TERNA SOCIETE ANONYME
TOURISM TECHNICAL SHIPPING COMPANY

85 Mesogeion Ave., 115 26 Athens
General Commerce Reg. No. 8554301000
S.A. Reg. No. 56330/01/B/04/506(08)

ANNUAL FINANCIAL REPORT

for the period

1 January to 31 December 2013

CONTENTS

I. INDEPENDENT AUDITOR' REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company « TERNA S.A.»

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company "TERNA S.A.", which comprise the separate and consolidated statement of financial position as of 31 December 2013, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting principles and methods and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated 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 separate and consolidated 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 system of internal control. An audit also includes evaluating the appropriateness of accounting principles and methods used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company "TERNA S.A." and its subsidiaries, as of 31 December 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a, 108 and 37 of c.L. 2190/1920.

Athens, 27th March 2014

SOL
CERTIFIED PUBLIC ACCOUNTANTS
Crowe Horwath

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II. ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2013

The current Management Report of the Board of Directors was compiled according to the provisions of CL 2190/1920 (articles 43a and 107).

A. Financial Developments & Performance for the Year

In 2013 the problems of the Greek Economy continued. The constant changes in taxation resulted into the creation of an uncertain environment, whereas the contraction of liquidity to extreme levels was an unfavorable factor for the implementation of new investments.

The restart of large-scale road projects by the end of 2013, offers some prospects to our Group as well as to the broader economy, due to the significant added value domestically, the increase of employment with tens of thousands of new jobs (salaries, social security contributions) and the immediate injection of liquidity into the market.

Within a difficult environment, TERNA Group carefully continued its development as its operating activities create satisfactory cash flows. The Group's successful placement in the construction sector place it as one of the leading players in this sector in Greece.

At the same time, our Group has managed to strengthen substantially its presence in countries outside Greece, since a significant part of its revenues stems from countries of the S.E. Europe and Middle East subject to the recent developments in these countries which the Group monitors closely in order to define its strategy, as the intention is to increase activities in these regions.

The most important financial figures of 2013 according to the International Financial Reporting Standards are as follows:

Revenue from third parties, from continuing activities, reached EUR 525 million approximately versus EUR 415 million in 2012, posting an increase of 26.5%.

Revenue, which amounts to EUR 525 million is attributed by 66.7% to activities in Greece, by 15.23% to activities in Balkan countries and by 18.07% to activities in the Middle East.

The backlog of signed construction contracts on 31.12.2013 amounts to about EUR 3,780 million (excluding the PPC project in Ptolemaida) versus EUR 1,610 million at the end of 2012. It is noted that 7.5% (versus 29% at the end of the pervious year) of the backlog concerns projects executed abroad. It should be noted that in the backlog the signed construction contracts in Libya of total amount of 87mil euros are not included.

Operating profit before interest, taxes, depreciation and amortization (EBITDA) settled at EUR 36.4 million versus EUR 28.7 million in 2012, posting an increase of 26.8%. At the same time, earnings before interest and tax (EBIT) settled at EUR 11.4 million versus EUR 4.3 million the previous year.

The financial year 2013 resulted into losses before taxes amounting to EUR minus 18.75 million, versus losses before tax of EUR 16.8 million for financial year 2012.

Results after taxes and minority rights amounted to losses of EUR minus 33.2 million, versus losses of EUR 16.9 million in the previous financial year, due to the increased impairment of doubtful debt and the increased finance cost.

Net Debt of TERNA Group (cash and cash equivalents less bank debt) settled on 31.12.2013 at approximately minus EUR 142.01 million compared to minus EUR 152.9 million of Net Debt Position on 31.12.2012.

The Group's equity amounts to EUR 138.91 million, compared to EUR 133.19 million on 31.12.2012.

The Total Assets of the Group amounts to EUR 963 million, compared to EUR 900 million on 31.12.2012.

TERNA's Board of Directors taking into consideration the increased cash flow needs, as a result of the weak prospects for a quick recovery of the construction sector in Greece, proposes not to distribute any dividend.

B. Important Events for the Year 2013

The important events of 2013 are presented below:

The Group signed new contracts as well as expansion contracts for existing construction projects with third parties, of a total amount of 2,730 million approximately. The most significant was the contract with PPC (DEI) concerning the construction of "PTOLEMAIDA Thermal Power Station – Study, supply, transfer, installation and operation of thermal power station V gross capacity 660 MWel, with pulverized lignite as fuel and with capacity of 140 MWh thermal power provision for district heating", with total budget of 1,388 million euro and with period for the project's completion the year 2019. Another significant agreement was the contract for the construction of remaining parts of projects assigned to the companies Dragados S.A. and Ferrovial Agroman S.A. concerning E-65 and NEA ODOS (PATHE), for an estimated budget of 890 million euro.

On 28.11.2013 the amendments to the Concession contracts with the Greek State were signed concerning the following construction projects:
a) "Study, construction, financing, operation, maintenance and utilization of Central Greece (E65) Motorway",
b) "Study, construction, financing, operation, maintenance and utilization of Ionia Odos from Antirrio to Ioannina, PATHE Athens (Metamorphossi I/C) – Maliakos (Skarfia) and connecting branch Schimatari – Chalkida" and
c) "Study, construction, financing, operation, maintenance and utilization of Elefsina – Korinthos – Patra – Pyrgos – Tsakona Motorway".

Following the above amendments, the companies Dragados S.A. and Ferrovial Agroman S.A. transferred the remaining construction project, which they had been assigned for, concerning E-65 and NEA ODOS (PATHE) to the company TERNA.

The Group signed a strategic partnership agreement with Qatar Petroleum International for the joint implementation of investments in the region of Southeast Europe.

In a first phase, the agreement concerns the acquisition of 25% of HERON II, which constitutes the participation of Qatar International Petroleum in the Production of Electric Energy. The acquisition was completed within the year 2013.

The events in Libya did not allow the initiation of the operations for the undertaken projects in the above area, for total budget of EUR 87 million.

C. Significant Events after the end of the financial year 2013

The consideration regarding the sale of 25% in HERON II, which operates the thermoelectric unit of 453 MW capacity in Voiotia, was received.

D. Risks and Uncertainties

The Group's activities are subject to several risks and uncertainties, such as market risk (volatility in exchange rates, interest rates market prices etc.), credit risk and liquidity risk.

In order to handle the financial risks, the Group has a risk management program that aims to minimize the negative effect on the financial results of the group that emerges from the inability to predict financial markets and the volatility of the cost and sales variables.

The financial instruments used by the Group mainly consist of bank deposits, trade debtors and creditors, other receivable and payable accounts, long-term and short-term loans.

Following, the effect of basic risks and uncertainties on the Group's activities is presented.

Credit risk

The Group continuously monitors its receivables, either separately or by groups and it incorporates the resulting information in its credit control. When necessary, external reports or analyses are used as regards to existing or potential clients.

The Group is not exposed to significant credit risk from trade receivables. This is due to both the Group's policy that focuses on working with credible customers and also to the nature of the Group's activities.

Specifically, the total of receivables corresponds either to the broader public sector in Greece and abroad, or to customers with particularly large financial abilities. Despite the aforementioned fact these receivables are under special monitoring and in case it is considered necessary respective adjustments shall be made.

Credit risk for cash equivalents, as well as for other receivables is negligible, given that the relevant parties are reliable banks with high quality capital structure, the Greek State or companies of the broader public sector or strong business groups.

The management considers that all of the financial assets for which the necessary impairments have been made, are of high credit quality.

Foreign exchange risk

The Group is active in Greece as well as in Middle East and the Balkans and therefore is exposed to foreign exchange risk that arises from the exchange rate of the euro against other currencies. This type of risk may emerge from the exchange rate of euro against other foreign currencies, from investments in financial assets denominated in foreign currency as well as from net investments in foreign entities. In order to manage this type of risk the risk management department of the group ensures that cash is covered from foreign exchange volatility.

