Such grants were recognized based on the Group's Management's certainty that all the requirements for the collection of the grants are met regularly and that eventually the amounts will be received with the completion of the relevant investments. The aforementioned non-received grants are amortized in income only by the portion that corresponds to fully completed and operating wind generators of wind parks.

**21 SUPPLIERS AND ACCRUED AND OTHER LIABILITIES**

The suppliers figure reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, is analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Suppliers- Subcontractors	55,949	34,418	39,713	39,898
Suppliers-other	18,792	22,128	0	0
Cheques payable	7,806	14,426	5,010	10,637
	<b>82,547</b>	<b>70,972</b>	<b>44,723</b>	<b>50,535</b>

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	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Liabilities from taxes-duties	8,713	12,389	4,473	8,036
Insurance organizations	1,610	2,157	749	1,532
Dividends payable	79	75	79	75
Liabilities to associates	3,501	4,785	4,023	6,115
BoD remuneration	120	990	0	640
Customer prepayments	92,050	39,563	54,646	33,176
Accrued expenses and prepaid income	6,926	4,063	2,738	2,262
Liabilities from IAS 11	35,582	11,428	29,693	6,941
Various creditors	16,500	17,788	3,443	3,304
	<b>165,081</b>	<b>93,238</b>	<b>99,844</b>	<b>62,081</b>

## 22 SHORT TERM LOANS

The total amount of the Group's short-term loans refers to current bank accounts having a duration between one and three months and are renewed depending on the needs. The amounts withdrawn are mainly used to cover the short term liquidity needs for the construction of wind parks for the energy sector of the company. Following the completion of the projects, these loans become long-term. They are also used to cover the short term liabilities of the construction sector. that emerge from the timing difference between the realization of the construction cost and the certification of the work completed, as well as from the large delays in the collection of receivables from the State.

The total amount of the Group's short-term loans refers to bank overdrafts that are used for working capital purposes to cover the Company's operating needs. The amounts withdrawn are mainly used to cover the short term liabilities of the construction sector. that emerge from the timing difference between the realization of the construction cost and the certification of the work completed, as well as from the large delays in the collection of receivables from the State.

The weighted average interest rate for the short-term loans is close to 5.5%.

## 23 INCOME TAX

According to Greek tax legislation the Company is taxed with a tax rate of 29% for 2006 and 25% for 2007 and onwards.

The income tax figure recorded in the income statements is analyzed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Current tax expense</b>				
Current tax	9,780	4,500	2,462	153
Deferred Tax of previous years	122	2,201	0	1,698
	9,902	6,701	2,462	1,851
Deferred tax expense	(3,784)	3,039	(5,014)	3,777
<b>Total</b>	<b>6,118</b>	<b>9,740</b>	<b>(2,552)</b>	<b>5,628</b>

The aforementioned tax expense included tax for discontinued operation of amounting to 1,086 euro, which in the income statement of 2006 is shown in net results from the discontinued operation.

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The income tax statement is submitted on an annual basis but the profits or losses declared remain provisional until the tax authorities audit the tax payer's books and records and issue a final audit report. Currently, addition taxes that may be charged during the tax audit of un-audited tax years is difficult to be calculated and therefore no relevant provision are made in the attached financial statements. The un-audited tax years for the Group's companies are shown above in paragraph 5.

A reconciliation of income tax to the accounting profit multiplied by the applicable tax rate is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Earnings before tax	32,981	30,823	4,097	13,361
Tax (25% and 29%)	8,245	8,939	1,024	3,875
Tax on distributed reserves	0	0	0	0
Implied tax	0	152	0	152
Non-exempt tax expenses	2,765	596	2,438	571
Difference between accounting and taxed earnings of joint ventures	(164)	592	407	1,083
Effect from tax rate change	0	(1,198)	0	460
Additional real estate tax	23	20	21	20
Tax differences from foreign operations	(2,109)	(96)	(1,700)	(96)
Non-recognised tax loss	415	0	208	0
Tax audit differences	106	2,201	0	1,698
Tax exempt reserves and income	(3,163)	(1,466)	(4,950)	(2,135)
	<b>6,118</b>	<b>9,740</b>	<b>(2,552)</b>	<b>5,628</b>

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax value of the assets and liabilities. The deferred income tax is calculated using the expected tax rate of the Company at the time in which the tax receivable/liability matures. The deferred tax receivables and liabilities for the years 2007 and 2006 are analyzed as follows:

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GROUP	Balance sheet		Profit and loss account	Net position
	31.12.2007	31.12.2006	(Debit)/Credit 31.12.2007	(Debit)/Credit 31.12.2006
<b>Deferred income tax asset</b>				
Expense of first installation	345	1,003	(658)	0
Expense for issuing capital	3,491	0	0	3,491
Recognition of construction project income according to IAS 11	7,538	2,652	4,886	
Differenece from asset depreciation	1,998	1,125	873	
Provision for staff indemnity	340	243	97	
Tax recognised losses	567	0	567	
Other provisions	110	110	0	
Valuation of investments	0	629	0	(629)
Provisions for doubtful receivables	2,419	2,564	(145)	
<b>Totals</b>	<b>16,808</b>	<b>8,326</b>	<b>5,620</b>	<b>2,862</b>
<b>Deferred income tax liability</b>				
Investment property valuation	(339)	(81)	(258)	
Difference from asset valuation	(2,840)	(970)	4	(1,874)
Recognition of financial leases	(6,544)	(4,544)	(2,000)	
Recognition of construction project income according to IAS 11	(1,234)	(1,652)	418	
<b>Total</b>	<b>(10,957)</b>	<b>(7,247)</b>	<b>(1,836)</b>	<b>(1,874)</b>
<b>Deferred income tax income/(expense)</b>			<b>3,784</b>	<b>988</b>
<b>Net deferred income tax receivable/(liability)</b>	<b>5,851</b>	<b>1,079</b>		

GROUP	Balance sheet		Profit and loss account	Net position
	31.12.2006	31.12.2005	(Debit)/Credit 1.1 – 31.12.2006	(Debit)/Credit 1.1 – 31.12.2006
<b>Deferred income tax asset</b>				
Expense of first installation	1,003	1,673	(670)	
Recognition of construction project income according to IAS 11	2,652	1,571	1,081	
Differenece from asset depreciation	1,125	965	160	
Provision for staff indemnity	243	319	(76)	
Other provisions	110	0	110	
Valuation of investments	629	(65)	65	629
Provisions for doubtful receivables	2,564	2,768	(204)	
<b>Totals</b>	<b>8,326</b>	<b>7,231</b>	<b>466</b>	<b>629</b>
<b>Deferred income tax liability</b>				
Investment property valuation	(81)	0	(81)	
Difference from asset valuation	(970)	(837)	(133)	
Recognition of financial leases	(4,544)	(2,905)	(1,639)	
Recognition of construction project income according to IAS 11	(1,652)	0	(1,652)	
<b>Total</b>	<b>(7,247)</b>	<b>(3,742)</b>	<b>(3,505)</b>	<b>0</b>
<b>Deferred income tax income/(expense)</b>			<b>(3,039)</b>	<b>629</b>
<b>Net deferred income tax receivable/(liability)</b>	<b>1,079</b>	<b>3,489</b>		

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COMPANY	Balance sheet		Profit and loss account (Debit)/Credit	Net position (Debit)/Credit
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
<b>Deferred income tax asset</b>				
Expense of first installation	62	156	(94)	
Recognition of construction project income according to IAS 11	4,923	681	4,242	
Differenece from asset depreciation	1,897	1,222	675	
Provision for staff indemnity	281	193	88	
Other provisions	2,339	2,464	(125)	
Valuation of investments	0	629	0	(629)
Provisions for doubtful receivables	114	711	(597)	
<b>Totals</b>	<b>9,616</b>	<b>6,056</b>	<b>4,189</b>	<b>(629)</b>
<b>Deferred income tax liability</b>				
Investment property valuation	(253)	0	(253)	
Difference from asset valuation	(976)	(970)	(6)	
Recognition of financial leases	(2,799)	(2,240)	(559)	
Recognition of construction project income according to IAS 11	0	(1,644)	1,644	
<b>Total</b>	<b>(4,028)</b>	<b>(4,854)</b>	<b>826</b>	<b>0</b>
<b>Deferred income tax income/(expense)</b>			<b>5,014</b>	<b>(629)</b>
<b>Net deferred income tax receivable/(liability)</b>	<b>5,588</b>	<b>1,202</b>		

COMPANY	Balance sheet		Profit and loss account (Debit)/Credit	Equity (Debit)/Credit
	31.12.2006	31.12.2005	1.1 – 31.12.2006	1.1 – 31.12.2006
<b>Deferred income tax asset</b>				
Write-off of establishment expenses	156	537	(381)	
Recognition of construction project income according to IAS 11	681	3,394	(2,713)	
Difference from asset depreciation	1,222	821	401	
Provision for staff indemnity	193	249	(56)	
Other provisions	2,464	2,964	(500)	
Valuation of investments	629	(65)	65	629
Provisions for doubtful receivables	711	0	711	
<b>Totals</b>	<b>6,056</b>	<b>7,900</b>	<b>(2,473)</b>	<b>629</b>
<b>Deferred income tax liability</b>				
Investment property valuation	(970)	(837)	(133)	
Difference from asset valuation	(2,240)	(1,738)	(502)	
Recognition of financial leases	(1,644)	0	(1,644)	
Recognition of construction project income according to IAS 11	0	(974)	974	
<b>Total</b>	<b>(4,854)</b>	<b>(3,549)</b>	<b>(1,305)</b>	<b>0</b>
<b>Deferred income tax income/(expense)</b>			<b>(3,777)</b>	<b>629</b>
<b>Net deferred income tax receivables/(liability)</b>	<b>1,202</b>	<b>4,351</b>		

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The Group and the company maintain tax exempt reserves of € 18,391 and € 12,768 respectively (18,073 euro and 10,210 euro in 2006) which will be taxed using the current tax rate in the event that they are distributed or capitalized. In the foreseeable future the Company does not intend to distribute or capitalize these reserves.

TERNA SA is tax audited till 2006.

**24 SHARE CAPITAL**

The share capital of the Parent amounts to € 53,319 and is totally paid and divided into 45,964,500 common shares having a nominal value of € 1.16 each, while no changes occurred in 2007. The shareholders are entitled to receive dividends, as these are proposed on an annual basis, while each share represents one vote in the General Shareholders meeting.

At 31.12.2007 the company held 4,891 own shares amounting to 61 euro, All shares acquired during 2007. The weighted average number of shares amounted to 45,963,093 shares in 2007 (45,964,500 in 2006),

The Board of Directors proposed the dividend distribution of 6,894 euro (10,112 euro in 2006), that is to say 0.15 euro per share (0.22 euro in 2006). The dividends total comes from taxed earnings.

Earnings per share from continued operations in 2007 amounted to 0.41 euro (0.28 euro in 2006) and were estimated based on earnings attributable to the shareholders of the parent of 18,976 euro (13,013 euro in 2006) and on average weighted number of shares between the years 2007 and 2006.

**25 REVENUES**

Sales reported in the attached financial statements as at the 31<sup>st</sup> of December 2007 are analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1-31.12.2007</b>	<b>1.1-31.12.2006</b>	<b>1.1-31.12.2007</b>	<b>1.1-31.12.2006</b>
Income from technical projects	368,760	255,457	198,074	168,037
Electrical Energy Sales	38,635	34,192	0	0
Industrial products – Construction Materials Sales	8,682	23,140	7,638	17,862
Other sales	373	374	0	374
	<b>416,450</b>	<b>313,163</b>	<b>205,712</b>	<b>186,273</b>

**26 COST OF SALES AND ADMINISTRATION AND DISTRIBUTION EXPENSES**

The figures for cost of sales and administration and distribution expenses reported in the attached financial statements as of the 31<sup>st</sup> of December 2007, are analysed as follows:

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<b>Cost of sales</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1-31.12.2007</b>	<b>1.1-31.12.2006</b>	<b>1.1-31.12.2007</b>	<b>1.1-31.12.2006</b>
Consumption of material and finished work	106,648	76,698	64,062	51,755
Staff wages	37,454	19,238	23,130	11,540
Subcontractors	132,628	98,946	75,324	75,022
Fees for technical advisors	26,671	25,213	9,170	1,357
Other third party benefits	15,957	16,639	6,275	7,853
Tax – duties	0	630	0	1
Depreciation	16,783	14,125	6,784	4,718
Other	22,091	13,167	8,855	8,639
	<b>358,232</b>	<b>264,656</b>	<b>193,600</b>	<b>160,885</b>

<b>Administrative expenses</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1-31.12.2007</b>	<b>1.1-31.12.2006</b>	<b>1.1-31.12.2007</b>	<b>1.1-31.12.2006</b>
Staff wages	8,627	4,945	6,752	6,127
Subcontractors	339	578	339	331
Fees for technical advisors	9,228	4,369	7,538	3,925
Other third party benefits	1,058	3,522	0	3,190
Depreciation	1,260	1,185	1,153	1,079
Other	9,033	11,701	7,052	7,457
	<b>29,545</b>	<b>26,300</b>	<b>22,834</b>	<b>22,109</b>

**27 OTHER OPERATING INCOME/(EXPENSES)**

The figures for other operating income/(expenses) reported in the attached financial statements as of the 31st of December 2007, is analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1/1-31/12/2007</b>	<b>1/1-31/12/2006</b>	<b>1/1-31/12/2007</b>	<b>1/1-31/12/2006</b>
Receipts from doubtful provisions	0	7,934	0	7,934
Revenues from rents	101	361	373	1,474
Profit from the sale of subsidiaries	2,373	0	6,484	0
Negative goodwill from the acquisition of consolidated company	8,883	0	0	0
Amortisation of grant	1,688	1,294	0	0
Other provision of services	2,870	1,321	2,066	0
Foreign exchange differences	(1,211)	749	(1,208)	749
Income from investments	0	478	11,827	3,616
Fair value difference of investment property	1,011	50	1,011	0
Other extraordinary income/(expenses)	0	204	0	(148)
<b>Total</b>	<b>15,715</b>	<b>12,391</b>	<b>20,553</b>	<b>13,625</b>

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**28 FINANCIAL INCOME/(EXPENSES)**

Financial income/(expenses) at 31<sup>st</sup> of December 2007 are as follows:

	GROUP		COMPANY	
	1/1- 31/12/2007	1/1- 31/12/2006	1/1- 31/12/2007	1/1- 31/12/2006
Interest received from deposits	4,174	1,642	893	400
Loan interest	(14,227)	(10,483)	(6,629)	(3,943)
<b>Total</b>	<b>(10,053)</b>	<b>(8,841)</b>	<b>(5,736)</b>	<b>(3,543)</b>

**29 PAYROLL COST**

Staff wages and the average number of employees as of December 31<sup>st</sup> 2007 are analysed as follows:

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Wages and ensuing benefits of wage earners	9,022	5,003	5,024	2,613
Salaries and ensuing benefits of employees	27,293	13,119	18,327	9,679
Insurance and pension fund contributions	8,753	5,219	5,862	3,815
Provision for employee indemnities	909	370	666	278
Other	104	472	3	1,282
<b>Total expenses</b>	<b>46,081</b>	<b>24,183</b>	<b>29,882</b>	<b>17,667</b>
<b>Average number of employees</b>	<b>916</b>	<b>730</b>	<b>617</b>	<b>521</b>

**30 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

At the beginning of 2007 the company DIKEVE SA was sold which did not present significant results till its sale. This company on 31/12/2006 was reported as discontinued operation while before was recorded in the investment property sector. The agreed amount of sale amounted to euro 27,377.