Regarding the transactions of the company with foreign companies, these mainly take place with European groups and the settlement currency is euro.

Interest rate risk

The Group's policy is to minimize its exposure to interest rate risk as regards to long-term financing. Due to the limited exposure to such financing, given the business activity, the Group does not enter interest rate swap agreements to cover interest rate risk.

The Group's short-term debt is also exclusively in euro and under a floating rate linked to Euribor. Short-term loans are received mainly as working capital. Such loans are repaid from the collection of trade receivables. Therefore, the Group is exposed to interest rate risk from its short-term debt.

Liquidity Risk

The Group manages its liquidity needs by carefully monitoring the balance of long-term financial liabilities as well as payments that take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are set on a monthly basis.

The Group maintains cash and cash equivalents in banks to cover its liquidity needs for periods up to 30 days. Capitals for mid-term liquidity needs are released from term deposits.

Other risks and uncertainties

The Group's activity is exposed to trends prevailing in the construction market and thus may be negatively affected by the slowdown of construction activity in Greece and abroad, which may be due amongst others to the general economic conditions.

The backlog of construction contracts is not necessarily indicative of future income from the Group's activity in this segment. Despite the fact that the backlog of such contracts represents projects that are considered certain, there is no guarantee that there shall be no cancellations or adjustments to their scope.

The backlog of construction contracts of the Group may be subject to fluctuations related to project delays, external market factors and economic factors not under its control.

E. Outlook and Future Developments

Despite the existing economic crisis, prospects are considered positive due to both the joined attempt of Governments to reverse the consequences of the recession by injecting capital in productive investments and infrastructure projects and the geographic dispersion of the Group's activities.

Dear Shareholders,

2013 was a year during which the Group continued its stable trend and in which it received substantial amounts due strengthening, thus, its cash reserves. This fact along with the recommencement of the construction work in the concession projects and the established presence in the markets of the Balkans and the Middle East is signaling the improvement of the financial and other indicators and of the prospects of the Group in the coming years.

We would like to express our thanks to the Board or Directors, our Staff, Executives and Partners for their contribution to our work.

We also thank our Customers, Suppliers and cooperating Banks and of course you Shareholders for your trust in us.

The Board of Directors unanimously approves the above Management Report to be submitted to the Ordinary General Meeting of Shareholders.

Athens, 26 March 2014
On behalf of the Board of Directors,

Georgios Peristeris
Chief Executive Officer

III. ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31 DECEMBER 2013 (1 January – 31 December 2013)
According to the International Financial Reporting Standards

The Financial Statements were approved by the Board of Directors of TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY on 26 March 2014 and have been published by being posted on the internet at the website http://www.terna.gr where such will remain available for at least 5 years from their issue and publication. It is noted that the published in the press Data and Information aim at providing the reader with general information on the financial position and the results of the company and Group 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).

TERNA GROUP
STATEMENT OF FINANCIAL POSITION
31st December 2013
(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
	Note	**31 December 2013**	**31 December 2012**	**31 December 2013**	**31 December 2012**
ASSETS					
Non-current assets					
Intangible fixed assets	6	77,703	45,748	4,167	4,418
Tangible fixed assets	7	141,265	87,375	57,531	64,743
Goodwill	30	9,759	8,912	0	0
Investment property		2,220	2,220	1,596	1,596
Participations in subsidiaries	4, 8	0	0	64,962	108,749
Participations in associates		0	0	0	0
Participations in jointly controlled entities	4, 29	748	757	75,179	7,463
Investments available for sale	9	8,928	51	6,087	36
Other long-term assets	10	11,690	64,968	15,122	51,203
Deferred tax assets	22	19,265	18,477	2,721	9,897
Total non-current assets		**271,578**	**228,508**	**227,365**	**248,105**
Current assets					
Inventories	11	26,154	21,993	4,038	3,740
Trade receivables	12	219,263	272,713	131,998	170,216
Receivables from construction contracts	13	137,203	165,107	91,507	63,931
Advances and other receivables	12	128,605	96,370	133,299	94,792
Income tax receivables		26,631	20,824	15,189	10,508
Investments available for sale	9	9,182	500	9,182	500
Cash and cash equivalents	14	144,422	93,490	71,752	35,316
Total current assets		**691,460**	**670,997**	**456,965**	**379,003**
TOTAL ASSETS		**963,038**	**899,505**	**684,330**	**627,108**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	15	40,010	28,910	40,010	28,910
Share premium account		35,922	35,922	35,922	35,922
Reserves		44,173	48,510	46,070	47,504
Retained earnings		(3,802)	4,198	19,502	16,796
Total		**116,303**	**117,540**	**141,504**	**129,132**
Non-controlling interests		22,605	15,648	0	0
Total equity		**138,908**	**133,188**	**141,504**	**129,132**

Non-current liabilities					
Long-term loans	17	118,981	86,701	118,981	87,001
Loans from finance leases	17	6,674	14,451	6,674	14,451
Other long-term liabilities	16	131,012	127,673	125,705	83,195
Other provisions	19	3,084	2,680	7,202	7,202
Provisions for staff leaving indemnities	18	4,904	5,090	2,727	3,127
Deferred tax liabilities	22	30,958	19,427	0	0
Total non-current liabilities		**295,613**	**256,022**	**261,289**	**194,976**
Current liabilities					
Suppliers	20	157,867	145,759	101,839	104,729
Short term loans	21	104,873	62,825	83,046	32,312
Long term liabilities payable during the next financial year	17	55,911	82,370	32,761	80,951
Liabilities from construction contracts	13	29,531	55,026	27,179	54,087
Accrued and other short term liabilities	20	178,365	164,108	36,689	30,909
Income tax payable		1,970	207	23	12
Total current liabilities		**528,517**	**510,295**	**281,537**	**303,000**
Total liabilities		**824,130**	**766,317**	**542,826**	**497,976**
TOTAL EQUITY AND LIABILITIES		**963,038**	**899,505**	**684,330**	**627,108**

The accompanying notes constitute an integral part of the financial statements

TERNA GROUP
STATEMENT OF COMPREHENSIVE INCOME
31st December 2013

(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
Profit and Loss	**Note**	**1.1 – 31.12 2013**	**1.1 – 31.12 2012**	**1.1 – 31.12 2013**	**1.1 – 31.12 2012**
Continued operations					
Revenues	23	525,262	415,159	344,993	291,039
Cost of sales	24	(504,336)	(410,031)	(310,627)	(270,112)
Gross profit		**20,926**	**5,128**	**34,366**	**20,927**
Administrative expenses	24	(14,555)	(16,079)	(12,790)	(14,036)
Research and development expenses	24	(99)	(126)	(82)	(126)
Other income/(expenses)	27	(695)	11,524	5,767	8,131
Net financial income/(expenses)	28	(24,327)	(17,235)	(19,341)	(17,488)
NET EARNINGS BEFORE TAX		**(18,750)**	**(16,788)**	**7,920**	**(2,592)**
Income tax expense	22	(14,713)	(559)	(7,398)	(2,343)
Net Earnings/(losses) from continued operations		**(33,463)**	**(17,347)**	**522**	**(4,935)**
Discontinued operations					
Earnings from discontinued operations after tax		0	0	0	0
NET EARNINGS / (LOSSES)		**(33,463)**	**(17,347)**	**522**	**(4,935)**
Other Comprehensive Income					
a) Other Comprehensive Income transferred to Results of the Year in following periods					
Income/Losses from valuation of financial assets held for sale	9	(6,681)	0	(1,830)	0
Translation differences from incorporation of foreign entities		1,374	(379)	220	(21)
Share capital increase expenses		(34)	0	0	0
Tax corresponding to the above results	22	475	8	(119)	8
		(4,866)	**(371)**	**(1,729)**	**(13)**
b) Other Comprehensive Income non-transferred to Results of the Year in following periods					
Actuarial gains/losses from defined benefit plans	18	458	0	469	0
Net Other Comprehensive Income		**(4,408)**	**(371)**	**(1,260)**	**(13)**
TOTAL COMPREHENSIVE INCOME		**(37,871)**	**(17,718)**	**(738)**	**(4,948)**
Net earnings/(losses) attributed to:					
Owners of the parent from continued operations	15	(33,193)	(16,881)		
Owners of the parent from discontinued operations		0	0		
Non-controlling interests from continued operations		(270)	(466)		
		(33,463)	**(17,347)**		