The following table reports summary financial information of the sold company at the date off its sale:

Investment property	29,158
Receivables	11,172
Cash	140
Loans	(10,802)
Other liabilities	(3,754)
<b>Net assets and liabilities</b>	<b>25,914</b>

In 2006 the sold company had cash flows from operating activities of 11,192 euro, from investment activities 2,898 euro and from financing activities 14,197 euro.

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The assets and liabilities of the company at 31.12.2006 are analysed as follows:

Investment property	29,158
Receivables	296
Cash	140
Loans	(10,801)
Other liabilities	(2,191)
<b>Net assets and liabilities</b>	<b>(1,562)</b>
	<b>15,040</b>

The analysis of the results for this company for 2006 is as follows:

Income	919
Difference of the fair value of investment property	6,089
Expenses	(826)
Profit before tax from discontinued operations	6,182
Tax	(1,087)
<b>Profit aferte tax from discontinued operations</b>	<b>5,095</b>

### 31 ACQUISITION OF COMPANIES

A) On 16/01/07 and on 12/7/2007 the group acquired the 51% and 49% respectively of the shares and voting rights of **LITHOS SA**. The acquired company did not have any cash. This company is active in quarry exploration.

Information on net assets that were acquired and on goodwill are as follows:

Agreed price (paid)	2,733
Direct expenses	100
<b>Total</b>	<b>2,833</b>
Fair value of net recognizable assets	5,773
Negative Goodwill	2,940

The amount of negative goodwill of 2,940 euros, is recorded in Other income/expenses of the consolidated income statement (see relevant note 13),

The difference emerged by the acquisition of LITHOS SA is due to the fact that the price paid was less than the fair value of the company's assets acquired and specifically the fair value of the quarry the company exploits.

The fair value of assets and the liabilities are shown in the following table:

	<b>Fair value at valuation</b>
Intangible assets	187
Tangible assets	7,761
Deferred tax assets	28
Receivables	80
Provisions	(114)
Liabilities	(2,169)
<b>Net assets</b>	<b>5,773</b>

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B) As already mentioned in note 10, the Group acquired in May and June the 21.4% of the listed company ATTI-KAT SA.

Information on net assets that were acquired and on goodwill are as follows:

Agreed price (paid)	22,718
Direct expenses	100
<b>Total</b>	<b>22,718</b>
Fair value of net recognizable assets	28,661
Negative Goodwill	5,943

The amount of negative goodwill of 5,943 euros, is recorded in Other income/expenses of the consolidated income statement (see relevant note 13),

The temporary fair value of assets and the liabilities are shown in the following table:

	<b>Temporary fair value at valuation</b>
Intangible assets	12,894
Tangible assets	111,707
Investment property	21,819
Investments	20,606
Receivables	233,746
Provisions	(750)
Loans	(102,495)
Deferred tax liabilities	(12,280)
Liabilities	(151,319)
Net assets	<b>133,928</b>
Proportion on net assets (21,4%)	<b>28,661</b>

C) Finally, on 12/7/2007 the Group acquired the 40% of shares and voting rights of HAMRIYAH CEMENT CO FZC based in SHARJAH of UAE. This company is active in the exploitation of a cement factory.

Information on net assets that were acquired and on goodwill are as follows:

Agreed price (paid)	3,673
Direct expenses	368
<b>Total</b>	<b>4,041</b>
Fair value of net recognizable assets	(661)
Goodwill	4,702

The goodwill amount of 4,702 euro increased the acquisition cost of the associate and is recorded in the amount Participation in Associates. In addition, the amount of 4,669 euro that refers to cash injection of the Group, has a long-term horizon aiming to be capitalised and is recorded in the account Participations in associates.

The assets and the liabilities acquired are shown in the following table:

	<b>Temporary fair value during the acquisition</b>
Tangible assets	11
Receivables	226
Liabilities	(1,890)
Net assets	<b>(1,653)</b>
Proportion on net assets (40%)	<b>(661)</b>

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The goodwill of b) and c) were estimated using temporary fair values of the balance sheets at the acquisition dates and in accordance with IFRS 3. The fair value valuation of net assets and the finalisation of goodwill is under development and will be completed within a 12 month period following the acquisition date.

**32 RIGHTS IN JOINT-VENTURES**

The Group holds rights in joint ventures for the execution of technical projects. The financial statements of the Group reflect its rights on fixed assets, liabilities, revenues and expenses of joint ventures as follows:

	<b>31.12.2007</b>	<b>31.12.2006</b>
Non-current assets	31,090	32,372
Current assets	168,659	109,257
Long-term liabilities	5,883	9,469
Short-term liabilities	161,186	107,595
<b>Net assets/liabilities</b>	<b>32,680</b>	<b>24,565</b>
Revenues	164,634	91,512
Expenses	152,020	87,441

**33 TRANSACTIONS WITH RELATED PARTIES**

The transactions and the balances of TERNA group with the related parties for the years 2007 and 2006 are analysed as follows:

<b>2007</b>	<b>GROUP</b>				<b>COMPANY</b>			
	<b>Sales</b>	<b>Purchases</b>	<b>Debit balance</b>	<b>Credit balance</b>	<b>Sales</b>	<b>Purchases</b>	<b>Debit balance</b>	<b>Credit balance</b>
<b>Related party</b>								
Subsidiaries	0	0	0	0	16,683	3,455	4,808	2,201
Joint Ventures	0	0	0	0	31,379	1,028	35,163	9,589
Parent-GEK SA	5,669	271	69	2,991	5,374	252	69	389
Other related parties	10,741	1,407	2,135	143	6,655	1,003	817	28,730
Directors and executives	0	0	0	156	0	0	0	156

<b>2006</b>	<b>GROUP</b>				<b>COMPANY</b>			
	<b>Sales</b>	<b>Purchases</b>	<b>Debit balance</b>	<b>Credit balance</b>	<b>Sales</b>	<b>Purchases</b>	<b>Debit balance</b>	<b>Credit balance</b>
<b>Related party</b>								
Subsidiaries	0	0	0	0	5,289	489	3,382	2,799
Associates	0	0	0	0	0	0	35,302	0
Joint Ventures	0	0	0	0	6,452	44	0	4,647
Parent-GEK SA	9,181	0	501	1,982	8,664	0	326	356
Other related parties	9,009	2,437	1,256	1,895	5,324	2,437	831	1,933
Directors and executives	232	0	52	0	232	0	0	0

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The transactions with related parties are made using the same terms as those to transactions with third parties.

During 2007 were paid by the company amounts for the participation in the share capital of related companies. These amounts are analysed as follows:

Category of company	GROUP	COMPANY
Associate	31,376	31,376
Subsidiary	0	3,033
Joint ventures	0	60
Other	61	61
<b>Total</b>	<b>31,437</b>	<b>34,530</b>

**Remuneration of the Board of Directors and the Management of the Company:** The BoD and Management remuneration at 31<sup>st</sup> of December 2007 and 2006 are as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
BoD remuneration	0	820	0	600
Remuneration of management included in the executive members of BoD	746	179	746	0
	<b>746</b>	<b>999</b>	<b>746</b>	<b>600</b>

### 34 AIM AND POLICIES OF RISK MANAGEMENT

The group is exposed in many financial risks as market risk (volatility in exchange rates, interest rates market prices etc.), credit risk and liquidity risk. The risk management plan aims to eliminate the negative effect of these risks on financial results of the group as these effects are the results of the uncertainty in financial markets and the changes in costs and sales.

The risk management policy is undertaken by the treasury of the Group and the procedure is as follows:

- Evaluation of risks related to Group's activities and operations,
- Plan of the methodology and choice of the necessary financial products for the reduction of risk
- Execution/application, in accordance with the approved procedure by the management, of the risk management plan.

The financial means of the Group are mainly deposits in banks, overdraft facility by banks, short-term financial products of high liquidity traded in the money market, trade debtors and creditors, loans to and from subsidiaries, associates and joint ventures, shares, dividends payable and financial leasing liabilities.

#### 34.1 FOREIGN EXCHANGE RISK

The group is active mainly in Greece as well as Middle East and therefore it may be exposed in exchange rate risk arising from the volatility of euro against other currencies. This type of risk may be emerged from trade transactions in foreign currency, from investments of financial assets in foreign currency as well as direct investments abroad. For the management of this type of risk or the treasury of the group assures that the cash management of the Group is hedged from currency risk.

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Regarding the transaction of the company with foreign companies these are made with European companies having euro as settlement currency.

The Group holds investments in foreign economic units, which assets are exposed in currency risk.

		<b>2007</b>							
<b>Nominal values</b>	<b>RON</b>	<b>MKD</b>	<b>BGN</b>	<b>AED</b>	<b>QAR</b>	<b>BHD</b>	<b>USD</b>	<b>CYPR</b>	
Financial assets	3,310	6,521	12,290	18,565	13,289	12,086	5,442	2,248	
Financial liabilities	1,881	3,390	20,581	20,192	13,123	11,043	14,476	1,216	
<b>Total short-term</b>	<b>5,191</b>	<b>9,911</b>	<b>32,871</b>	<b>38,757</b>	<b>26,412</b>	<b>23,129</b>	<b>19,918</b>	<b>3,464</b>	
Financial assets	1,299	0	2	0	1,073	9,315	10,255	1,715	
Financial liabilities	0	0	0	0	19	149	10,255	0	
<b>Total long-term</b>	<b>1,299</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1,092</b>	<b>9,464</b>	<b>20,510</b>	<b>1,715</b>	

  

		<b>2006</b>							
<b>Nominal values</b>	<b>RON</b>	<b>MKD</b>	<b>BGN</b>	<b>AED</b>	<b>QAR</b>	<b>BHD</b>	<b>USD</b>	<b>CYPR</b>	
Financial assets	7,924	1,041	6,470	21	144	1,700	0	880	
Financial liabilities	1,338	5,648	10,780	80	319	0	0	471	
<b>Total short-term</b>	<b>9,262</b>	<b>6,689</b>	<b>17,250</b>	<b>101</b>	<b>463</b>	<b>1,700</b>	<b>0</b>	<b>1,351</b>	
Financial assets	2,113	2,011	55	0	1	0	0	1,715	
Financial liabilities	11	0	0	0	0	0	0	0	
<b>Total long-term</b>	<b>2,124</b>	<b>2,011</b>	<b>55</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1,715</b>	

The following table presents the sensitivity of income and equity to financial assets, liabilities and exchange rate of euro with the relevant currencies. For some currencies that are pegged to USD we analysed the sensitivity to a 10% change while for the other currencies to a 5% change. For BGN and CYPR we did not analyse the change as these currencies are pegged to euro and therefore there are not subjects to currency risk.

		<b>2007</b>							
	<b>RON</b>	<b>MKD</b>	<b>BGN</b>	<b>AED</b>	<b>QAR</b>	<b>BHD</b>	<b>USD</b>	<b>CYPR</b>	
Effect on profit before tax	136	157	0	-163	122	1,021	-903	0	
Effect on equity	0	0	0	0	19	18	0	0	

  

		<b>2006</b>							
	<b>RON</b>	<b>MKD</b>	<b>BGN</b>	<b>AED</b>	<b>QAR</b>	<b>BHD</b>	<b>USD</b>	<b>CYPR</b>	
Effect on profit before tax	434	-130	0	-6	-17	170	0	0	
Effect on equity	0	0	0	0	0	0	0	0	

### **34.2 INTEREST RATE RISK SENSITIVITY**

The Group's policy is to eliminate its exposure in interest rate risk regarding its long-term financing. Long-term financing is usually made with floating interest rates. At the 31<sup>st</sup> of December 2007 the Group is exposed in interest rate risk related to its bank loans which have floating rate. (For more information see note 17) As in the previous year, the other financial assets and liabilities have fixed rates.

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The following table reports the sensitivity of the results as well as equity in a normal change of interest rate (long-term and short-term) of +10% –10% (2006: +/-10% also). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2007		2006	
	+10%	-10%	+10%	-10%
Profit before tax	(1,005)	1,005	(884)	884

The Group does not manage the risk from these changes.

The Group is not exposed in other interest rate risk or changes in prices of securities which are traded in the secondary market.

### 34.3 CREDIT RISK ANALYSIS

The credit risk exposure of the Group is limited to financial assets which at the balance sheet date are as follows:

Categories of financial assets	2007	2006
Financial assets available for sale	2,418	3,182
Cash and equivalents	383,210	74,517
Financial results in fair value through income statement	1,343	7,204
Trade and other receivables	330,204	229,477
<b>Total</b>	<b>717,175</b>	<b>314,380</b>

The Terna Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In cases that deemed necessary external reports related to current or potential customers are used. The Group's policy is to co-operate only with trustworthy customers.

The management of the Group assumes that the aforementioned financial assets from which necessary impairment is calculated are of high credit quality, included those in debt. (see Note 14 for further information regarding the impairment of assets or financial assets in debt).

For trade and other receivable the Group is not exposed in significant credit risk. The credit risk for receivables ready to be liquidated as well as other short-term financial assets (cash equivalents) is estimated to be minimal, given that the dealers are reliable banks having a high grade capital structure.

### 34.4 ANALYSIS OF LIQUIDITY RISK

The Terna Group manages its liquidity needs by closely monitoring its long-term financial liabilities and the daily payments. The liquidity needs are monitored in different time-zones daily and weekly as well as in a rolling 30 days period. The liquidity needs from the coming 6 months and the coming year are estimated on a monthly basis.

The company maintains cash and deposits in banks in order to cover its liquidity needs for periods up to 30 days. The capital for long-term liquidity needs are not bonded to time-deposits of the company. The maturity of financial liabilities at the 31<sup>st</sup> of December 2007 for the Terna Group is analysed as follows:

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	Short-term		Long-term
	0 till 12 months	1 till 5 years	Later than 5 years
Long-term loans	21,186	97,641	17,721
Liability for financial leasing	3,550	18,092	1,963
Short-term loans	108,395	0	0
Trade liabilities	82,547	0	0
Other liabilities	172,031	1	0
<b>Total</b>	<b>387,709</b>	<b>115,734</b>	<b>19,684</b>

The respective maturity of financial liabilities as at 31<sup>st</sup> of December 2006 is as follows:

	Short-term		Long-term
	0 till 12 months	1 till 5 years	0 till 12 months
Long-term loans	6,599	51,909	28,852
Liability for financial leasing	9,000	16,046	0
Short-term loans	50,598	0	0
Trade liabilities	70,972	0	0
Other liabilities	96,953	31	0
<b>Total</b>	<b>234,122</b>	<b>67,986</b>	<b>28,852</b>

The aforementioned conventional maturities reflect the gross cash flows which may differ from the accounting values of liabilities at the balance sheet date.