Total comprehensive income/(losses) attributed to:			
Owners of the parent from continued operations		(37,585)	(17,242)
Owners of the parent from discontinued operations		0	0
Non-controlling interests from continued operations		(286)	(476)
		(37,871)	**(17,718)**
Earnings/(losses) per share (in Euro):			
From continued operations attributed to owners of the parent	15	(82,9618)	(58,3916)
From discontinued operations attributed to owners of the parent		0	0
Weighted average number of shares:			
Basic	15	400,100	289,100

TERNA GROUP
STATEMENT OF CASH FLOWS

31st December 2013

(All amounts are expressed in thousand Euro, unless stated otherwise)

		GROUP		COMPANY	
	Note	**1.1 – 31.12 2013**	**1.1 – 31.12 2012**	**1.1 – 31.12 2013**	**1.1 – 31.12 2012**
Cash flows from operating activities					
Profit before tax from continued operations		(18,750)	(16,788)	7,920	(2,592)
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	6, 7	24,986	24,338	10,425	11,356
Other impairments	12,27	41,801	0	51,127	0
Provisions		2,580	2,847	1,021	2,037
Interest and related revenue	28	(3,495)	(6,233)	(4,217)	(4,811)
Interest and other financial expenses	28	27,822	23,468	23,558	22,299
Results from withdrawal of associate	27	0	(3,460)	0	0
Results from participations and securities	27	(38,821)	277	(61,960)	0
Results from fixed assets and investment property		468	76	233	44
Foreign exchange differences		4,767	182	2,932	268
Operating profit before changes in working capital		**41,358**	**24,707**	**31,039**	**28,601**
(Increase)/Decrease in:					
Inventories		(4,161)	395	(298)	(321)
Trade receivables		52,010	(47,044)	27,165	(10,674)
Prepayments and other short term receivables		(32,235)	234	6,668	(26,144)
Increase/(Decrease) in:					
Suppliers		(12,108)	55,453	(419)	18,638
Accruals and other short term liabilities		(5,730)	57,819	(2,657)	86,021
Other long-term receivables and liabilities		2,040	12	22	28
Income tax payments		(6,395)	(8,960)	(4,612)	(7,751)
Net cash flows from operating activities		**34,779**	**82,616**	**56,908**	**88,398**
Cash flows from investing activities					
Additions of fixed assets		(4,579)	(5,015)	(1,490)	(2,756)
Sales of fixed assets		425	1,513	115	843
Interest and related income received		6,721	2,996	6,752	1,895
(Purchases) / sales of participations and securities		(30,891)	0	(41,149)	(10,745)
Granted loans		32,038	(16,978)	32,038	(16,478)
Cash from acquired company		46,086	0	0	0
Net cash flows for investing activities		**49,800**	**(17,484)**	**(3,734)**	**(27,241)**

Cash flows from financing activities					
Share capital increase		0	0	0	0
Net change of short-term loans		56,436	(34,198)	61,442	(46,318)
Net change of long-term loans		(43,599)	(28,745)	(35,433)	(27,323)
Payments of loans from financial leases	17	(10,055)	(12,413)	(10,055)	(12,413)
Dividends paid		0	0	0	0
Change in investments available for sale		(10,829)	(500)	(10,829)	(500)
Interest paid		(25,320)	(25,063)	(21,669)	(23,369)
Net cash flows for financing activities		**(33,367)**	**(100,919)**	**(16,544)**	**(109,923)**
Effect of foreign exchange differences in cash		(280)	(229)	(194)	(55)
Net increase /(decrease) of cash and cash equivalents		**50,932**	**(36,016)**	**36,436**	**(48,821)**
Cash and cash equivalents at the beginning of the year		93,490	129,506	35,316	84,137
Cash and cash equivalents at the end of the year		**144,422**	**93,490**	**71,752**	**35,316**

The accompanying notes constitute an integral part of the financial statements

TERNA S.A.
STATEMENT OF CHANGES IN EQUITY
31st December 2013
(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained earnings	Total
1st January 2013	**28,910**	**35,922**	**47,504**	**16,796**	**129,132**
Total comprehensive income for the year	0	0	(1,260)	522	**(738)**
Share capital increase	0	0	0	0	**0**
Absorption of company	11,100	0	(174)	2,184	**13,110**
Dividends	0	0	0	0	**0**
Formation/(Distribution) of reserves	0	0	0	0	**0**
31st December 2013	**40,010**	**35,922**	**46,070**	**19,502**	**141,504**

	Share Capital	Share Premium	Reserves	Retained earnings	Total
1st January 2012	**28,910**	**35,922**	**46,040**	**23,208**	**134,080**
Total comprehensive income for the year	0	0	(21)	(4,927)	**(4,948)**
Share capital increase	0	0	0	0	**0**
Dividends	0	0	0	0	**0**
Formation/(Distribution) of reserves	0	0	1,485	(1,485)	**0**
31st December 2012	**28,910**	**35,922**	**47,504**	**16,796**	**129,132**

TERNA GROUP

STATEMENT OF CHANGES IN EQUITY

31st December 2013

(All amounts are expressed in thousand Euro, unless stated otherwise)

	Share Capital	Share Premium	Reserves	Retained earnings	Subtotal	Non-controlling interest	Total
1st January 2013	**28,910**	**35,922**	**48,510**	**4,198**	**117,540**	**15,648**	**133,188**
Total comprehensive results for the period	0	0	(4,097)	(33,488)	**(37,585)**	(286)	**(37,871)**
Absorption of company	11,100	0	(240)	25,228	**36,088**	0	**36,088**
Change of percentage stake in subsidiary	0	0	0	260	**260**	7,243	**7,503**
Formation/(Distribution) of reserves	0	0	0	0	**0**	0	**0**
31st December 2013	**40,010**	**35,922**	**44,173**	**(3,802)**	**116,303**	**22,605**	**138,908**
1st January 2012	**28,910**	**35,922**	**47,394**	**22,556**	**134,782**	**15,957**	**150,739**
Total comprehensive results for the period	0	0	(369)	(16,873)	**(17,242)**	(476)	**(17,718)**
Establishment of subsidiary	0	0	0	0	0	167	**167**
Formation/(Distribution) of reserves	0	0	1,485	(1,485)	**0**	0	**0**
31st December 2012	**28,910**	**35,922**	**48,510**	**4,198**	**117,540**	**15,648**	**133,188**

1 ESTABLISHMENT AND ACTIVITY OF THE COMPANY

"TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY" (the "Company" or "TERNA"), as renamed from LITHOS SOCIETE ANONYME COMPANY by virtue of the decision dated 6.11.2008 by the Extraordinary General Shareholders Meeting, which was published in the Government Gazette Issue 14207/30.12.2008 (SA & LTD Issue), is registered in General Commerce Register of the Ministry of Development under Reg. No. 8554301000 and in the Société Anonyme Registrar of the Athens Prefecture, under Reg. No.56330/01/B/04/506(08). The company's duration has been set to ninety (90) years.

On 23.12.2008, the merger through absorption of part of the construction activities of the company TERNA SOCIETE ANONYME TOURISM TECHNICAL SHIPPING COMPANY, was approved by virtue of the decision by the Ministry of Development under Reg. No. K2-15458/23.12.2008 together with the increase of the share capital by 28,388,000.00 euro and therefore the share capital amounts to euro 28,910,000.00 divided into 289,100 common registered shares, with a nominal value of 100.00 euro each.