### 35 PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets and liabilities at the balance sheet dates are classified as follows:

	2007	2006
<b>Non-current assets</b>		
Loans and receivables	24,840	11,488
Financial assets available for sale	2,418	3,182
<b>Total</b>	<b>27,258</b>	<b>14,670</b>
<b>Current assets</b>		
Financial assets in fair value through income statement	1,343	7,204
Trade and other receivables	305,364	217,989
Loans and receivables	0	0
Cash and equivalents	383,210	74,517
<b>Total</b>	<b>689,917</b>	<b>299,710</b>
	<b>2007</b>	<b>2006</b>
Long-term liabilities		
Loans		
Financial liabilities at net-book cost	122,726	100,065
<b>Trade receivables</b>		
Financial liabilities at net-book cost	1	31
<b>Total</b>	<b>122,727</b>	<b>100,096</b>
<b>Short-term liabilities</b>		
Financial liabilities at net-book cost	116,155	65,034
<b>Trade liabilities</b>		
Financial liabilities at net-book cost	271,362	167,925
<b>Total</b>	<b>387,517</b>	<b>232,959</b>

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*(Amounts in thousand Euros, unless otherwise stated)*

See notes 3c, 3d for further explanations as of how the category of financial means affects their valuation.

### **36 POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT**

The aims of Terna Group regarding the management of its equity is as follows:

- To ensure the ability of the Group to continue its activity (going-concern) and
- To secure a satisfactory return to its shareholders by pricing products and services according to their level of risk.

The Group monitors its capital in the base of equity plus loans of limited guarantee, less cash and equivalents as appeared in the balance sheet. The capital for the years 2007 and 2006 is as follows:

	<b>2007</b>	<b>2006</b>
Debt with interest	255,665	165,099
Less :		
Cash	(383,210)	(74,517)
Other short-term financial assets	(1,343)	(7,204)
Net debt	<b>(128,888)</b>	<b>83,378</b>
Total capital	<b>491,880</b>	<b>186,525</b>
Leverage ratio	<b>(26,2 %)</b>	<b>44,7 %</b>

The aim of the Group regarding the management of capital is to adjust the leverage ratio (as shows above) to 50% in the future. In the current table the ratio is negative (underleveraged) a fact attributed to the significant Share Capital increase of Terna Energy in November, as well as the significant increase of the subsidiary's TERNA ENERGY debt by 54% (from 165 mil € to 255 mil €) compared to the previous year.

### **37 EXISTING COLLATERALIZED ASSETS**

Mortgage prenotations to the amount of € 1,507 (26,900 in 2006) have been registered on the property of some subsidiaries included in the consolidation, as security for bank loans.

### **38 CONTINGENT LIABILITIES**

During the course of conducting its business, the Company may face legal claims from third parties. According to both the Management and the Company's Legal Counsel, any such claims are not expected to have a significant impact on the Company's operation and financial position as of the 31<sup>st</sup> of December 2007.

There are given guarantees for financial leasing on behalf of a subsidiary amounting to 11,000 euros. Also, there are given guarantees for securing bank loans on behalf of participating companies amounting to 45,000 euros.

The Group, in the context of development the operating Wind Parks as well as installing new renewable energy sources, whose completion is expected during 2008 and 2009, has signed agreements for supply of fixed equipment, amounting to approximately € 162 million.

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**39 POST-BALANCE SHEET DATE EVENTS**

The Group in the first quarter of 2008 signed new contracts of 30 mil. the most important one being the construction of a hospital for the YGEIA Group SA in Tirana of Albania, having a budget of 27,4 mil.

Also, it has been declared best bidder for the following projects:

- a) construction of a commercial centre in Qatar having a budget of 130 mil.
- b) construction of a commercial centre in Sherjah of UAE having a budget of 138 mil.
- c) construction of a car park in Manama of Bahrein having a budget of 19 mil.

**CERTIFICATE**

It is ascertained that the attached financial statements are those approved by the Board of Directors of the Company on the March, 26 2008, amended on the 26<sup>th</sup> of May 2008 and have been published by being posted on the internet at the website [www.terna.gr](http://www.terna.gr). It is noted that the summary financial figures that have been published in the press aim at providing the reader with certain general financial information but do not provide a full picture of the financial position and the results of the Group, in accordance with the International Financial Reporting Standards (IFRS). In the summary information published in the press some figures have been abbreviated.

The amended financial statements are approved by the Board of Directors of the Company on the 26<sup>th</sup> of May 2008.

The Chairman of the Board

The Vice-chairman of the Board  
& CEO

Nikolaos Kambas

George Peristeris

The Finance Director

Head of Accounting

Panayiotis Pothos

Nikolaos Athanasiou

## **INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of TERNA AE*



### **Report on the Financial Statements**

We have audited the accompanying separate and restated - consolidated financial statements of TERNA AE (the "Company"), which comprise the separate and consolidated balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the accompanying separate and restated consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

### ***Emphasis of matters***

Without qualifying our opinion, we draw attention to:

- a) The present Auditor's Report was re-issued after the restatement of the consolidated balance sheet at 31.12.2007 by the Board of Directors of the company (Minutes of B. of D. 26.5.2008). This restatement concerning correction of recognition error, in the consolidated financial statements included in the consolidation of a subsidiary, advance payment to supplier amount Euro 16.784 thousands in the Assets account "Tangible Assets" while it should be recognised in payment of the supplier in question. Consequently, the above balance sheet in comparison with the balance sheet at 31.12.2007 for which we issued on 28 March 2007 our Auditor's Report (which is valid as to the other records) includes only the above restatement. The correction of this recognition has no impact on the results and the equity of the Group and entails only equal in amount in the least changes except for the above accounts and in the respective items of the cash flows and the notes.
- b) The Note 23 in the Notes on the consolidated financial statements, where reference is made to the fact that the tax returns of the parent company for the year 2007, and those of the consolidated subsidiaries and Joint ventures referred to in the above note, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

### **Report on Other Legal and Regulatory Requirements**

The Report of the Board of Directors includes the information that is provided by the articles 43a paragraph 3, 107 paragraph 3 and 16 paragraph 9 of c.L. 2190/20 as well as the article 11a of L. 3371/2005 and its content is consistent with the accompanying financial statements.

Athens, 27 May 2008

GEORGIOS E. LAGAS  
Certified Public Accountant Auditor  
Institute of CPA Reg. No. 13711  
SOL S.A. – Certified Public Accountants Auditors  
3, Fok. Negri Street - Athens, Greece

**2. Summary Financial (Solo and Consolidated) Data and  
Information for the Year from 1 January to  
31 December 2007**



# TERNA S.A.

TOURISM CONSTRUCTIONS AND MARINE SOCIETE ANONYME  
Societe Anonyme Reg.No 1998/06/B86/10

85 Mesogeion Avenue, 11526 ATHENS  
FINANCIAL ACCOUNTS AND DATA FOR THE FINANCIAL YEAR 1 JANUARY 2007 - 31 MARCH 2007

(Published according to L.2190, article 135 for companies compiling annual financial statements, parent and consolidated, according to IAS)

The following figures and information aim at providing general information for the financial position and results of TERNA S.A. The reader who wishes to have a full view of the Company's financial position and financial results, should have access to the annual financial statements compiled according to the International Accounting Standards, as well as sworn auditor accountants' report. Furthermore, the reader may visit the Company's web-site at [www.terna.gr](http://www.terna.gr), where the relevant information is posted.

### DATA OF THE COMPANY

Address of the company's registered office  
SA Register Number:  
Appropriate Prefecture:  
Board of Directors Composition:

Approval date of the Annual Financial Statements  
(which are the basis of the condensed financial data):  
Type of Certified Auditor Accountant Report:  
Web-site Address:

#### BALANCE SHEET

Amounts in thousands of euros

	CONSOLIDATED		COMPANY	
	31.03.2007	31.12.2006	31.03.2007	31.12.2006
<b>ASSETS</b>				
Fixed assets	207,482	204,827	55,307	56,204
Participations and other long-term financial assets	19,192	18,731	38,510	39,617
Real estate investments	8,871	7,840	7,748	6,917
Inventories	13,463	12,905	5,292	4,280
Trade receivables	205,211	167,443	129,283	118,436
Cash and cash equivalents	53,472	74,517	10,003	24,020
Other Assets	61,253	87,810	41,645	48,101
<b>TOTAL ASSETS</b>	<b>568,724</b>	<b>574,073</b>	<b>287,788</b>	<b>298,635</b>
<b>LIABILITIES AND EQUITY</b>				
Long-term loans	89,687	84,355	36,500	26,500
Loans from finance leases	14,903	15,710	9,761	10,129
Other long-term liabilities	49,954	39,932	1,662	1,470
Short-term liabilities to banks	45,488	50,598	296	9,502
Other short-term liabilities and deferred income	183,711	196,915	103,072	118,572
<b>Total liabilities (a)</b>	<b>373,743</b>	<b>387,510</b>	<b>151,281</b>	<b>166,173</b>
Share capital	53,319	53,319	53,319	53,319
Other equity	114,729	113,736	83,188	79,143
Minority interests	23,232	19,589	0	0
<b>Total equity (b)</b>	<b>190,411</b>	<b>196,652</b>	<b>136,507</b>	<b>132,462</b>
<b>TOTAL LIABILITIES AND EQUITY (a) + (b)</b>	<b>568,724</b>	<b>574,073</b>	<b>287,788</b>	<b>298,635</b>

#### INCOME STATEMENT

Amounts in thousands of euros

	CONSOLIDATED		COMPANY	
	01/01/2007-31/03/2007	01/01/2006-31/03/2006	01/01/2007-31/03/2007	01/01/2006-31/03/2006
Turnover	83,480	51,473	34,416	30,553
Cost of sales	(49,968)	(39,872)	(38,845)	(24,492)
Gross profit	33,512	11,601	5,571	5,971
Profit before tax, financial and investment results and depreciation	16,247	12,278	7,983	7,115
Depreciation	3,858	3,421	1,633	1,416
Profit before tax, financial and investment results	12,389	8,857	6,350	5,699
Profit before tax	10,611	7,588	5,821	5,418
Less (Tax)	(3,473)	(2,422)	(1,530)	(1,350)
<b>Profit after tax</b>	<b>7,141</b>	<b>5,167</b>	<b>3,991</b>	<b>4,068</b>
Attributable to:				
Shareholders of the company	5,429	4,483	3,991	0
Minority interests	1,712	684	0	0
<b>Total</b>	<b>7,141</b>	<b>5,167</b>	<b>3,991</b>	<b>0</b>
<b>Basic earnings after tax per share (in euro) - basic</b>	<b>0.12</b>	<b>0.10</b>	<b>0.09</b>	<b>0.09</b>

#### STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of euros

	CONSOLIDATED		COMPANY	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Opening balance (01.01.2007 and 01.01.2006 respectively)	186,563	173,845	132,462	133,572
Profit/(loss) for the period, after tax	7,141	5,167	3,991	4,068
Other	3,899	1,647	0	0
<b>Closing balance (31.03.2007 and 31.03.2006 respectively)</b>	<b>197,603</b>	<b>180,659</b>	<b>136,453</b>	<b>137,640</b>

#### FIGURES FROM THE CASH FLOW STATEMENT (indirect method)

Amounts in thousands of euros

	CONSOLIDATED		COMPANY	
	01/01/2007-31/03/2007	01/01/2006-31/03/2006	01/01/2007-31/03/2007	01/01/2006-31/03/2006
<b>Operating activities</b>				
Profit before tax	10,611	7,589	5,821	5,418
Plus/less adjustments for:				
Depreciation	3,858	3,333	1,633	1,416
Provisions	(510)	(474)	(222)	(450)
(Profit/Loss) from the sale and valuation of participations	(254)	(324)	(80)	(219)
Result (income, expense, profit and loss) from investing activity	7,487	(104)	(8,450)	(61)
Interest and other financial expenses	(2,051)	(1,605)	(886)	(501)
Amortization of grants	387	(292)	0	0
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>14,638</b>	<b>11,333</b>	<b>(248)</b>	<b>6,605</b>
Plus/less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	(558)	601	(1,012)	1,401
Decrease / (increase) in receivables	(45,845)	(19,018)	(11,973)	2,479
(Decrease) / (increase) in liabilities (other than to banks)	(258)	(658)	(13,633)	(8,666)
Taxes paid	(912)	0	(595)	0
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>(32,937)</b>	<b>(438)</b>	<b>(27,971)</b>	<b>1,919</b>
<b>Investing activities</b>				
Acquisitions/Sales of subsidiaries, associates and other investments	(7,595)	(18,092)	(1,435)	(600)
Purchase of tangible and intangible fixed assets	20,069	104	14,958	61
Sales of tangible and intangible fixed assets	0	0	0	0
Interest received	254	324	80	219
Dividends received	0	0	0	0
Real estate investments	180	104	124	144
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>12,908</b>	<b>(17,664)</b>	<b>13,727</b>	<b>(320)</b>
<b>Financing activities</b>				
Receipts from share capital increase	0	0	0	0
Net change in long term loans	6,932	1,737	10,000	(2,643)
Net change in loans from finance leases	(687)	(1,571)	(388)	(603)
Net change in loans from short-term loans	(5,110)	8,249	(9,216)	0
Interest and related expenses paid	(2,031)	(1,605)	(886)	(501)
Cash flows from purchases and sales of other financial assets	0	(4,066)	0	0
Dividends paid	(13)	0	(13)	0
<b>Total inflows / (outflows) from financing activities (c)</b>	<b>(616)</b>	<b>10,876</b>	<b>(483)</b>	<b>(3,745)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>(17,645)</b>	<b>(7,286)</b>	<b>(14,817)</b>	<b>(2,246)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>74,517</b>	<b>49,807</b>	<b>24,020</b>	<b>12,818</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>53,472</b>	<b>41,781</b>	<b>19,003</b>	<b>10,572</b>

#### ADDITIONAL ELEMENTS AND INFORMATION

1. The Company has been tax-audited 18/2005.  
2. The Basic Accounting Principles of the Balance Sheet as of 31.12.2006 have been followed.  
3. The companies and the joint ventures of the Group with their domiciles and participation percentages that are included in the consolidated financial statements are:

Full consolidation method	Percentage	U.T.Y.
TERNA ENERGY ABETE, Greece	63.91%	1
BIOMEX ABETE, Alveri Eviass	66.50%	5
STRO THES ABETE, Greece	51.00%	4
TERNA OVERSEAS, Cyprus	100.00%	1
GP ENERGY, Bulgaria	100.00%	1
LITHOS S.A.	51.00%	2
ILIOCHORA S.A, Greece	100.00%	2
IVECOO CHONOS LASTHOU KRITIS SA, Greece	100.00%	1
TERNA ENERGY ABETE & CO ENERGIKI SERVOUNIOU SA, Greece	100.00%	1
TERNA ENERGY ABETE & SIA ENERGIKI PASTRA ATTIKIS, Greece	100.00%	1
PPC RENEWABLE - TERNA ENERGY SA, Greece	51.00%	1
SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	100.00%	2
TERNA BAHRAIN HOLDING WLL	99.99%	1
TERNA QATAR LLC	35.00%	1

Proportional consolidation method (consolidated companies and JV of TERNA ENERGY ABETE)	Percentage	U.T.Y.
TERNA ENERGY ABETE - M.E.L. MAKEDONIKI ETARIA HARTOU & SIA, JV, Greece	50.00%	5
TERNA ENERGY A.B.E.T.E. & SIA AIOLIKI NAHOLIAS DERVENHORIZON, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAMANOULOPOLOS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI DERVENHORIZON, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI VELANDION LAKONIAS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI ARSI SAMPON, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI PELOPONNISOU, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI MALIA LAKONIAS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI FERRON EVROU, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRAMANOULOPOLOS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI ARSI SAMPON, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI PELOPONNISOU, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS LELLADOIS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI MARMAROU EVIAS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI PETRON EVIAS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENHORIZON, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI STIRON EVIAS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI NEAPOLEOS LAKONIAS, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI XROVODONIKOU, Greece	70.00%	5
TERNA ENERGY ABETE & SIA AIOLIKI PANORMATOS DERVENHORIZON, Greece	100.00%	5
TERNA ENERGY ABETE & SIA ENERGIKI KAFIROIS EVIAS, Greece	100.00%	5
JV TERNA ENERGY ABETE&Co, Greece	70.00%	5
JV TRAM POLITICAL ENGINEERING WORKS, Greece	36.00%	4
JV ENVAGELISMOU, PROJECT C, Greece	50.00%	4
JV TERNA ENERGY - TSAMPIR. DRAMAS HOSPITAL, Greece	40.00%	4
JV EPF. DRAMAS, Greece	24.00%	4
JV TERNA ENERGY - OLYMPIOS ATE, Greece	50.00%	4
JV K. MANIOTIS - TERNA - TERNA ENERGY, Greece	37.50%	4
JV EMBEDOS - PANTECHNIKI - TERNA ENERGY, Greece	50.10%	4
JV THEMELI - TERNA ENERGY - TERNA SA IMPREGLO SPA, Greece	40.00%	3
JV EKTER - TERNA - ATHONIKI, Greece	31.00%	2
JV KYL. ROUITIS - TERNA ENERGY ABETE, Greece	50.00%	3

4. There are prepayments of 1,507 thousand euro on the fixed assets of subsidiary BIOMEX ABETE

5. The amount of sales and purchases (goods and services) cumulative from the beginning of the financial year and the balances of receivables and liabilities of the company at the end of current period, arising from transactions with associated parties as these defined in IAS 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	9,366	7,436
b) Purchases of goods and services	639	661
c) Receivables	1,661	40,058
d) Liabilities	5,081	10,019
e) Transactions & remuneration of BOD and executives	0	0
f) Receivables from BOD members and executives	0	0
g) Liabilities to BOD members and executives	970	(50)

6. Number of employees at the end of the current period: Company 5321, Group 770 persons and at the end of the previous period, Company 476, Group 665

7. There are no pending litigations or cases under arbitration by courts or arbitration authorities that may have a significant impact on the financial statements.

8. Earnings per share were calculated based on the weighted average number of shares

9. Some items of 2006 are corrected. The corrections refer to:  
a) Re-estimation (reduction) of provision for the dismantlement of technical equipment of Wind Parks and construction of the surrounding area due to changes in assumptions, b) Re-estimation (reduction) of depreciation of wind parks and the respective grants due to change of their useful life, c) Correction of construction cost and non-invoiced income due to deviation were observed in the estimation of the cost budget of the projects and in some cases in the contractual amount, d) Provisions for additional current income tax resulted from income tax audit, e) Correction of the fair value of investment property belonging to a subsidiary, for the coming years, f) Record of interest for the construction period as expenses, g) Correction of errors in the deletion of intracompany transactions, h) Correction of discounted receivables error, i) Correction of deferred income receivable liability as a result of the aforementioned corrections. There was no effect of the aforementioned on the turnover, and on the earnings after tax and minority interest for the period 1.1.2006 - 31.03.2006. The cumulative reduction of equity as a result of the aforementioned corrections on 31.12.2006 amounted to 928 thousand euro. Note 5 of the summary interim financial statements of 31.3.2007, records the aforementioned corrections, as well as the restatements of the comparative items.

10. The date of approval for the aforementioned financial statements by the Board of Directors was the 25th of May 2007.

#### Proportional Consolidation Method (consolidated companies and JV in TERNA SA)

Percentage	U.T.Y.	Percentage	U.T.Y.		
50.00%	4	41	JV TERNA MOCHLOS ATE	70.00%	7
40.00%	1	42	JV TERNA VIOTER SA	50.00%	4
62.50%	3	43	JV TERNA MOCHLOS-AKTOR KATO ANGIO	50.00%	4
50.00%	2	44	JV TERNA THEMELODOMI	60.00%	4
98.00%	4	45	JV TERNA AKTOR-EMPEDEOS-JAP ABAX	24.00%	5
50.00%	6	46	JV TERNA-ATERMION ATE	50.00%	2
50.00%	4	47	JV TERNA-VERMION ATE-ANAPLASON	50.00%	3
22.25%	6	48	JV TERNA KARAGIANNIS	50.00%	3
83.50%	3	49	JV EUROPEAN TECHNICAL-HOMER-TERNA	50.00%	10
50.00%	4	50	JV TERNA THEMELODOMI	60.00%	4
75.00%	6	51	JV TERNA AKTOR-GOLLOANDRI MUSEUM	50.00%	5
62.50%	5	52	JV TERNA THEMELODOMI	60.00%	6
50.00%	4	53	JV TERNA TEMA SA	36.50%	5
50.00%	4	54	JV FRAGMATOS PRAMOTIRIS	33.33%	4
45.00%	5	55	JV TERNA-EDRASI-STROITRES	41.00%	5
33.00%	5	56	JV UNIVERSITY OF CRETE	25.00%	2
55.00%	5	57	JV PROJECT FOR COMPLETION OF WASTEWATER TRT	50.00%	4
24.00%	2	58	JV EKTER TERNA	50.00%	4
35.00%	4	59	TERNA SA & Co	99.00%	4
10.00%	4	60	JV AKTOR-TERNA SA	50.00%	4
20.00%	4	61	JV AKTOR-TERNA SA IASO BUILDING	50.00%	4
50.00%	4	62	JV ALPINE MAYREDER-TERNA-PANTECHNIKI	31.50%	1
20.00%	1	63	JV TERNA MOCHLOS-AKTOR KATO ANGIO	35.00%	1
50.00%	4	64	JV JAP ABAX-TERNA-PLATONIS TUNNEL	33.33%	1
50.00%	7	65	JV THEMELODOMI-TERNA-DIEKAT	25.00%	5
37.50%	3	66	JV MINISTRY OF TRANSPORTATION	33.00%	4
35.00%	3	67	JV AEGEE TERNA	44.78%	4
35.00%	2	68	JV TERNA-TERNA-TERNA ENERGY-TSAMPIRA	40.00%	4
50.00%	2	69	JV TERNA SA TERNA ENERGY ABETE	50.00%	4
65.00%	2	70	JV BIOTER SA TERNA SA	50.00%	4
30.00%	2	71	JV TERNA SA IONIOS SA	90.00%	4
37.50%	2	72	JV TERNA ENERGY-TERNA-MANOTIS	37.50%	4
25.00%	1	73	JV TERNA TERNA ENERGY-TSAMPIRA (EPL)	56.00%	4
13.30%	1	74	JV ATRINA-PANTECHNIKI-TERNA-JV PLATONIAS PRO	39.00%	3
33.33%	1	75	JV BIOTER SA TERNA SA	50.00%	4
48.00%	1	76	JV ENIKHONIA	33.33%	1
50.00%	1	77	JV TERNA-KARAGIANNIS-ILIOCHORA-ATTALOS	50.00%	1
50.00%	1				
50.00%	3				

Athens, 28.6.2007

BOB CHARMAN  
VICE CHAIRMAN OF BOD AND CEO

PANAGIOTIS G. POTHOS  
CHIEF ECONOMIC OFFICER

NIKOLAOS G. ATHANASIOU  
HEAD OF ACCOUNTING DEPARTMENT



# TERNA S.A.

TOURISM CONSTRUCTIONS AND MARINE SOCIETE ANONYME  
DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO JUNE 30 2007  
(According to P.D. 360/1985 and Decision No. 17/3362/21-4-2005 of the BoD of the Hellenic Capital Market Commission)

The following figures and information aim at providing general information for the financial position and results of the company and its Group. The reader who wishes to have a full view of the Company's financial position and financial results, should have access to the interim financial statements compiled according to the International Financial Reporting Standards, as well as the Certified Auditor/Accountant's Review Report. Furthermore, the reader may visit the Company's web-site at [www.terna.gr](http://www.terna.gr), where the relevant information is posted.

### DATA OF THE COMPANY

Address of the company's registered office  
SA Register Number:  
Appropriate Prefecture:  
Board of Directors Composition:

85 Mesogeion Avenue, 11526 Athens  
199806/B/86/10  
Athens Prefecture, Division of Societe Anonyme and Credit  
Chairman Nikolaos Kampas, Vice Chairman and CEO  
Georgios Peristeris, Executive Members:  
Dimitrios Antonakos, Konstantinos Vivaldellos,  
Emmanouil Vralias, Michael Gourzis, Aggelos  
Benopoulos, Panagiotis Pothos, Non Executive  
Members: Sofia Dimitrakopoulou, Katsimporis Dimitrios  
Markourios Moschovis.

Approval date of the Interim Financial Statements  
(which are the basis of the condensed financial data):  
Certified Auditor/Accountant:  
Auditing Firm:  
Type of Certified Auditor/Accountant Report:  
Web-site Address:

29 August 2007  
Georgios Laggas  
S.O.L. SA  
In accordance - matters of emphasis  
[www.terna.gr](http://www.terna.gr)

### BALANCE SHEET

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	30.6.2007	31.12.2006	30.6.2007	31.12.2006
<b>ASSETS</b>				
Fixed assets	221,417	204,827	62,077	56,294
Participations and other long-term financial assets	47,800	19,159	61,648	39,617
Investment Property	8,571	7,840	7,748	6,917
Inventories	16,345	12,905	7,689	4,280
Trade receivables	182,504	167,443	106,928	118,436
Cash and cash equivalents	56,039	74,517	19,178	24,020
Other Assets	70,024	87,344	52,723	49,101
<b>TOTAL ASSETS</b>	<b>662,780</b>	<b>574,035</b>	<b>317,991</b>	<b>298,635</b>
<b>LIABILITIES AND EQUITY</b>				
Long-term loans	101,872	84,355	46,500	26,500
Loans from finance leases	20,438	10,129	16,390	10,129
Other long-term liabilities	44,968	39,932	1,716	1,470
Short-term liabilities to banks	54,977	50,598	10,549	9,502
Other short-term liabilities and deferred income	185,711	196,915	117,980	118,572
<b>Total liabilities (a)</b>	<b>409,964</b>	<b>387,910</b>	<b>193,116</b>	<b>186,173</b>
Share capital	83,319	83,319	83,319	83,319
Other equity	115,884	113,739	17,567	79,143
Minority interest	23,633	19,467	0	0
<b>Total equity (b)</b>	<b>192,816</b>	<b>186,525</b>	<b>124,878</b>	<b>132,462</b>
<b>TOTAL LIABILITIES AND EQUITY (a) + (b)</b>	<b>662,780</b>	<b>574,035</b>	<b>317,991</b>	<b>298,635</b>

### INCOME STATEMENT

Amounts in thousand of euros

	CONSOLIDATED				COMPANY			
	01/01/07-30/06/07	01/01/06-30/06/06	01/04/07-30/06/07	01/04/06-30/06/06	01/01/07-30/06/07	01/01/06-30/06/06	01/04/07-30/06/07	01/04/06-30/06/06
Turnover	171,202	124,117	87,722	72,644	81,018	80,254	46,802	49,701
Cost of sales	(145,896)	(85,209)	(76,903)	(55,337)	(77,315)	(69,892)	(43,472)	(38,100)
Gross profit	25,306	38,908	11,819	17,307	3,703	19,572	1,330	13,601
Profit/(Loss) before tax, financial and investment results and depreciation	23,417	26,497	13,861	14,219	6,898	17,409	-1,085	10,294
Depreciation	8,178	5,936	4,339	(2,515)	3,350	2,597	1,877	1,181
Profit/(Loss) before tax, financial and investment results	15,239	20,561	9,522	11,704	3,368	14,812	(2,962)	9,113
Profit/(Loss) before tax	18,439	16,633	7,828	9,044	1,549	14,441	(3,972)	9,023
Taxes (Less)	(4,162)	(3,338)	(712)	(585)	635	(2,156)	(2,165)	(506)
Profit/(Loss) after tax	14,257	13,325	7,116	8,158	2,184	12,285	(1,807)	8,217
Attributable to:								
Shareholders of the company	11,907	12,292	6,478	7,809				
Minority interest	2,350	1,033	638	349				
	14,257	13,325	7,116	8,158				
Basic earnings/(losses) after tax per share (in euro) - basic	0.26	0.27	0.14	0.17	0.05	0.27	0.04	0.18