On 28.06.2013 the merger through acquisition of the company HERON HOLDINGS S.A. was approved, as well as the increase of the share capital by 11,100,000 euro, which now amounts to a total of euro 40,010,000.00 divided into 400,100 common registered shares with a nominal value of 100.00 euro each.

The basic sector in which the Company and Group are active is constructions. 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 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. The Group's construction activities now extend beyond Greece, in the Balkans and the Middle East.

Moreover, TERNA owns and manages a quarry and trades and supplies its construction segment with inert materials.

Through its participation in TERNA MAG S.A. the Group intends to expand its activities in the mining of magnesite and the real estate management with the construction of an Industrial Area in the region of Mandoudi in North Evia, for which a relevant application has been submitted.

Also, with the absorption of HERON HOLDINGS SA and the participation of the latter in HERON II VIOTIA, the Group has expanded its activities to the production of electric energy from thermal sources with the said segment gaining a significant position as regards to its standing among the Group's business activities.

The consolidated financial statements of TERNA are included in the consolidated financial statements of its parent GEK TERNA SA, which during the balance sheet date, owned 100% of its share capital.

The group's activities are mainly conducted in Greece, however at the same time its operations are increasing in the Balkans and the Middle East.

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The accompanying separate and consolidated financial statements have been prepared according to the historic cost principal, except for investment property and investments available for sale that are valued at fair value. Also, several self-used tangible fixed assets on the transition date (1 January 2004) to the International Financial Reporting Standards (IFRS) were valued at fair values, which were used as deemed cost, according to the provisions of IFRS 1 “First time adoption of IFRS”.

The accompanying financial statements consist of the separate and consolidated financial statements of the Parent Company and its Group and have been prepared according to IFRS, as such have been endorsed by the European Union. There are no standards that have been applied prior to their initial effective date.

b) New standards, interpretations and amendments of standards

The accounting principles applied during the preparation of the financial statements are the same as those followed for the preparation of the Group’s and company’s financial statements for the year ended on December, 31 2012, except for the adoption of certain standards’ amendments, whose application is mandatory in the European Union for periods beginning on 1 January 2013.

Therefore, from January, 1 2013 the Group and the company adopted certain amendments of standards as follows:

Amended Standards mandatory for financial year 2013

-IAS 1 " Presentation of Financial Statements " (Amendment) - Presentation of Items under Other Comprehensive Income

The amendments to IAS 1 alter the grouping of items presented in Other Total Results. Items that could be reclassified (or ' recycled ') into the results at a future time (for example during the de-recognition or liquidation) shall be presented separately from items that will not be reclassified ever. The amendment affects only the presentation and has no effect on the financial position or performance of the Company and the Group.

-IAS 12 "Income Taxes" (Amendment) - Deferred Tax : Recovery of Underlying Assets

The amendment requires the entity to assess the deferred tax relating to an asset depending on whether the entity expects to recover the carrying value of the asset through use or through sale. It can be difficult and subjective to assess whether recovery will be achieved through use or through sale when the asset is valued at the fair value model in IAS 40 "Investment Property". The amendment provides a practical solution to this problem by introducing the hypothesis that recovery of the carrying amount will normally take place through sale. The amendment has no impact on the financial statements of the Company and the Group.

-IAS 19 "Employee Benefits" (Amendment)

The amended IAS 19 brought significant changes to the accounting treatment of employee benefits, including the elimination of the option for deferred recognition of changes in assets and liabilities of the pension plan (known as the "margin method"). Furthermore, the amended standard requires immediate recognition of former working experience cost as a result of changes in the program and requires termination benefits to be recognized only when the offer becomes legally binding and cannot be revoked. The change had little impact on the financial statements.

-IFRS 1 "First time adoption of IFRS" (Amendment) - Severe hyperinflation and removal of fixed dates for first time adopters.
According to this amendment, a company that applies IFRS for the first time, and its functional currency is the currency of a hyperinflationary economy, it should determine whether at the date of transition, the conditions of inflation have been "normalized". If conditions have been "normalized", the company may make use of the exception to measure assets and liabilities available before the 'normalization' of the currency, at the fair value at the date of transition to IFRS and make use of this value as the deemed cost of these assets in the opening balance sheet. In the event that the date of "normalization" of the currency is placed in the comparative period, the company may present as comparative a period shorter than 12 months. Also, the specific dates (01/01/2004 and 25/10/2002) the standard sets with respect to the exceptions provided for de-recognition and measurement at fair value on initial recognition of financial instruments are removed. These dates are replaced by the phrase “date of transition to IFRS ".
The amendment does not apply to the financial statements of the Company and the Group.

-IFRS 1 "First time adoption of IFRS" (Amended) - Government Loans
The amendment introduces an exception to the retrospective measurement of the benefit of taking government loans with preferential terms at the transition to IFRS. This amendment does not apply to the financial statements of the Company and the Group.

-IFRS 13 " Fair Value Measurement"
The main reason for the issuance of IFRS 13 is to reduce complexity and improve consistency in the application of measuring fair value. There is no change when an entity is required to use fair value, but provides guidance on how to measure fair value under IFRS, when fair value is required or permitted by IFRS. IFRS 13 consolidates and clarifies the guidance for measuring fair value and also enhances convergence with U.S. GAAP that have been amended by the FAASB.

-IFRIC 20 "Disclosure expenses in the production phase of surface mining"
The purpose of this interpretation is to prescribe the accounting treatment of the two benefits associated with the process of uncovering surface mining, which consists of cleaning the mine and removing the waste. These two benefits are the useful ore, for further processing and exploitation, which is recognized as inventory, and the improvement of the access to additional quantities of materials for future mining, which is recognized as an addition or improvement of the mine.

- Amendments to standards that constitute part of the annual improvements project (2009-2011 cycle) of the IASB - International Accounting Standards Board
IFRS 1 "First time adoption of International Financial Reporting Standards"
The amendments relate to: a) cases of restarting the application of IFRS (i.e. cases where the application had been adjourned and it starts again) and b) the accounting treatment of borrowing cost.
IAS 1 "Presentation of Financial Statements"
The amendment clarifies that entities must, for all amounts reported in the financial statements of the current period, cite the corresponding amounts of the previous comparative period. Where, however, the entity applies an accounting policy retrospectively, it shall restate or rearrange elements of financial statements and if they are important, it must present a third Statement of Financial Position, that of the start of the previous comparative period.
IAS 16 "Property and equipment"
The amendment clarifies that assets’ spare parts, the auxiliary equipment and the equipment on stand-by mode, are recognized in accordance with this standard, provided they fulfill the definition of tangible assets.
IAS 32 "Financial Instruments: Presentation"
The amendment clarifies the tax implications in cases of distributions to shareholders.

IAS 34 " Interim Financial Reporting"
The amendment clarifies the information issues per segment for the total assets and liabilities in the interim financial information.

Standards and Interpretations mandatory in the European Union for financial statements beginning on or after January 1, 2014

There have been published and are mandatory for accounting periods beginning during the current year or later, specific new standards, amendments to existing standards and interpretations. The estimate of the Company and the Group on the impact of these new standards, amendments and interpretations is set out below.

-IAS 19 "Employee Benefits" (Amendment)
Effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted.
The amendment describes the accounting treatment of contributions made by an employee or a third party in a defined benefit plan. The amendment has not been adopted by the European Union and, as the Group has no defined benefit plan, it will have no impact on the financial statements of the Company and the Group.

-IAS 32 "Financial Instruments: Presentation" (Amendment) and IFRS 7 "Financial Instruments: Disclosures" (Amendment) - Offsetting financial assets and financial liabilities
Effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.
The amendment to IAS 32 concerns the guidance on the application of the standard when offsetting a financial asset and a financial liability and the related disclosures of IFRS 7.

-IAS 36 "Impairment of Assets" (Amendment) - Recoverable amount disclosures of non financial assets
The amendment introduces the disclosure of information on the recoverable amount of impaired assets if the amount is based on fair value less the disposal cost. The amendment is effective for annual periods beginning on or after January 1, 2014. The amendment is not expected to have an important impact on the financial statements of the Company and the Group.

-IAS 39 "Financial Instruments: Recognition and Measurement" (Amendment) - Novation of derivatives and continuation of hedge accounting
The amendment allows the continuation of hedge accounting in a situation where a derivative, that has been designated as a hedging instrument, is novated in order to be cleared with a new central counterparty as a result of laws or regulations, provided certain conditions are met. The amendment is effective for annual periods beginning on or after January 1, 2014. This interpretation is not expected to have any impact on the financial statements of the Company and the Group.

-IFRS 7 "Financial Instruments: Disclosures" (Amended)
The original mandatory implementation date on January 1, 2015 was postponed on the basis of the amendment to IFRS 9 in November 2013.
On 16.12.2011, the International Accounting Standards Board issued an amendment to IFRS 7, according to which disclosures regarding the transition to IFRS 9 were added to the standard. The amendment has not been adopted by the European Union. The Company (or Group) examines the impact of the adoption of this amendment on its financial statements.

-IFRS 9 "Financial Instruments" (Amendment) - Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39
The amendment was adopted in November 2013 and, first of all, sets the postponement of the original date of mandatory application of IFRS 9, which was set on January 1, 2015.

This amendment introduces substantial changes to hedge accounting and aligns the accounting presentation with risk management applied by an entity. Furthermore, it improves the related disclosures.
The second important element of the change is the improvement in the accounting presentation of changes in fair value of the entity's debt, when its measurement has been selected to be made at fair value.
The Group is currently assessing the impact of the amendments to IFRS 9 on its financial statements. The standard has not yet been adopted by the EU.

-IFRS 9 "Financial Instruments"
The original mandatory implementation date of January 1, 2015 was postponed on the basis of the amendment to IFRS 9 in November 2013.
The IFRS 9 constitutes the first part of the first phase of the project of the IASB (International Accounting Standards Board) for the replacement of IAS 39. The IFRS 9 defines that all the financial assets are initially measured at their fair value plus, in case of a financial asset which is not at fair value through the results, certain trade costs. The posterior assessment of the financial assets is performed either at the depreciated cost or the fair value and depends on the business model of the financial entity with regards to the management of the financial assets and the conventional cash flows of this financial asset. The IFRS 9 forbids the reclassifications, apart from the rare cases where the business model of the financial entity changes and in that case the financial entity is required to reclassify in the future the affected financial assets. According to the principles of the IFRS 9, all the investments equities have to be assessed at fair value. Nevertheless, the Management has the option of presenting among the other total income, the realized and unrealized gains and losses of fair value of equities which are not held for commercial purposes. This determination is executed during the initial recognition of each financial asset separately and cannot be changed. The gains and losses of fair value are not carried forward to the results, while the income stemming from the dividends will continue being recognized at the results. The IFRS 9 abolishes the exception of valuation at cost for the non-listed shares and the derivatives on non-listed shares, but provides guidance as to when the cost can be a representative assessment of the fair value.
The Group is in the process of assessing the effect of the IFRS 9 on its financial statements. The standard has not yet been adopted by the EU.

-Group of standards regarding consolidation and joint arrangements (applied on annual accounting periods beginning on or after 1st of January 2014)
The IASB published five new standards regarding consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (Amendment), IAS 28 (Amendment).
The major terms of the standards are the following:

IFRS 10 'Consolidated Financial Statements'
The IFRS 10 replaces all the guidelines regarding the control and the consolidation which are provided in IAS 27 and in SIC 12. The new standard alters the definition of the control as a determinant factor as to whether an economic entity will be consolidated or not. The standard provides extensive clarifications which dictate the different ways according to which an economic entity (investor) can control another economic entity (investment). The revised definition of the control focuses on the need of simultaneous existence of the right (the possibility to direct the activities which significantly affect the performances) and the variable performances (positive, negative or both) in order for control to exist. The new standard provides as well clarifications regarding the equity rights and protective rights, as well as with respect to the relations between brokerage/entity being in brokerage.

IFRS 11 «Joint Arrangements»
The IFRS 11 provides a more realistic approach to the joint arrangements focusing on the rights and liabilities rather than on their legal form. The types of the arrangements are constrained into two: jointly controlled activities and joint ventures. The method of the proportional consolidation is no longer allowed. The participants in joint ventures implement compulsory the equity consolidation method. The economic entities which participate in jointly controlled activities implement a similar accounting treatment to the one implemented currently by the participants in jointly controlled assets or jointly controlled activities.
The standard provides additionally clarifications regarding the participants in joint arrangements, without joint control existing.

IFRS 12 'Disclosure of interests in other entities'
The IFRS 12 refers to the necessary disclosures of an economic entity, including important judgments and assumptions, which allow to the readers of the financial statements to evaluate the nature, the risks and the financial implications which are related to the participation of the economic entity in subsidiaries, associates, or joint arrangements and non-consolidated economic entities (structured entities).
An economic entity has the possibility to make some or all of the aforementioned disclosures without being obliged to implement IFRS 12 complete, or the IFRS 10 or 11 or the amended IFRS 27 or 28.

IAS 27 'Separate financial statements' (Amendment)
The standard was published at the same time with IFRS 10 and in combination, these two standards replace IAS 27 'Consolidated and separate financial statements'. The amended IAS 27 defined the accounting treatment and the necessary disclosures regarding the participations in subsidiaries, joint ventures and associates when an economic entity prepares separate financial statements. Simultaneously, the IASB has transferred the IAS 27 terms of IAS 28 'Investments in associates' and of IAS 31 "Participations in joint ventures" which refer to separate financial statements.

IAS 28 'Investments in associates and joint ventures' (Amendment)
The IAS 28 *'Investments in associates and joint ventures'* replaces the IAS 28 'Investments in associates'. The aim of the standard is to define the accounting treatment regarding the investments in associates and to display the requirements for the implementation of the equity consolidation method according to the accounting of the investments in associates and joint ventures, as it stems from the publication of IFRS 11. The main effect is coming from the adoption of IFRS 11 «Joint Arrangements» based on which the joint-ventures will be included in the consolidated financial statement with the equity method on a mandatory basis instead of the proportionate consolidation in effect till 31.12.2013.

-Consolidated Financial Statements, Joint Arrangements, Disclosures of Interests in other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
It is applied for the annual periods that begin on or after 1 January 2014
In June 2012, the IASB proceeded with issuing the above guidance which provides clarifications regarding the transition provisions of IFRS 10. The amendments also provide additional facilitations during the transition to IFRS 10, IFRS 11 and IFRS 12 by reducing the requirements for providing adjusted comparative information only during the previous comparative period. Also, as regards to the disclosures for non-consolidated companies, the amendments remove the requirement to present comparative information for periods prior to the first application of IFRS 12. The Group will assess the effect of the above on the consolidated Financial Statements.

-Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
It is applied for annual periods that begin on or after 1 January 2014

The amendments provide the definition of an investment entity and introduce the exemption from the consolidation of specific subsidiaries of investment entities. The amendments require that the investment entity measures such subsidiaries at fair value through profit and loss in accordance with *IFRS 9 Financial instruments* in the consolidated and separate financial statements. Also, the amendments introduce new disclosures for investment entities in IFRS 12 and IAS 27.

-IFRS 14 Regulatory Deferral Accounts

The standard is effective for annual periods beginning on or after 1 January 2016. The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities, whereby governments regulate the supply and pricing of particular types of activity. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. The management of the Group is in the process of assessing the impact of this amendment on the Group's financial statements. The standard has not yet been adopted by the European Union.