### FIGURES FROM THE CASH FLOW STATEMENT (Indirect method)

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	01/01/07-30/06/07	01/01/06-30/06/06	01/01/07-30/06/07	01/01/06-30/06/06
<b>Operating activities</b>				
Profit before tax	18,439	16,633	1,549	14,441
Plus/Less adjustments for:				
Depreciation	8,178	5,936	3,350	2,597
Provisions	(465)	(72)	(505)	(321)
(Profit)/Loss from the sale and valuation of participations	(9,114)	(3,008)	(8,430)	(2,998)
Results (income, expenses, profit and loss) from investing activity	(1,661)	(458)	(1,007)	(267)
Interest and other financial expenses	5,022	4,298	2,030	1,293
Amortization of grants	(821)	(646)	0	0
	19,578	22,683	(3,833)	14,745
Plus/Less adjustments for working capital account movements or movements related to operating activities:				
Decrease / (increase) in inventories	(3,440)	(6,503)	(3,409)	(4,764)
Decrease / (increase) in receivables	(20,847)	(33,623)	14,867	(33,011)
(Decrease) / increase in liabilities (other than to banks)	1,186	16,530	(11,717)	19,335
Taxes paid	(6,055)	(2,806)	(3,008)	0
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>(9,578)</b>	<b>(3,719)</b>	<b>(7,100)</b>	<b>(3,685)</b>
<b>Investing activities</b>				
Acquisitions of subsidiaries, associates and other investments	(16,883)	(35)	(13,894)	(1,601)
Sales of subsidiaries, associates and other investments	0	0	0	0
Purchase of tangible and intangible fixed assets	(10,600)	(30,916)	(8,833)	(2,389)
Sales of tangible and intangible fixed assets	0	173	0	71
Interest received	662	464	156	267
Dividends received	0	0	0	0
Investment property	124	0	124	0
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>(26,697)</b>	<b>(30,314)</b>	<b>(15,447)</b>	<b>(3,652)</b>
<b>Financing activities</b>				
Receipts from share capital increase	0	0	0	0
Net change in long-term loans	18,371	15,238	19,804	5,000
Net change in loans from finance leases	(3,537)	(3,011)	(1,389)	(807)
Net change in loans from short-term loans	4,379	11,618	998	5,990
Interest and related expenses paid	(4,875)	(5,067)	(1,695)	(1,276)
Cash flows from purchases and sales of other financial assets	3,818	2,547	0	(7)
Dividends paid	(359)	(359)	(43)	0
<b>Total inflows / (outflows) from financing activities (c)</b>	<b>17,100</b>	<b>21,325</b>	<b>17,786</b>	<b>3,900</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>(18,478)</b>	<b>(12,708)</b>	<b>(4,842)</b>	<b>(3,447)</b>
Cash and cash equivalents at the beginning of the period	74,517	49,067	24,020	12,818
<b>Cash and cash equivalents at the end of the period</b>	<b>56,039</b>	<b>36,359</b>	<b>19,178</b>	<b>9,371</b>

### STATEMENT OF CHANGES IN EQUITY

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	30.6.2007	30.6.2006	30.6.2007	30.6.2006
Opening balance (01.01.2007 and 01.01.2006 respectively)	186,525	174,675	132,462	133,572
Profit / (loss) for the period, after tax	14,257	13,325	2,184	12,285
Other	(7,966)	(10,235)	(9,770)	(9,791)
<b>Closing balance (30.06.2007 and 30.06.2006 respectively)</b>	<b>192,816</b>	<b>177,765</b>	<b>124,878</b>	<b>136,066</b>

### ADDITIONAL ELEMENTS AND INFORMATION

The companies and the joint ventures of the Group with their domiciles and participation percentages that are included in the consolidated financial statements are:

Full consolidation method	Percentage	U.T.Y.
1 TERNA ENERGY ABETE, Greece	63.19%	1
2 BIOMEK ABETE, Aliveni Eviass	68.50%	5
3 STROTIREAS AEBE, Greece	51.00%	4
4 TERNA OVERSEAS, Cyprus	100.00%	1
5 OF ENERGY, Bulgaria	100.00%	1
6 LITHOS S.A., Greece	51.00%	2
7 ILIOHORA S.A., Greece	100.00%	2
8 IWECO CHONOS LASITHOU KRITIS SA, Greece	100.00%	1
9 ENERGY SERVOUNIOU SA, Greece	100.00%	1
10 TERNA ENERGY EYVROU, Greece	100.00%	1
11 PPC RENEWABLE - TERNA ENERGY SA, Greece	51.00%	1
12 SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	100.00%	2
13 TERNA BAHRAIN HOLDING WLL	99.99%	1
14 TERNA QATAR LLC	35.00%	1

### PROPORTIONAL CONSOLIDATION METHOD (CONSOLIDATED COMPANIES) OF TERNA ENERGY ABETE.

Percentage	U.T.Y.	
1 G.P.	100.00%	5
2 TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	100.00%	5
3 TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRIANOUPOLEOS G.P.	100.00%	5
4 TERNA ENERGY ABETE & SIA ENERGIKI VERDENHORION G.P.	100.00%	5
5 TERNA ENERGY ABETE & SIA ENERGIKI KALAMAKI LAKONIAS G.P.	100.00%	5
6 TERNA ENERGY ABETE & SIA ENERGIKI DISTION EVIAS G.P.	100.00%	5
7 TERNA ENERGY ABETE & SIA AIOLIKI PAKSIA ATTIKOS G.P.	100.00%	5
8 TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	100.00%	5
9 TERNA ENERGY ABETE & SIA ENERGIKI FERRON EYVROU G.P.	100.00%	5
10 TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRIANOUPOLEOS G.P.	100.00%	5
11 TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	100.00%	5
12 TERNA ENERGY ABETE & SIA ENERGIKI ARI SAPPON G.P.	100.00%	5
13 TERNA ENERGY ABETE & SIA ENERGIKI PELOPONNISOU G.P.	100.00%	5
14 TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	100.00%	5
15 TERNA ENERGY ABETE & SIA AIOLIKI MARMAROU EVIAS G.P.	100.00%	5
16 TERNA ENERGY ABETE & SIA ENERGIKI PETRION EVIAS G.P.	100.00%	5
17 TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION G.P.	100.00%	5
18 TERNA ENERGY ABETE & SIA ENERGIKI STIRON EVIAS G.P.	100.00%	5
19 TERNA ENERGY ABETE & SIA AIOLIKI NEAPOLEOS LAKONIAS G.P.	100.00%	5
20 TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION G.P.	100.00%	5
21 TERNA ENERGY ABETE & SIA ENERGIKI KAFIREOS EVIAS G.P.	100.00%	5

### PROPORTIONAL CONSOLIDATION METHOD (JV) OF TERNA ENERGY ABETE: K/L

Percentage	U.T.Y.	
1 TERNA ENERGY - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYBAR G.P.	50.00%	5
2 TERNA ENERGY SA & SIA ENERGIKI XIROVOUNIOU G.P.	70.00%	5
3 TERNA ENERGY ABETE & Co	70.00%	5
4 J.V. TRAM POLITICAL ENGINEERING WORKS	36.00%	4
5 J.V. ENVAGELISMOU, PROJECT C	50.00%	4
6 J.V. TERNA ENERGY - TSMPR, DRAMAS HOSPITAL	40.00%	4
7 J.V. EPL DRAMAS	24.00%	4
8 J.V. TERNA ENERGY - OLYMPIOS ATE	50.00%	4
9 J.V. K. MANIOTIS - TERNA - TERNA ENERGY	37.50%	4
10 J.V. EMBECCOS - PANTECHNIKI - TERNA ENERGY	50.10%	4
11 J.V. THEMELI-TERNA ENERGY ABETE- J.V. TERNA SA	40.00%	3
12 J.V. EKTER - TERNA - ATHONIKI	31.00%	2
13 J.V. KL. ROUTISIS - TERNA ENERGY ABETE	50.00%	3

1. The matters of emphasis mentioned in the type of audit report, with accordance of the Certified Auditor and without reservation as to the results of the audit, concern the following:  
a) The fact that the tax liabilities of the group companies have not been finalized for some periods, which have not yet been audited by the tax authorities as mentioned in detail in paragraph 5 of the notes on the financial statements.  
b) The fact that there is a delay from previous periods in the collection of the amount of 23,000 thousand euro from the proportion of a joint venture concerns an over-contractual item, which is estimated to finally be collected in total following the completion of the audit procedure and approval of the accounts and protocols for changes in the contracting price.  
2. The company TERNA SA has been audited by the tax authorities up to the year 2005 included.  
3. The Basic Accounting Principles of the Balance Sheet as of 31.12.2006 have been followed.  
4. There are prenotations of 1,507 thousand euro on the fixed assets of a subsidiary, and shares of an associate company have been collateralized with amount of 2,660 thousand euro for security against bank loans.  
5. There are no pending litigations or cases under arbitration by courts or arbitration authorities that may have a significant impact on the Company's financial position.  
6. Number of employees at the end of the current period: Company 566, Group 794 persons and at the end of the previous period, Company 391, Group 699.  
7. Earnings per share were calculated based on the weighted average number of shares.  
8. Some accounts of the previous period of 2006 have been corrected. The corrections concern:  
a) Recalculation (reduction) of provision for dismantlement of technical equipment of wind parks and environmental rehabilitation due to change of estimation. b) Recalculation (reduction) of depreciations of wind parks and corresponding grants due to change in the estimation of their useful economic life. c) Correction of construction cost and non-invested income due to deviations in the budgeted cost of the projects and in some cases the contractual price. d) Creation of provisions for additional income tax based on the information that emerged from the tax audit. e) Correction of the fair value of investment property of a subsidiary in previous periods. f) Expense registration of interest of the construction period. g) Correction of errors in detentions of intra-company transactions. h) Correction of error in discounting of receivables. i) Correction of deferred tax asset/liability as a result of the above corrections.  
There was a positive effect of the above, on turnover and profit after taxes and minority interest of the period 1/1/2006 - 30/6/2006 amounting to 628 thousand €. For 1,204 thousand €, respectively. The cumulative reduction of equity following the above amounts to 964 thousand €. In Note no 4 of the brief interim financial statements of 30.6.2007, the above corrections are presented, as well as the reclassifications as well as the reclassifications of comparative accounts.

### METHOD OF PROPORTIONAL CONSOLIDATION (CONSOLIDATED COMPANIES AND JV IN TERNA SA

Percentage	U.T.Y.	Percentage	U.T.Y.		
1 HERON TERMOELEKTRIKI SA	50.00%	4	41 J.V. TERNA ENERGY SA - TERNA SA- MANIOTIS	37.50%	4
2 GBC S.A. - TERNA SA	40.00%	1	42 J.V. TERNA-TERNA ENERGY-TSMRAS (EPL)	50.00%	4
3 J.V. MAIN ARROGATION CANAL D 1	75.00%	6	43 J.V. ATHINA-PANTECHNIKI-TERNA-J.V. PLATAMONA	39.20%	3
4 J.V. TRAM CIVIL ENGINEERING PROJECTS (IMPREGILIO)	55.00%	5	44 J.V. BIOTER SA-TERNA SA	50.00%	4
5 J.V. IRAKLION CAMPUS	50.00%	2	45 J.V. TERNA-MOCHLOS ATE	70.00%	7
6 J.V. ANCIENT OLYMPIA BY-PASS	50.00%	4	46 J.V. TERNA-VIOTER SA	50.00%	4
7 J.V. AKTOR, AGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%	1	47 J.V. TERNA-ERGODIM-KTISTOR ATE	50.00%	4
8 J.V. TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%	4	48 J.V. EDRAHS-PSALLIDAS-TERNA-ERADCO	51.00%	4
9 J.V. DEPA PROJECT	10.00%	1	49 J.V. TERNA-AKTOR-EMPEDOS-J&P ABAX-J&P ABA	24.00%	5
10 J.V. UNDERGROUND CARIS THESSALONIKI	50.00%	4	50 J.V. TERNA-ATERMION ATEE	50.00%	2
11 J.V. ARTA-FILIPPADA BY-PASS	98.00%	4	51 J.V. TERNA-VERMION ATE-ANAPLASEON	50.00%	3
12 J.V. ATHENS CONCERT HALL	45.00%	5	52 J.V. TERNA-KARAGIANNIS	50.00%	3
13 J.V. ATHENS CAR PARKS	20.00%	1	53 J.V. EUROPEAN TECHNICAL-HOMER-TERNA	50.00%	10
14 J.V. PERISTERI METRO	50.00%	4	54 J.V. TERNA-THEMELIODOIMI	60.00%	4
15 J.V. TERNA SA - ATHINA ATE ARAHTHOS PERIST. PROJECTS	62.50%	1	55 J.V. AKTOR GOULANDRIS MUSEUM	50.00%	6
16 J.V. TERNA SA - KARAGIANNIS TEFAKA KOMOTINI PROJECT	24.00%	2	56 J.V. TERNA-THEMELIODOIMI	60.00%	6
17 J.V. THALES ATM SA-TERNA UPGRADE OF TACAN STATIONS	22.25%	6	57 J.V. TERNA-TEMA SA	36.50%	5
18 J.V. ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE JOINT VENTURE AVAX-VIOTER (OLYMPIC VILLAGE 19 CONSTRUCTION)	37.50%	3	58 J.V. FRAGMATOS PRAMORITSA	33.33%	4
20 J.V. TERNA S.A. PANTECHNIKI S.A.	83.50%	3	59 J.V. TERNA-EDRAHS-STROTIREAS	41.00%	5
21 J.V. TERNA S.A. AKTOR A.T.E. J&P AVAX	33.00%	5	60 J.V. UNIVERSITY OF CRETE-RETHYMON	25.00%	2
22 J.V. TERNA SA - J&P AVAX - PANTECHNIKI-HORSE RIDING CENTR	35.00%	2	61 J.V. PROJECT FOR COMPLETION OF WASTEWATER	50.00%	4
23 J.V. TERNA SA - ATHINA ATE	62.50%	3	62 J.V. EKTER-TERNA (THETIKON)	50.00%	4
24 J.V. TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION	50.00%	6	63 TERNA SA & Co	99.00%	4
25 J.V. SALONIKA PARK	50.00%	2	64 J.V. AKTOR-TERNA SA	50.00%	4
26 J.V. SIEMENS-AKTOR ATE-TERNA SA	37.50%	2	65 J.V. AKTOR-TERNA SA ISO BUILDING	50.00%	4
27 J.V. TERNA-MICHANIKI AGRINIO BY-PASS	65.00%	2	66 TERNA SA - PANTECHNIKI S.A. (OKA)	50.00%	3
28 TERNA SA BIOTER SA NAT BUILDING	50.00%	7	67 J.V. ALPINE MAYERDER BAU GmbH-TERNA SA-PAN	31.50%	1
29 J.V. TERNA SA - THALES S.A	50.00%	4	68 J.V. TERNA-MOCHLOS-AKTOR KATTO-AIGIO	35.00%	1
30 J.V. TOMI ABETE-ILIOHORA SA	30.00%	2	69 J.V. J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33.33%	1
31 J.V. AVAX-BIOTER-ILIOHORA SA	37.50%	2	70 J.V. AKTOR-TERNA-J&P AVAX KALLIDROMO TUNNE	33.33%	1
32 J.V. AKTOR-DIOMTECHNIKI-THEMELIODOIMI-TERNA-ETETH	25.00%	1	71 J.V. THEMELIODOIMI-TERNA-DIEKAT-KTIRIODOIMI S	25.00%	5
33 J.V. BUILDING					



# TERNA S.A.

TOURISM CONSTRUCTIONS AND MARINE SOCIETE ANONYME  
DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO SEPTEMBER 30 2007  
(According to Decision No. 2/396/31.08.06 of the BoD of the Hellenic Capital Market Commission)

The following figures and information aim at providing general information for the financial position and results of the Company and the Group. The reader who wishes to have a full view of the Company's financial position and financial results, should have access to the interim financial statements compiled according to the International Financial Reporting Standards, as well as the Certified Auditor Accountant's Review Report. Furthermore, the reader may visit the Company's web-site at [www.terna.gr](http://www.terna.gr), where the relevant information is posted.