- IFRIC 21 "Levies"

It is applied for the annual periods that begin on or after 1 January 2014

IFRIC 21 is related to IAS 37 Provisions, Contingent Liabilities and Contingent Assets and examines the accounting treatment of a levy which is imposed by the Government on the operation of an economic entity. It provides guidance on when to recognize a liability for a levy for the State utilizing defined criteria of recognition. The interpretation has not been adopted by the European Union

- Amendments in standards which constitute part of the annual improvement scheme (period 2010-2012, effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to IFRS following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"

The amendment requires disclosure of the judgments made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"
The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.
IAS 38 Intangible Assets
The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

- Amendments in standards which constitute part of the annual improvement scheme (period 2011-2013) of the IASB International Accounting Standards Board
The amendments set out below describe the key changes to IFRS following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The amendments have not yet been adopted by the EU.
IFRS 3 "Business combinations"
This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.
IFRS 13 "Fair value measurement"
The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.
IAS 40 "Investment property"
The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.
IFRS 1 "First-time adoption of International Financial Reporting Standards"
The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted

c) Use of estimates
The Group makes estimations, assumptions and judgments in order to choose the best accounting principles related to the future evolution of events and transactions. These estimations, assumptions and judgments 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 judgments that refer to data that may affect the financial statements in the coming 12 months are as follows:
i) Recognition of income from construction contracts and agreements for the construction of real estate: The Group uses the percentage of completion method to recognize such income, in accordance with IAS 11. According to this method the construction cost as of each date of the statement of financial position, is compared to the budgeted total cost of the project in order to determine the percentage of completion of such. 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) are recorded in the financial years during which such restatements arise.
The total budgeted cost arises from estimation procedures and is reassessed and reviewed at each statement of financial position date.
ii) Depreciation of fixed assets: For the calculation of depreciation, the group reviews the useful life and residual value of tangible and intangible assets based on the technological, institutional and financial developments, as well as on experience from their use.
iii) Value readjustment of investment property: For the valuation of its investment property, when there is an active market the Group defines the fair value based on valuation reports prepared on its behalf from independent appraisers. If no objective reports are available, especially due to the financial conditions, then the management based on its previous experience and taking into account the available information estimates the fair value.
iv) Valuation of inventories: For the valuation of its inventories, the Group estimates, based on valuation reports, statistical data and market conditions, expected sale prices and the cost of their finalization and distribution, per category of inventory.

v) Impairment of assets and reversals: The Group evaluates the technological, institutional and financial developments looking for indications of impairment of any kind of assets (fixed, trade and other receivables, financial assets etc) as well as their reversal.
vi) Provision for staff indemnities: The Group, based on IAS 19, proceeds with estimations of assumptions based on which the provision for staff indemnities is calculated actuarially.
vii) Provision for income tax: The Group, under IAS 12 recognizes income tax, current and deferred. Income tax also includes provisions for additional taxes that may result from tax audits. The final settlement of income taxes may differ from the amounts which are included in the interim and annual financial statements.
viii) Provision for environmental rehabilitation: The Group creates a provision against its relevant liabilities for dismantlement of the technical equipment of wind parks and rehabilitation of the environment, which emanate from the documented environmental law or from the Group's binding practices. The provision for environmental rehabilitation reflects the present value (based on an appropriate discount rate), during the date of the financial statements, of the rehabilitation liability reduced by the estimated recoverable value of materials expected to be dismantled and sold.
ix) Fair value of financial assets and liabilities:
The Group assesses the fair value of financial assets and liabilities.

3 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

a) Basis of consolidation
The attached consolidated financial statements include those of TERNA SA and its subsidiaries. The subsidiaries in which the Group has a direct or indirect participation of more than half of the voting rights or has the right to control its operations are consolidated. The subsidiaries are consolidated from the date the Group acquires the control and stop being consolidated at the date this control ceases to exist.
The participation of the Group in Joint ventures when there is common control, are incorporated in the attached financial statements with the method of proportionate consolidation which includes the proportion of the joint-venture on the assets, liabilities and total income with the inclusion of the items in their Financial Statements.
Intergroup 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) Investments in Associates
Includes companies in which the Group exercises significant influence however they are not subsidiaries or joint ventures. The Group's participating interests are recorded using the equity method. According to this method the participating interest in the associate company is carried at acquisition cost plus any change in the percentage of its Equity held by the Group, less any provisions for impairment.
The consolidated comprehensive income statement shows the Group's share in the total comprehensive income of the associate companies.

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 comprehensive income statement

(iv) Investments held to maturity
Initially they are recognized 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.
(i) Investments available for sale
Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investments available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized in the other total income of the Comprehensive income statement. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the net earnings.
(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 net earnings when the relevant amounts are written-off or suffer impairment as well as through the amortization process.
(iii) Financial assets at fair value through the net earnings
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 net earnings.
(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 recognition, at net amortized cost using the effective interest rate method. Gains or losses are recorded in the net earnings when the relevant amounts are written-off or suffer impairment as well as through the amortization process.
The fair value of such investments that are traded in an organized exchange is derived by the exchange value of the investment at the closing date. As regards to 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 Statement of financial position include cash balances, receivables, participations bank loans and other short and long-term liabilities. The Company does not use derivative financial tools. 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 Group's bank debt is mainly in Euro and is subject to variable and fixed interest rates. The Group has entered into interest rate swap agreements in order to reduce its exposure to interest rate risk from several of its significant bank debt. 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 Statements of financial position for cash balances, short-term receivables and other short-term liabilities approximate their respective fair 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. Despite the aforementioned fact these receivables are under special monitoring and in case it is considered necessary respective adjustments will be made. Group'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 euro 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 net earnings.

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 financial statements date all subsidiaries' accounts in the Statement of financial position 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 as mentioned above are recoded directly in other comprehensive income. During the sale or distribution of foreign subsidiaries the cumulative foreign exchange differences are recorded in net earnings.

f) Intangible assets

Intangible assets mainly consist of rights related to quarries and mines, software acquisition costs as well as acquired rights (for example quarries and construction agreements recognized on acquisition at fair value).

Amortization on rights regarding the use of quarries of mines are based on straight line method during the normal period for the use of quarries (20-50 years) and within the period of their productive use while the amortization on software is accounted for based on the straight line method for a period of three years. The amortization on the acquired right for construction agreements is made based on the rate of execution of the respective projects.

g) Tangible Fixed Assets

As previously mentioned, the Company has valued certain land and buildings at fair value on January 1st, 2004 and these fair values have been used as deemed 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.
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.

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

Category of Fixed Asset	YEARS
Buildings and Construction projects	8-30
Machinery and Technical Installations	3-12
Vehicles	5-12
Fixtures and Other Equipment	3-12

i) Impairment of the Value of Fixed Assets
The book values of long-term assets, other than goodwill and tangible fixed assets with an indefinite 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 ret earnings. The recoverable amount is defined as the largest between the fair value minus the sale cost and the value in use.
The fair value minus the sale cost 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 value in use 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 for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income in net earnings.

j) Investment property
Investments in property are those held for the purpose to receive rent or capital appreciation and are valued at their fair 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 Group, for the evaluation of its investment property, where there exists an active market, it determines their fair value based on valuation reports prepared on behalf of independent estimators. If there is no objective information, partly due to economic conditions, the Management, based on prior experience and taking into account the available information, assesses their fair value. Profits or losses that arise from changes in the fair value of investments in property are included in the net earnings 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 capitalized when they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost.
The investment property is eliminated from the Statement of financial position upon sale. All gains or losses resulting from the sale of an investment property are included in the net earnings of the year during which it was sold.
Investment property being build or developed are monitored, as those completed, at fair value.

k) Inventories

Inventories include under construction or real estate for development which are intended to be sold, excavated from the quarry material, construction material, spare parts and raw and auxiliary material. Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.