## DATA OF THE COMPANY

Address of the company's registered office  
SA Register Number:  
Appropriate Prefecture:  
Board of Directors Composition:

Approved by the Interim Financial Statements  
(which are the basis of the condensed financial data):  
Certified Auditor Accountant:  
Auditing Firm:  
Web-site Address:

## BALANCE SHEET

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	30.9.2007	31.12.2006	30.9.2007	31.12.2006
<b>ASSETS</b>				
Fixed assets	254,422	204,827	66,176	56,264
Participations and other long-term financial assets	59,028	19,159	64,500	39,617
Investment Property	8,671	7,840	7,748	6,917
Other short-term liabilities and deferred income	13,570	12,905	4,416	4,280
Trade receivables	181,908	167,443	103,157	118,346
Cash and cash equivalents	75,532	74,517	26,690	24,020
Other Assets	78,751	87,344	64,173	49,101
<b>TOTAL ASSETS</b>	<b>671,892</b>	<b>574,035</b>	<b>336,410</b>	<b>298,635</b>
<b>LIABILITIES AND EQUITY</b>				
Long-term loans	114,598	84,355	46,500	26,500
Loans from finance leases	22,120	15,710	19,034	10,129
Other long-term liabilities	52,943	39,932	2,129	1,470
Short-term liabilities to banks	106,551	50,598	40,656	9,502
Other short-term liabilities and deferred income	184,342	196,915	106,922	118,572
<b>Total liabilities (a)</b>	<b>479,554</b>	<b>387,510</b>	<b>214,241</b>	<b>156,173</b>
Share capital	63,319	63,319	63,319	63,319
Other equity	116,606	113,739	68,850	79,143
Minority interest	22,313	19,467	0	0
<b>Total equity (b)</b>	<b>192,238</b>	<b>186,525</b>	<b>122,169</b>	<b>132,462</b>
<b>TOTAL LIABILITIES AND EQUITY (a + b)</b>	<b>671,892</b>	<b>574,035</b>	<b>336,410</b>	<b>298,635</b>

## INCOME STATEMENT

Amounts in thousand of euros

	CONSOLIDATED						COMPANY	
	01/01/07-30/09/07	01/01/06-30/09/06	01/07/07-30/09/07	01/07/06-30/09/06	01/01/07-30/09/07	01/01/06-30/09/06	01/07/07-30/09/07	01/07/06-30/09/06
Turnover	266,693	206,688	95,491	82,571	129,348	129,875	48,330	49,621
Cost of sales	-227,000	-181,234	-80,204	-66,025	-122,952	-102,598	-45,637	-41,916
Gross profit	39,693	25,454	15,287	16,546	6,396	27,277	2,693	7,705
Profit/(Loss) before tax, financial and investment results and depreciation	32,734	39,100	10,531	12,603	7,032	20,873	134	2,792
Depreciation	-11,785	-8,731	-5,807	-2,795	-5,639	-3,883	-2,109	-1,286
Profit/(Loss) before tax, financial and investment results	20,949	30,369	5,724	9,808	1,393	16,990	-1,975	1,506
Profit/(Loss) before tax	23,180	24,134	4,741	7,501	-1,725	14,829	-3,274	388
Less (Tax)	-5,977	-5,574	-1,795	-2,036	1,774	-2,150	1,139	6
<b>Profit/(Loss) after tax</b>	<b>17,203</b>	<b>18,560</b>	<b>2,946</b>	<b>5,465</b>	<b>49</b>	<b>12,679</b>	<b>-2,135</b>	<b>394</b>
Attributable to:								
Shareholders of the company	13,544	16,606	1,637	4,314	1,062	0	0	0
Minority interest	3,659	2,214	1,309	1,181	-1,013	12,679	-2,135	394
	<b>17,203</b>	<b>18,560</b>	<b>2,946</b>	<b>5,465</b>	<b>49</b>	<b>12,679</b>	<b>-2,135</b>	<b>394</b>
<b>Basic earnings/(losses) after tax per share (in euro) - basic</b>	<b>0.29</b>	<b>0.36</b>	<b>0.04</b>	<b>0.09</b>	<b>0.01</b>	<b>0.28</b>	<b>-0.35</b>	<b>0.01</b>

## FIGURES FROM THE CASH FLOW STATEMENT (indirect method)

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	01/01/07-30/09/07	01/01/06-30/09/06	01/01/07-30/09/07	01/01/06-30/09/06
<b>Operating activities</b>				
Profit before tax	23,180	24,134	-1,725	14,829
Depreciation	12,985	9,407	5,640	3,883
Provisions	-933	-66	920	-357
(Profit)/Loss from the sale and valuation of participations	-11,274	-596	-10,766	-2,241
Results (income, expenses, profit and loss) from investing activity	-2,843	-695	-1,768	-305
Interest and other financial expenses	-7,788	6,900	3,773	2,498
Amortization of grants	-1,200	-676	0	0
	27,703	38,408	-5,766	18,307
<b>Plus/less adjustments for working capital movements or movements related to operating activities:</b>				
Decrease / (increase) in inventories	-665	-2,562	-136	-4,882
Decrease / (increase) in receivables	-33,432	-60,330	-6,652	-49,334
(Decrease) / (increase) in liabilities (other than to banks)	7,626	27,332	-8,534	34,176
Taxes paid	-8,549	-1,558	-3,768	0
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>-7,317</b>	<b>1,290</b>	<b>-24,856</b>	<b>-1,733</b>
<b>Investing activities</b>				
Acquisitions of subsidiaries, associates and other investments	-25,162	-2,213	-3,996	-2,188
Sales of subsidiaries, associates and other investments				
Purchase of tangible and intangible fixed assets	-45,150	-36,413	-5,748	-3,736
Sale of tangible and intangible fixed assets	1,523	97	1,062	0
Interest received	1,038	596	315	305
Dividends received				
Investment property	124	-3,693	124	0
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>-47,627</b>	<b>-41,626</b>	<b>-8,243</b>	<b>-5,619</b>
<b>Financing activities</b>				
Receipts from share capital increase				
Net change in long-term loans	36,709	42,099	20,007	14,000
Net change in loans from finance leases	-5,303	-5,182	-2,077	-1,342
Net change in loans from short-term loans	55,953	2,501	30,926	3,984
Interest and related expenses paid	-6,640	-5,475	-2,932	-2,498
Cash flows from purchases and sales of other financial assets	5,680	1,225	-61	-1,000
Dividends paid	-10,440	-8,278	-10,094	-10,123
<b>Total inflows / (outflows) from financing activities (c)</b>	<b>74,549</b>	<b>25,969</b>	<b>26,799</b>	<b>3,921</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>1,015</b>	<b>-14,944</b>	<b>2,670</b>	<b>-4,331</b>
Cash and cash equivalents at the beginning of the period	74,517	49,131	24,020	12,818
<b>Cash and cash equivalents at the end of the period</b>	<b>75,532</b>	<b>34,187</b>	<b>26,690</b>	<b>8,487</b>

## STATEMENT OF CHANGES IN EQUITY

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006
Opening balance (01.01.2007 and 01.01.2006 respectively)	195,525	174,675	132,462	133,572
Profit / (loss) for the period, after tax	17,203	18,820	49	12,679
Other	-11,490	-10,224	-10,342	-9,785
<b>Closing balance (30.09.2007 and 30.09.2006 respectively)</b>	<b>192,238</b>	<b>183,271</b>	<b>122,169</b>	<b>136,466</b>

## ADDITIONAL ELEMENTS AND INFORMATION

The companies and the joint ventures of the Group with their domiciles and participation percentages that are included in the consolidated financial statements are:

Full consolidation method	Percentage	U.T.Y.
1 TERNA ENERGY ABETE, Greece	63.19%	2
2 BIOMEK ABETE, Alveri Evloas	66.50%	6
3 STROTIRIS AEBE, Greece	51.00%	5
4 TERNA OVERSEAS, Cyprus	100.00%	1
5 OF ENERGY, Bulgaria	100.00%	1
6 LITHOS S.A.	100.00%	2
7 ILIOHORA SA, Greece	100.00%	3
8 IWECO CHONOS LASITHOU KRITIS SA, Greece	100.00%	2
9 ENERGY SERVOUNIOU SA, Greece	100.00%	2
10 TERNA ENERGY EVROU, Greece	100.00%	2
11 PPC RENEWABLE - TERNA ENERGY SA, Greece	51.00%	2
12 SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	100.00%	2
13 TERNA BAHRAIN HOLDING WLL	99.99%	1
14 TERNA QATAR LLC	35.00%	1
15 PPC TERNA CONTRACTING CO. W.L.L.	80.00%	1

## PROPORTIONAL CONSOLIDATION METHOD (CONSOLIDATED COMPANIES) OF TERNA ENERGY ABETE.

Percentage	U.T.Y.	
1 G.P.	100.00%	1
2 TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	100.00%	1
3 TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRIAIONOUPOLEOS G.P.	100.00%	1
4 TERNA ENERGY ABETE & SIA ENERGIKI DERVENOHORION G.P.	100.00%	1
5 TERNA ENERGY ABETE & SIA ENERGIKI VELANDION LAKONIAS G.P.	100.00%	1
6 TERNA ENERGY ABETE & SIA ENERGIKI DISTON EVIAS G.P.	100.00%	1
7 TERNA ENERGY ABETE & SIA AIOLIKI PASTIRA ATTIKIS G.P.	100.00%	1
8 TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	100.00%	1
9 TERNA ENERGY ABETE & SIA ENERGIKI FERRON EVROU G.P.	100.00%	1
10 TERNA ENERGY ABETE & SIA AIOLIKI DERVENI TRIAIONOUPOLEOS G.P.	100.00%	1
11 TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	100.00%	1
12 TERNA ENERGY ABETE & SIA ENERGIKI ARI SAPPON G.P.	100.00%	1
13 TERNA ENERGY ABETE & SIA ENERGIKI PELOPONNISOU G.P.	100.00%	1
14 TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	100.00%	1
15 TERNA ENERGY ABETE & SIA AIOLIKI MARMARIOU EVIAS G.P.	100.00%	1
16 TERNA ENERGY ABETE & SIA ENERGIKI PETRIION EVIAS G.P.	100.00%	1
17 TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORION G.P.	100.00%	1
18 TERNA ENERGY ABETE & SIA ENERGIKI STIRON EVIAS G.P.	100.00%	1
19 TERNA ENERGY ABETE & SIA ENERGIKI NEAPOLEOS LAKONIAS G.P.	100.00%	1
20 TERNA ENERGY ABETE & SIA AIOLIKI PANORAMATOS DERVENOHORION G.P.	100.00%	1
21 TERNA ENERGY ABETE & SIA ENERGIKI KAFIROES EVIAS G.P.	100.00%	1

## PROPORTIONAL CONSOLIDATION METHOD (CONSOLIDATED J.V.I. OF TERNA ENERGY ABETE - K.G.)

Percentage	U.T.Y.	
1 TERNA ENERGY - M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYBAR G.P.	50.00%	1
2 TERNA ENERGY SA & SIA ENERGIKI XIROVOUNIOU G.P.	70.00%	1
3 TERNA ENERGY ABETE & CO	70.00%	5
4 J.V. TRAM POLITICAL ENGINEERING WORKS	36.00%	1
5 J.V. ENAVAGELISMOU, PROJECT C	50.00%	4
6 J.V. TERNA ENERGY - TSMPMP, DRAMAS HOSPITAL	40.00%	4
7 J.V. EPL, DRAMAS	24.00%	4
8 J.V. TERNA ENERGY - OLYMPIOS ATE	50.00%	1
9 J.V. K. MANIOTIS - TERNA - TERNA ENERGY	37.50%	4
10 J.V. EMBEDOS - PANTECHNIKI - TERNA ENERGY	50.19%	1
11 J.V. THEMELI-TERNA ENERGY ABETE J.V. TERNA SA	40.00%	1
12 J.V. EKSTER - TERNA - ATHONIKI	31.00%	1
13 J.V. K.L. ROUTSIS - TERNA ENERGY ABETE	50.00%	1

- The company TERNA SA has been audited by the tax authorities up to the year 2005 included.
- The Basic Accounting Principles of the Balance Sheet as of 31.12.2006 have been followed.
- There are prenotations of 1,507 thous euro on the fixed assets of a subsidiary, and shares of an associate company have been collateralized amounting to 2,650 thous euro for security against bank loans.
- There are no pending litigations or cases under arbitration by courts or arbitration authorities that may have a significant impact on the Company's financial position.
- Number of employees at the end of the current period, Company 607, Group 868 persons and at the end of the previous period, Company 391, Group 608 excluding joint ventures.
- Earnings per share were calculated based on the weighted average number of shares.
- Some accounts of the previous period of 2006 have been corrected. The corrections concern:  
a) Recalculation (reduction) of provision for dismantlement of technical equipment of wind parks and environmental rehabilitation due to change of estimation. b) Recalculation (reduction) of depreciations of wind parks and corresponding grants due to change in the estimation of their useful economic life. c) Correction of construction cost and non-income tax income due to deviations in the budgeted cost of the projects and in some cases the contractual price. d) Creation of provisions for additional income tax based on the information that emerged from the tax audit. e) Correction of the fair value of investment property of a subsidiary in previous periods. f) Expense registration of interest of the construction period. g) Correction of errors in deletions of intra-company transactions. h) Correction of error in discounting of receivables. i) Correction of deferred tax asset liability as a result of the above correction.
- There was a positive effect of the above, on turnover and profit after taxes and minority interest for the period 1.1.2006 - 30.09.2006 amounting to 3,481 thous euro and 1,980 thous euro respectively. The cumulative reduction of equity, as a result of the aforementioned corrections, on 31.12.2006 amounts to 984 thous euro.
- In Note No 4 of the brief interim financial statements of 30.9.2007, the above corrections are presented, as well as the reclassifications of comparative accounts.

## METHOD OF PROPORTIONAL CONSOLIDATION (CONSOLIDATED COMPANIES AND J.V.I. IN TERNA SA)

Percentage	U.T.Y.	Percentage	U.T.Y.		
1 HERON THERMOELEKTRIKI SA	50.00%	4	41 J.V. TERNA ENERGY SA - TERNA SA - MANIOTIS	37.50%	4
2 OBC S.A. - TERNA SA	40.00%	1	42 J.V. TERNA-TERNA ENERGY-TSMPPRAS (EPL)	56.00%	4
3 J.V. MAIN ARRODATION CANAL D 1	75.00%	6	43 J.V. ATHINA-PANTECHNIKI-TERNA-J.V. PLATAMONA	39.20%	3
4 J.V. TRAM CIVIL ENGINEERING PROJECTS (IMPREGILO)	55.00%	1	44 J.V. BIOTER SA-TERNA SA	50.00%	4
5 J.V. IRAKLION CAMPUS	50.00%	2	45 J.V. TERNA-MOCHLOS ATE	70.00%	7
6 J.V. ANCIENT OLYMPIA BY-PASS	50.00%	4	46 J.V. TERNA-VIOTER SA	50.00%	4
7 J.V. AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL SPATA	20.00%	1	47 J.V. TERNA-EDRASI-KTISTORIS ATE	50.00%	4
8 J.V. TERNA SA - AKTOR SA - GOULANDRIS MUSEUM	50.00%	4	48 J.V. EDRAISI-PALIDIAS-TERNA-EDRACO	51.00%	4
9 J.V. DEPA PROJECT	10.00%	4	49 J.V. TERNA-AKTOR-EMPEDEOS-JBP ABAX-JBP ABAI	24.00%	5
10 J.V. UNDERGROUND CARS THESSALONIKI	50.00%	2	50 J.V. TERNA-ATERMON ATEE	50.00%	2
11 J.V. ARTA-FILIPPIADA BY-PASS	98.00%	4	51 J.V. TERNA-VERMON ATE-ANAPLASEON	50.00%	3
12 J.V. ATHENS CONCERT HALL	45.00%	5	52 J.V. AKTOR-TERNA SA IASO BUILDING	50.00%	3
13 J.V. ATHENS CAR PARKS	20.00%	3	53 J.V. EUROPEAN TECHNICAL-HOMER-TERNA	50.00%	4
14 J.V. PERISTERI METRO	50.00%	4	54 J.V. TERNA-THEMELIODOMI	60.00%	4
15 J.V. TERNA SA - ATHINA ATE ARAHTHOS PERIST. PROJECTS	62.50%	1	55 J.V. TERNA-AKTOR GOULANDRIS MUSEUM	50.00%	6
16 J.V. TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	24.00%	2	56 J.V. TERNA-THEMELIODOMI	60.00%	6
17 J.V. THALES ATEN SA-TERNA UPGRADE OF FACAN STATIONS	22.25%	6	57 J.V. TERNA-TEMA SA	36.50%	5
18 J.V. ETETH-TERNA-AVAX PANTECHNIKI HORSE RIDING CENTRE JOINT VENTURE AVAX-VIOTER OLYMPIA VILLAGE	35.00%	3	58 J.V. FRAGMATOS PRAMORITSA	33.33%	4
19 J.V. CONSTRUCTION	37.50%	3	59 J.V. TERNA-EDRASI-STROTIRIS	41.00%	5
20 J.V. TERNA S.A. PANTECHNIKI S.A.	83.50%	3	60 J.V. UNIVERSITY OF CRETE-RETHYMON	25.00%	2
21 J.V. TERNA SA - AKTOR A.T.E. JBP AVAX	33.00%	5	61 J.V. PROJECT FOR COMPLETION OF WASTEWATER	50.00%	4
22 J.V. TERNA SA - JBP AVAX - PANTECHNIKI HORSE RIDING CENTR	35.00%	2	62 J.V. EKSTER-TERNA (THETRON)	50.00%	4
23 J.V. TERNA SA - ATHINA ATE	62.50%	3	63 TERNA SA & Co	99.00%	4
24 J.V. TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION	50.00%	6	64 J.V. AKTOR-TERNA SA	50.00%	4
25 J.V. SALONIKA PARK	50.00%	2	65 J.V. AKTOR-TERNA SA IASO BUILDING	50.00%	4
26 J.V. SIEMENS-AKTOR ATE-TERNA SA	37.50%	2	66 TERNA SA - PANTECHNIKI S.A. (OAKA)	50.00%	3
27 J.V. TERNA-MICHANIKI AGRINIO BY-PASS	65.00%	2	67 J.V. ALPINE MAYREDRER BAU GmbH-TERNA SA-PAN	31.50%	1
28 TERNA SA BIOTER SA NAT BUILDING	50.00%	7	68 J.V. TERNA-MOCHLOS-AKTOR KIATO-ANGIO	33.00%	1
29 J.V. TERNA SA - THALES ATEN SA	50.00%	4	69 J.V. JBP AVAX-TERNA-AKTOR PLATONAS TUNNEL	33.33%	3
30 J.V. TOMI ABETE-ILIOHORA SA	30.00%	2	70 J.V. AKTOR-TERNA-JBP AVAX KALLIDROMO TUNNE	33.33%	1
31 J.V. AVAX-BIOTER-ILIOHORA SA	37.50%	2	71 J.V. THEMELIODOMI-TERNA-DIEKAT-KTIRIOMI S	25.00%	5
32 J.V. AKTOR-DOMOTECHEMIKI-THEMELIODOMI-TERNA-ETETH	25.00%	1	72 J.V. MINISTRY OF TRANSPORTATION	33.00%	4
33 J.V. BUILDING CONSTRUCTION OSE ILIOHORA SA	13.33%	1	73 J.V. AEGEK TERNA	44.77%	4
34 J.V. CONSTRUCTION OF PROJECT PARADEISIA-SAKONA	49.00%	1	74 JBP AVAX SA-TERNA SA-EYKLEIDIS	35.00%	4
35 J.V. UNDERGROUND CHAIDARI-PART A	50.00%	1	75 ALTE ATE - TER		



# TERNA S.A.

TOURIST TECHNICAL AND MARITIME SOCIETE ANONYME

DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO DECEMBER 31 2007

(Published in accordance with L.2190, article 135 for companies compiling annual financial statements, consolidated and solo, according to I.A.S.)

The following figures and information aim at providing general information for the financial position and results of the company and its Group. The reader who wishes to have a full view of the Company's financial position and financial results, should have access to the annual financial statements compiled according to the International Financial Reporting Standards, as well as the Certified Auditor's Accountant's Review Report. Furthermore, the reader may visit the Company's web-site at www.terna.gr where the relevant information is posted.

### DATA OF THE COMPANY

Address of the company's registered office  
SA Register Number:  
Appropriate Prefecture:  
Board of Directors Composition:

Approval date of the Annual Financial Statements  
(which are the basis of the condensed financial data):  
Certified Auditor Accountant:  
Auditing Firm:  
Type of audit:  
Web-site Address:

26 May 2008  
Georgios Laggas  
S.O.I. SA  
Approved Member of emphasis  
www.terna.gr

### BALANCE SHEET

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
<b>ASSETS</b>				
Fixed assets	263,983	204,627	67,778	56,264
Participations and other long-term financial assets	81,951	23,009	66,470	39,617
Investment Property	8,671	7,840	7,748	6,917
Inventories	14,450	12,905	4,820	4,280
Trade receivables	198,743	167,443	109,807	118,436
Cash and cash equivalents	383,210	74,517	32,115	24,020
Other Assets	107,864	87,344	80,573	49,100
<b>TOTAL ASSETS</b>	<b>1,058,972</b>	<b>677,885</b>	<b>368,711</b>	<b>298,634</b>
<b>LIABILITIES AND EQUITY</b>				
Long term loans	103,442	84,355	36,500	26,500
Loans from finance leases	19,684	15,710	17,889	10,129
Other long-term liabilities	56,849	43,782	3,783	1,470
Short-term liabilities to banks	108,395	50,598	23,486	9,502
Other short-term liabilities and deferred income	279,122	196,915	159,847	118,571
<b>Total liabilities (a)</b>	<b>687,392</b>	<b>391,360</b>	<b>241,305</b>	<b>166,172</b>
Share capital	53,319	53,319	53,319	53,319
Other equity	262,000	113,739	74,887	78,143
Minority interest	188,559	19,467	0	0
<b>Total equity (b)</b>	<b>491,880</b>	<b>186,525</b>	<b>128,206</b>	<b>132,462</b>
<b>TOTAL LIABILITIES AND EQUITY (a) + (b)</b>	<b>1,058,972</b>	<b>677,885</b>	<b>368,711</b>	<b>298,634</b>

### INCOME STATEMENT

Amounts in thousand of euros

	CONSOLIDATED		COMPANY		01/01/06-31/12/06
	01/01/07-31/12/07	01/01/06-31/12/06	01/01/07-31/12/07	01/01/06-31/12/06	
Turnover	416,450	313,163			186,273
Cost of sales	-359,232	-264,656			-160,865
Gross profit	58,218	48,507			25,388
Profit/(Loss) before tax, financial and investment results and depreciation	51,252	52,660			19,688
Depreciation	16,448	14,016			5,450
Profit/(Loss) before tax, financial and investment results	34,804	38,644			16,304
Profit/(Loss) before tax	32,981	36,823			12,361
Less (Tax)	-6,117	-9,735			-5,623
<b>Profit/(Loss) after tax</b>	<b>26,864</b>	<b>26,088</b>			<b>7,733</b>
Attributable to:					
Shareholders of the company	18,978	17,865			
Minority interest	7,886	3,221			
	26,864	21,086			
<b>Basic earnings/(losses) after tax per share (in euro) - basic</b>	<b>0.41</b>	<b>0.39</b>	<b>0.14</b>	<b>0.17</b>	
<b>Suggested dividend per share-basic (in €)</b>			<b>0.15</b>	<b>0.22</b>	

### FIGURES FROM THE CASH FLOW STATEMENT (indirect method)

Amounts in thousand of euros

	CONSOLIDATED		COMPANY		01/01/06-31/12/06
	01/01/07-31/12/07	01/01/06-31/12/06	01/01/07-31/12/07	01/01/06-31/12/06	
Operating activities					
Profit before tax	32,981	30,625	4,095	13,361	
Plus/less adjustments for:					
Depreciation	18,136	15,310	7,937	5,450	
Provisions	216	-7,302	2,156	-225	
(Profit)/Loss from the sale and valuation of participations	-11,921	-463	-1,234	-3,864	
Results (income, expense, profit and loss) from investing activity	-4,450	-7,963	995	-1,198	
Interest and other financial expenses	-14,227	-10,483	-6,629	-3,715	
Amortization of grants	-1,688	-1,294	0	0	
	47,601	39,593	1,528	17,239	
Plus/less adjustments for working capital account movements or movements related to operating activities:					
Decrease / (increase) in inventories	-1,545	-2,134	-540	44	
Decrease / (increase) in receivables	-57,650	-11,128	-35,942	-20,140	
(Decrease) / increase in liabilities (other than to banks)	73,137	65,141	49,939	34,184	
(Less):					
Taxes paid	-12,405	-8,089	-5,008	-4,731	
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>49,138</b>	<b>63,383</b>	<b>8,977</b>	<b>28,596</b>	
Investing activities					
Acquisitions of subsidiaries, associates and other investments	-28,663	41	-8,822	-8,675	
Purchases of tangible and intangible fixed assets	-68,670	-49,615	-7,821	-4,154	
Sales of tangible and intangible fixed assets	1,630	1,514	8,333	1,371	
Interest received	2,179	648	893	400	
Investment property	134	-1,626	124	1,472	
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>-63,400</b>	<b>-50,241</b>	<b>-7,293</b>	<b>-8,566</b>	
Financing activities					
Receipts from share capital increase	289,868	0	0	0	
Net change in long-term loans	-29,795	28,051	15,455	30,000	
Net change in loans from finance leases	-7,845	-8,199	-3,568	-4,948	
Net change in loans from short-term loans	57,797	-4,185	13,713	-16,588	
Interest and related expenses paid	-11,256	-8,153	-6,044	-3,652	
Cash flows from purchases and sales of other financial assets	6,036	-1,945	-61	3	
Dividends paid	-10,440	-11,325	-10,094	-10,621	
<b>Total inflows / (outflows) from financing activities (c)</b>	<b>362,955</b>	<b>-7,796</b>	<b>8,411</b>	<b>-8,688</b>	
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>308,693</b>	<b>25,366</b>	<b>8,695</b>	<b>11,202</b>	
Cash and cash equivalents at the beginning of the period	74,517	49,131	24,829	12,818	
Cash and cash equivalents at the end of the period	383,210	74,497	33,118	24,020	

### STATEMENT OF CHANGES IN EQUITY

Amounts in thousand of euros

	CONSOLIDATED		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Opening balance (01.01.2007 and 01.01.2006 respectively)	186,525	176,659	132,462	133,572
Profit / (loss) for the period, after tax	26,864	21,088	6,647	7,733
Other	278,491	-10,620	-10,903	-8,843
<b>Closing balance (31.12.2007 and 31.12.2006 respectively)</b>	<b>491,880</b>	<b>186,525</b>	<b>128,206</b>	<b>132,462</b>

### ADDITIONAL ELEMENTS AND INFORMATION

1. The emphasis matter that is mentioned in the auditing report with the approved opinion of the Accountant Auditor without mentioning any concern regarding the auditing results refer to:  
a. To the fact that the tax liabilities of the companies and the group are not finalized for some years since they are not audited by the tax authorities as mentioned in note 23 of the financial statements.  
4. The companies and the joint ventures of the Group with their domiciles and participation percentages that are included in the consolidated financial statements are:

Full consolidation method	Percentage	U.T.Y.
1 TERNA ENERGY ABETE, Greece	47.35%	2
2 BIOMEK ABETE, Aliveri Eviosas	66.50%	6
3 STROTRES AEBE, Greece	51.00%	6
4 TERNA OVERSEAS, Cyprus	100.00%	2
5 GP ENERGY, Bulgaria	100.00%	1
6 LIHOS S.A.	100.00%	3
7 LIKHORA S.A., Greece	100.00%	3
8 IREKO CHONIOS LASTHIOU KRITIS SA, Greece	100.00%	2
9 ENERGY SERVOUNIOU S.A., Greece	100.00%	2
10 TERNA ENERGY EVROU, Greece	100.00%	1
11 PPC RENEWABLE - TERNA ENERGY SA, Greece	51.00%	0
12 SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	100.00%	3
13 TERNA BAHRAIN HOLDING WLL	99.99%	2
14 TERNA OATAR LLC	35.00%	2
15 PCC-TERNA CONTRACTING Co. W.L.L	80.00%	1
16 AIOLIKI PANORAMATOS DERVENOHORON G.P.	100.00%	1