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 realizable 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 realizable 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.

l) 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 amortized cost based on the effective interest rate method. At each date of the financial statements, 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.

m) 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.

n) 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 amortization procedure. Interest expenses are recognized on an accruals basis.

We note that interest on loans related to the construction of fixed assets and inventories, whose construction requires a significant period of time, increase the value of relevant assets, based on the revised IAS 23. The capitalization of interest is disrupted when the asset is ready for the use it is intended for.

o) 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 net earnings 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 liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Company, applying the 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 1st 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.
However, starting from the fiscal year 2013, pursuant to the revised IAS 19, the actuarial gains and losses, as well as the former working experience costs, are recognized immediately as income or expense in non-recyclable other comprehensive results.

p) 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.

q) Finance and Operating Leases
Finance leases, which essentially transfer to the Group 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 net earnings. Capitalized leased fixed assets are depreciated based on straight lime method during the useful life of the asset.
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 net earnings on a constant basis for the duration of the lease.

r) 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 date of the financial statements 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.

s) Revenue recognition
Revenue is recognized to the extent that it is probable that economic benefit 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 revenue.
(i) Revenue from construction activities
The construction subsidiaries and joint ventures realize the income from construction contracts in their 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 date of the Statement of Financial position, 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 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 recognized 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 due 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 LAGIE or any other buyer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements.

(iv) Rent Revenue

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

(v) 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.

(vi) Interest

Interest income is recognized on an accruals basis.

t) 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 returns, additional income tax emerging from the Tax Authorities’ tax audits, on deferred income tax based on the enacted tax rates, as well as any possible extraordinary tax contribution calculated on earnings.

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 date of the financial statements. 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 date of the financial statements 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 realized or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted on the date of the financial statements.
Income tax that relates to items, which have been directly recognized in other comprehensive income, is also recognized in other comprehensive income.

u) Earnings per Share
Basic earnings per share (EPS) are calculated by dividing net earnings corresponding to the parent's owners 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 group as treasury-shares.

v) Business Combinations, Goodwill from Acquisitions and Changes in Percentages of non-controlling Participations
Business Combinations are accounted on the basis of the acquisition method. According to this method, the financial assets (including the formerly not recognized intangible assets) and the obligations (including the possible obligations) of the acquired firm/activity are recognized at fair value at the date of the transaction.
The goodwill arising from the Business Combinations derives as the difference of the fair values at the transaction date of a) the price paid, the amount which corresponds to the percentage to the percentage of non-controlling participation and the potential participation in the acquired company and b) the value of the individual assets which were acquired and the liabilities undertaken. At the date of the transaction (or at the date that the allocation of the respective price paid is completed), the goodwill which gained, is distributed to cash generating units or to cash generating units which are expected to be benefited from this combination. If the fair value of the assets acquired exceeds the cost of the combination, then the Group re-estimates the recognition and the measurement of the recognized net assets and the cost of the combination and recognizes immediately in the results the negative difference between the price of the acquisition and the fair value of the net assets (negative goodwill).
The goodwill is valued at historical cost minus the accumulated impairment losses. The goodwill is not depreciated but is subject to impairment control on annual basis or more frequently when the situation or changes of conditions imply that the value might have been impaired.
If the book value of a cash generating unit, including the pro rata goodwill, exceeds its recoverable sum, then loss impairment is recognized. This impairment is defined by estimating the recoverable sum of the units generating cash flows, which are associated with the goodwill.
If part of the cash flow generating unit to which the goodwill has been distributed, is sold, then the goodwill which is proportionate to the sold part, is defined according to the relevant prices of the part that was sold and the part of the cash flow generating unit that remains.
The goodwill that has arisen from acquisitions or business combinations has been distributed and is being monitored on Group basis at the basic units generating cash flows, which have been defined according to IAS 36 "Impairment of Assets".
When the Group increases its participation ratio to current subsidiaries (acquisition of percentages of non-controlled participations) the total difference between the acquisition price and the proportion of the percentages of the non-controlled participations which are acquired is recognized directly to the shareholders' equity as it is deemed as a transaction between shareholders. Respectively, when percentages of non-controlled participations are sold (without the final participation leading to the loss of control on the subsidiary), the relevant gains or losses are directly recognized at the shareholders' equity.

(Amounts in thousands Euro, unless stated otherwise)

4 GROUP STRUCTURE

The following table presents the participations of the parent company TERNA SA, direct and indirect in economic entities during 31.12.2013, which were included in the consolidation:

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD
Subsidiaries					
TERNA MAG SA	Greece	48.98	0.00	48.98	Full
VRONDIS QUARRY PRODUCTS SA	Greece	100.00	0.00	100.00	Full
MANTOUDI BUSINESS PARK SA	Greece	0.00	100.00	100.00	Full
TERNA OVERSEAS LTD	Cyprus	100.00	0.00	100.00	Full
QE ENERGY EUROPE LTD	Cyprus	0.00	100.00	100.00	Full
TERNA QATAR LLC **	Qatar	0.00	40.00	40.00	Full
TERNA BAHRAIN HOLDING WLL	Bahrain	0.00	99.99	99.99	Full
TERNA CONTRACTING CO WLL	Bahrain	0.00	100.00	100.00	Full
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	0.00	100.00	100.00	Full
TERNA VENTURES WLL	Bahrain	0.00	100.00	100.00	Full
TERNA SAUDI ARABIA LTD	Saudi Arabia	60.00	0.00	60.00	Full
CEMENT PRODUCTION AND EXPORT FZC	Libya	0.00	75.00	75.00	Full
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	Full
Joint Ventures					
HERON II VOIOTIAS SA	Greece	25.00	0.00	25.00	Proportionate
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	55.00	0.00	55.00	Proportionate
J/V ANCIENT OLYMPIA BY-PASS	Greece	50.00	0.00	50.00	Proportionate
J/V UNDERGROUND CAR PARK THESSALONIKI	Greece	50.00	0.00	50.00	Proportionate
J/V ATHENS CONCERT HALL	Greece	69.00	0.00	69.00	Proportionate
J/V PERISTERI METRO	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	24.00	0.00	24.00	Proportionate
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	50.00	0.00	50.00	Proportionate
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0.00	35.00	Proportionate
J/V AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	37.50	0.00	37.50	Proportionate
J/V TERNA S.A. -PANTECHNIKI S.A.	Greece	83.50	0.00	83.50	Proportionate
J/V TERNA S.A.-ATHENA ATE ARACHTHOS-PERISTERI	Greece	62.50	0.00	62.50	Proportionate
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX	Greece	69.00	0.00	69.00	Proportionate
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	Proportionate
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	25.00	0.00	25.00	Proportionate
J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	Greece	49.00	0.00	49.00	Proportionate
J/V UNDERGROUND CHAIDARI-PART A	Greece	50.00	0.00	50.00	Proportionate
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	Greece	60.00	0.00	60.00	Proportionate
J/V AKTOR-TERNA SA	Greece	50.00	0.00	50.00	Proportionate
TERNA SA-PANTECHNIKI SA (O.A.K.A.) G.P.	Greece	50.00	0.00	50.00	Proportionate
J/V ALPINE MAYREDER BAU Gmbh-TERNA SA - AKTOR - POWEL	Greece	31.50	0.00	31.50	Proportionate
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	Greece	35.00	0.00	35.00	Proportionate
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	33.33	0.00	33.33	Proportionate
J/V AEGEK-TERNA	Greece	45.00	0.00	45.00	Proportionate
J/V EUROIONIA	Greece	95.00	0.00	95.00	Proportionate
J/V TERNA-AKTOR	Greece	50.00	0.00	50.00	Proportionate
J/V CENTRAL GREECE MOTORWAY E-65	Greece	95.00	0.00	95.00	Proportionate

(Amounts in thousands Euro, unless stated otherwise)