### PROPORTIONAL CONSOLIDATION METHOD (CONSOLIDATED COMPANIES) of TERNA ENERGY ABETE:

	Percentage	U.T.Y.
1 TERNA ENERGY ABETE & SIA AIOLIKI RACHOLAS DERVENOHORON G.P.	100.00%	1
2 TERNA ENERGY ABETE & SIA AIOLIKI POLYKASTROU G.P.	100.00%	1
3 TERNA ENERGY ABETE & SIA AIOLIKI PROVATA TRAIANOPOULEOS G.P.	100.00%	1
4 TERNA ENERGY ABETE & SIA ENERGIKI DERVENOHORON G.P.	100.00%	1
5 TERNA ENERGY ABETE & SIA ENERGIKI VELANDION LAKONIAS G.P.	100.00%	1
6 TERNA ENERGY ABETE & SIA ENERGIKI DISTION EVIAS G.P.	100.00%	1
7 TERNA ENERGY ABETE & SIA AIOLIKI PASTRA ATTIKIS G.P.	100.00%	1
8 TERNA ENERGY ABETE & SIA AIOLIKI MALEA LAKONIAS G.P.	100.00%	1
9 TERNA ENERGY ABETE & SIA ENERGIKI PERION EVROU G.P.	100.00%	1
10 TERNA ENERGY ABETE & SIA ENERGIKI DERVENI TRAIANOPOULEOS G.P.	100.00%	1
11 TERNA ENERGY ABETE & SIA AIOLIKI KARYSTIAS EVIAS G.P.	100.00%	1
12 TERNA ENERGY ABETE & SIA ENERGIKI ARI SAPPON G.P.	100.00%	1
13 TERNA ENERGY ABETE & SIA ENERGIKI PELLAPONISSOU G.P.	100.00%	1
14 TERNA ENERGY ABETE & SIA AIOLIKI ANATOLIKIS ELLADOS G.P.	100.00%	1
15 TERNA ENERGY ABETE & SIA AIOLIKI MARMAROU EVIAS G.P.	100.00%	1
16 TERNA ENERGY ABETE & SIA ENERGIKI PETRION EVIAS G.P.	100.00%	1
17 TERNA ENERGY ABETE & SIA AIOLIKI ROKANI DERVENOHORON G.P.	100.00%	1
18 TERNA ENERGY ABETE & SIA ENERGIKI STRION EVIAS G.P.	100.00%	1
19 TERNA ENERGY ABETE & SIA ENERGIKI NEAPOLEOS LAKONIAS G.P.	100.00%	1
20 TERNA ENERGY ABETE & SIA ENERGIKI KAFIROES EVIAS G.P.	100.00%	1

### PROPORTIONAL CONSOLIDATION METHOD (CONSOLIDATED COMPANIES) JIV of TERNA ENERGY ABETE, IAS:

	Percentage	U.T.Y.
1 TERNA ENERGY - I.M.E.L. MACEDONIAN PAPER COMPANY SA & SIA SYDAR G.P.	50.00%	1
2 TERNA ENERGY SA & SIA ENERGIKI XIROVOUNIOU G.P.	70.00%	1
3 TERNA ENERGY ABETE & Co	70.00%	5
4 JIV TRAM POLITICAL ENGINEERING WORKS	36.00%	1
5 JIV ENVAGELISMOU, PROJECT C	50.00%	5
6 JIV TERNA ENERGY - TSAMPRI, DRAMAS HOSPITAL	40.00%	5
7 JIV EPL, DRAMAS	24.00%	5
8 JIV TERNA ENERGY - OLYMPIOS ATE	50.00%	2
9 JIV K. MANIOTIS - TERNA - TERNA ENERGY	37.50%	5
10 JIV EMBEDOS - PANTECHNIKI - TERNA ENERGY	50.10%	1
11 JIV THEMELI TERNA ENERGY ABETE-JIV TERNA SA IMPREGGIO SPA	40.00%	2
12 JIV EKTER - TERNA - ATHONIKI	31.00%	1
13 JIV KL. ROUTSIS - TERNA ENERGY ABETE	50.00%	1

3. The company TERNA SA has been audited by the tax authorities up to the year 2006 included.  
4. The Basic Accounting Principles of the Balance Sheet as of 31.12.2006 have been followed.  
5. There are provisions of 1,507 thousand euro on the fixed assets of a subsidiary, and shares of an associate company have been collateralized amounting to 2,860 thousand euro for security against bank loans.  
6. There are no pending litigations or cases under arbitration by courts or arbitration authorities that may have a significant impact on the Company's financial position.  
7. Number of employees at the end of the current period, Company 817, Group 916 persons and at the end of the previous period, Company 521, Group 730 excluding joint ventures.  
8. Earnings per share were calculated based on the weighted average number of shares.  
9. Some accounts of the previous period of 2006 have been corrected. The corrections concern:  
a) Recalculation (reduction) of provision for dismantlement of technical equipment of wind parks and environmental rehabilitation due to change of estimation. b) Recalculation (reduction) of depreciations of wind parks and corresponding grants due to change in the estimation of their useful economic life. c) Correction of construction cost and non-current income due to deviations in the budgeted cost of the projects and in some cases the contractual price. d) Creation of provisions for additional income tax based on the information that emerged from the tax audit. e) Correction of the fair value of investment property of a subsidiary in previous periods. f) Expense registration of interest of the construction period. g) Correction of errors or omissions of intra-company transactions. h) Correction of error in discounting of receivables. i) Correction of deferred tax asset/liability as a result of the above corrections. There was a positive effect of the above, on turnover and profit after taxes and minority interest for the period 1.1.2006 - 30.09.2006 amounting to 3,481 thousand euro and 1,980 thousand euro respectively. The cumulative reduction of equity, as a result of the aforementioned corrections, on 31.12.2006 amounts to 964 thousand euro.  
In Note No 4 of the brief interim financial statements of 31.12.2007, the above corrections are presented, as well as the reclassifications of comparative accounts.  
10. The invoicing regarding projects from the construction sector in 2007 amounts to 356 mil. euro of which 212 mil. euro refer to the company's projects and 144 mil. euro the invoicing amounts from its joint ventures regarding construction projects.  
11. As reported analysis in paragraph 12 of the financial statements at 31.12.2007 10 joint ventures regarding construction refer but not consolidated due to the finalisation of their projects.  
12. The amount of sales and purchases (goods and services) cumulative from the beginning of the financial year and the balances of receivables and liabilities of the company at the end of current period, arising from transactions with associated parties as these are defined by IAS 24, are as follows:

	GROUP	COMPANY
a) Sales of goods and services	16,410	60,091
b) Purchases of goods and services	1,679	5,739
c) Receivables	1,173	40,869
d) Liabilities	3,134	40,908
e) Transactions & remuneration of BoD and executives	746	746
f) Receivables from BoD and executives	0	0
g) Liabilities to BoD members and executives	156	156

Athens, 26.5.2008

BoD CHAIRMAN

THE VICE-CHAIRMAN OF THE BOARD & CEO

CHIEF ECONOMIC OFFICER

HEAD OF ACCOUNTING DEPARTMENT

NIKOLAOS D. KAMPAS  
ID No.: X 679387

GEORGIOS TH. PERISTERIS  
ID No.: AB 560298

PANAGOIS G. POTHOS  
ID CPA: 0014599

NIKOLAOS G. ATHANASIOU  
ID CPA: 0018084

**3. Management Report of TERNA S.A. for  
2007 Intragroup Sales**

(in accordance with Law 3016/2002, article 2, paragraph 4)

**Management Report  
for 2007 Intragroup sales  
(as defined by the article 42<sup>e</sup> paragr. 5 of C.L. 2190/20)  
according to the provisions of the article 2 paragr. 4 of the L. 3016/2002**

Dear Sirs,

We point you out that the Intra-Group transactions for the corporate year 2007 are the following:

**a) Sales of the company TERNA S.A.**

- **to “ILIOHORA S.A.” of a total amount of 13.355,15 Euro**  
for leases
- **to “VI.PA. THESSALONIKIS S.A.” of an amount of 6.654.516,84 Euro**  
for the execution of works
- **to “STROTIRES S.A.” of an amount of 42.000,00 Euro**  
for the accounting support of the Company,
- **to “DEH ANANEOSSIMES – TERNA ENERGY S.A.” of an amount of 5.970.540,00 Euro**  
for the construction of hydroelectric stations
- **to “GEK S.A.” of an amount of 5.374.028,43 Euro**  
for the execution of works
- **to “VIOMEK ABETE” of an amount of 22.969,85 Euro**  
for the sale of reserves
- **to “TERNA ENERGY S.A.” of a total amount of 9.307.080,42 Euro**  
for the lease of special machinery (220.316,20€), for the execution of works (1.864.314,22,00 €) as well as for the work of manufacture of wind parks (7.222.450,00 €)
- **to “LITHOS S.A.” of an amount of 780.000,00 Euro**  
for providing services,
- **to “TERNA OVERSEAS Ltd” of an amount of 149.168,47 Euro**  
for providing services
- **to “PCC TERNA Ltd” of an amount of 170.095,74 Euro**  
for providing services

- to **“TERNA BAHRAIN”** of an amount of **67.901.02 Euro** for providing services
- to **“TERNA QATAR”** of an amount of **130.966,88 Euro** for providing services
- to **JOINT VENTURES** of a total amount of **31.379.406,19 Euro** for the lease of special machinery (1.554.669,73 €), for the execution of works (27.259.298,16 €) as well as for several services (2.565.438,30 €)

**b) Invoicing to TERNA S.A.**

- by **JOINT VENTURES** of an amount of **1.027.567.50 Euro** for providing services
- by **“VIOMEK ABETE”** of an amount of **17.342,33 Euro** for the execution of special iron structures,
- by **“GEKE S.A.”** of an amount of **1.003.242,68 Euro** for the execution of special woodworks
- by **“ILIOHORA S.A.”** of an amount of **43.991.04 Euro** for the execution of works
- by **“TERNA OVERSEAS Ltd”** of an amount of **2.724.792,76 Euro** for the technical and consulting services
- by **“PCC TERNA Ltd”** of an amount of **216,52 Euro** for several services
- by **“LITHOS S.A.”** of an amount of **669.331,88 Euro** for the purchases of raw material
- by **“GEK S.A.”** of a total amount of **252.400,00 Euro** for the lease of storehouses (2.400,00 €) as well as for financing services (250.000,00 €)

**Athens, 26<sup>th</sup> of March of 2008**

**The Board of Directors**

**4. Reference Table to the Information Requested according to  
Law 3401/2005, article 10**

## Press Releases - Announcements

Date	Title
29/11/2007	9-month 2007 financial results of GEK and TERNA
03/10/2007	Participation in the 2nd Greek Roadshow in London
26/09/2007	Assignment of project in Bulgaria «HERMES PARK SOFIA»
26/09/2007	Information regarding the obligation and the procedure for announcing important participations, according to Law 3556/2007
21/09/2007	Announcement about the purchase of company shares
12/09/2007	Corrections in the “Data and Information for the period from 1st January 2007 until 30th June 2007”
30/08/2007	Financial results of the first semester 2007 of the Companies GEK and TERNA
06/07/2007	Announcement regarding the restatements made in the Interim Financial Statements of 31/03/2007
27/06/2007	Decisions of the shareholders’ ordinary general assembly held on 27-6-2007
27/06/2007	Announcement about the purchase of company shares
27/06/2007	Distribution of Dividend
26/06/2007	Notification of Transaction
22/06/2007	Purchase of 6,4038% of the capital share of ATTIKAT SA
18/06/2007	Announcement of Forced Sale of Shares in Paper Form
12/06/2007	Annual Bulletin 2006
05/06/2007	Invitation to annual Shareholder’s meeting
31/05/2007	Announcement about the correction of the Brief Data and Information concerning the Financial period 1/1/2007 – 31/3/2007 published in the newspaper "EXPRESS"
30/05/2007	First Quarter 2007 Financial Results of GEK and TERNA
22/05/2007	Signing of contract for procurement of the main equipment concerning the construction of a 435 MW Combined Cycle Power Plant by use of natural gas as combustible.
14/05/2007	Acquisition of a 15% of the capital share of ATTIKAT S.A.
14/05/2007	Purchase of 51% of the capital share of LITHOS SA
14/05/2007	Purchase of 21,4038% of the capital share of ATTIKAT SA
09/05/2007	Company's presentation to Analysts
07/05/2007	Annual analysts presentation
04/04/2007	Presentation of companies GEK and TERNA to the Association of Greek Institutional Investors
04/04/2007	Comments on Press Reports
02/04/2007	Announcement about the correction of the Brief Data and Information concerning the Financial Year ended 31/12/2006 published in the newspapers "EXPRESS" and "TO VIMA"
30/03/2007	Annual Financial Results 2006 GEK and TERNA
29/03/2007	Alteration in the Corporate Events Calendar
29/03/2007	Alteration in the Corporate Events Calendar
28/03/2007	Response to the letter dated 26/03/2007 of Athens Stock Exchange
28/02/2007	Corporate events calendar of the year 2007
22/02/2007	Participation of “HERON THERMOELECTRIC” in the tender launched by HTSO for the development of a new electricity plant operating on natural gas.
06/02/2007	The activities of TERNA S.A. in the Arabian Gulf
22/01/2007	TERNA was the sponsor of the first screening of the documentary film of Al Gore in Greece concerning the greenhouse effect.
19/01/2007	Sale of DI.KE.V.E. S.A. shares
17/01/2007	Announcement of corrections on the Financial Statements and the Data and Information Report of TERNA S.A. dated 16/01/2007
11/01/2007	Group presentation to foreign Institutional Investors on January 11, 2007 in Lyon, France and January 12, 2007 in London, England

The above Press Releases and Announcements are listed in the Company’s web site and also in the web site of the Athens Stock Exchange: [www.terna.gr](http://www.terna.gr) & [www.ase.gr](http://www.ase.gr)

**5. Website Address for the Annual Financial Statements  
of the Company and its Subsidiaries**

## Availability of Financial Statements

The Annual Financial Statements, the Management Reports and the Auditor's – Certified Public Accountant's Reports of TEPNA S.A. and its Subsidiaries, are listed in the web at the following sites:

<b>COMPANY</b>	<b>WEB SITE</b>
TERNA ENERGY ABETE	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>
BIOMEK ABETE	<a href="http://www.terna.gr">www.terna.gr</a>
STROTIRES AEBE.	<a href="http://www.terna.gr">www.terna.gr</a>
TERNA OVERSEAS	<a href="http://www.terna.gr">www.terna.gr</a>
ILIOXORA S.A.	<a href="http://www.terna.gr">www.terna.gr</a>
LITHOS S.A.	<a href="http://www.terna.gr">www.terna.gr</a>
SC TERNA INTERNATIONAL CONSTRUCTION ROMANIA	<a href="http://www.terna.gr">www.terna.gr</a>
TERNA BAHRAIN HOLDING WLL	<a href="http://www.terna.gr">www.terna.gr</a>
HAMRIYAH CEMENT CO	<a href="http://www.terna.gr">www.terna.gr</a>
GP ENERGY	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>
IWECO CHONOS LASITHIOU KRITIS SA	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>
TERNA ENERGY SERVOUNIOU S.A.	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>
PPC RENEWABLE - TERNA ENERGY SA,	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>
TERNA ENERGY EVROU	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>
AIOLIKI PANORAMATOS DERVENOHORION S.A.	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>
EOL TECHNICS CONSULT SRL	<a href="http://www.terna-energy.gr">www.terna-energy.gr</a>