J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS – TREIS GEFYRES	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA SA- THALES AUSTRIA	Greece	37.40	0.00	37.40	Proportionate
J/V J&P AVAX SA-VIOTER SA-TERNA SA	Greece	33.33	0.00	33.33	Proportionate
J/V ALPINE BAU-TERNA SA	Greece	49.00	0.00	49.00	Proportionate
J/V AKTOR-TERNA	Greece	50.00	0.00	50.00	Proportionate
J/V TRAM CIVIL ENGINEERING WORKS	Greece	36.00	0.00	36.00	Proportionate
J/V METKA-TERNA	Greece	90.00	0.00	90.00	Proportionate
J/V TERNA SA-NEON STAR SA-RAMA SA (OPAP Project)	Greece	51.00	0.00	51.00	Proportionate
J/V AKTOR-TERNA-MOCHLOS (Florina-Niki road)	Greece	33.33	0.00	33.33	Proportionate
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	Greece	51.00	0.00	51.00	Proportionate
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	50.00	0.00	50.00	Proportionate
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	50.00	0.00	50.00	Proportionate
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	49.00	0.00	49.00	Proportionate
J/V AKTOR-TERNA (Harbor of Patras)	Greece	70.00	0.00	70.00	Proportionate
J/V TERNA SA-SICES CONSTRUCTIONS S.p.A	Greece	50.00	0.00	50.00	Proportionate
J/V APION KLEOS	Greece	17.00	0.00	17.00	Proportionate
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	33.33	0.00	33.33	Proportionate
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece	50.00	0.00	50.00	Proportionate
J/V AKTOR ATE – TERNA SA (Thriasio B’)	Greece	50.00	0.00	50.00	Proportionate
JV QBC S.A. – TERNA S.A.	Qatar	40.00	0.00	40.00	Proportionate

** The company TERNA QATAR LLC is consolidated with the full consolidation method according to SIC 12 “Consolidation-Special Purpose Vehicles” as the group has the management control based on an agreement.

The following table presents the joint ventures for the construction of technical projects, in which the Group participates. Such joint ventures have already concluded the projects they were established for, the guarantee period has expired, their relations with third parties have been settled and their final liquidation is pending. Therefore such are not included in the consolidation.

COMPANY NAME	**TOTAL PARTICIPATION %**
J/V EMPEDOS SA-TERNA SA (PROJECT EKTHE THIRD PARTY)	50.00%
J/V MARITIME MIDSHIPMEN –GNOMON ATE-TERNA SA-GENER SA	33.00%
J/V IMPREGILO Spa – TERNA SA-ALTE SA (EXECUTIONS)	33.33%
J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
J/V MAIN ARROGATION CANAL D 1	75.00%
J/V AKTOR, AEGEK, TERNA, EKTER, AIRPORT INSTAL. SPATA	20.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V ATHENS CAR PARKS	20.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V TERNA S - TH. KARAGIANNIS SA	50.00%
J/V VIOTER SA-TERNA SA	50.00%
J/V TERNA SA - IONIOS SA	90.00%
J/V ATHINA-PANTECHNIKI-TERNA-PLATAMONAS PROJECT	39.20%
J/V VIOTER SA-TERNA SA	50.00%

(Amounts in thousands Euro, unless stated otherwise)

COMPANY NAME	TOTAL PARTICIPATION %
J/V TERNA-MOCHLOS ATE	70.00%
J/V TERNA-VIOTER SA	50.00%
J/V TERNA-AKTOR-EMPEDOS-J&P ABAX-IMEC GmbH	24.00%
J/V EUROPEAN TECHNICAL-HOMER-TERNA	50.00%
J/V UNIVERSITY OF CRETE-RETHYMNON	25.00%
J/V AKTOR-TERNA SA IASO BUILDING	50.00%
J/V MINISTRY OF TRANSPORTATION & COMMUNICATION PROJECT	33.33%
J/V J&P AVAX SA-TERNA SA-EYKLEIDIS	35.00%
J/V EVAGGELISMOS PROJECT C	50.00%
J/V EPL DRAMAS	56.00%
J/V TERNA-TERNA ENERGY-TSAMBRAS (DRAMA HOSPITAL)	40.00%

During the financial year 2013, the following joint ventures were liquidated:

COMPANY NAME	TOTAL PARTICIPATION %
J/V TERNA SA – THEMELIODOMI SA	60.00%
J/V THEMELI SA -TERNA ENERGY SA -J/V TERNA SA IMPREGILO SPA	5.50%
J/V TERNA S.A. - J&P AVAX - PANTECHNIKI-HORSE RIDING CENTRE MAINTENANCE	35.00%
J/V TERNA SA - TH. KARAGIANNIS SA PROJECT CONSTRUCTION MEPW	50.00%
J/V SALONIKA PARK	50.00%
J/V AKTOR ATE-J&P AVAX - TERNA SA (IME PHASE A’)	12.00%
J/V AKTOR ATE-J&P AVAX - TERNA SA (IME PHASE B’)	12.00%
J/V THALES ATM-TERNA	22.26%
J/V TEPNA SA – AKTOR SA	70.00%
J/V TERNA ENERGY – TERNA SA - K. MANIOTIS	37.50%
J/V TERNA SA - ATHINA ATE	62.50%
J/V TERNA SA – EDRASI - WALTER BAU - STROTIRES SA	41.00%

The voting rights of TERNA SA in all the above participations coincide with the stake it owns in their share capital.

Moreover, during the closing period the following were established:
- the subsidiary BUSINESS PARK MANTOUDIU S.A.
- the joint venture AKTOR ATE – TERNA SA (Lignite works).
- the joint venture AKTOR ATE – TERNA SA (Thriasio B’).
- the joint venture AKTOR ATE-J&P AVAX - TERNA SA (Tithorea - Domokos).

During the reporting period, the procedures were concluded for the merger through absorption by the Company, in accordance with the provisions of articles 68-77 of Codified Law 2190/1920 and articles 1-5 of Law 2166/1993, of HERON HOLDINGS SA.

(Amounts in thousands Euro, unless stated otherwise)

Within the year, the agreement for the sale to Qatar Petroleum International Ltd of the participation stake of 25% of TERNA SA to HERON II was completed. Following the agreement the participation of TERNA SA to HERON II was reduced to 25%.

5 GEOGRAPHIC SEGMENTS

The following table presents selective information on the Group per geographic segment. The other regions include Malta and Libya.

Geographic segments 31.12.2013	Greece and Cyprus	Balkans	Middle East	Other regions	Consolidated totals
Revenue	350,347	80,017	94,898	0	**525,262**
Non-current assets (excl. deferred tax and financial instruments)	221,334	2,773	7,236	352	**231,695**
Capital expenditure	42,226	673	427	0	**43,326**

Geographic segments 31.12.2012	Greece and Cyprus	Balkans	Middle East	Other regions	Consolidated totals
Revenue	239,354	41,620	134,185	0	**415,159**
Non-current assets (excl. deferred tax and financial instruments)	131,855	2,994	9,788	375	**145,012**
Capital expenditure	1,663	1,911	1,330	0	**4,904**

6 INTANGIBLE FIXED ASSETS

The account of intangible fixed assets in the accompanying financial statements, is analyzed as follows

	GROUP				
	Concessions and other Rights	Rights from construction contract	Software	Research and development	Total
Net book value 1.1.2013	**31,685**	**13,571**	**144**	**348**	**45,748**
Additions	424	37,551	188	263	**38,426**
Effect from acquisitions and sale of companies – cost	188	0	182	0	**370**
Effect from acquisitions and sale of companies – accumulated amortization	0	0	(125)	0	**(125)**
Acquisition cost of sold-written off assets	(159)	0		0	**(159)**

(Amounts in thousands Euro, unless stated otherwise)

Accumulated amortization of assets sold written-off	0	0		0	**0**
Amortization for the period	(270)	(6,082)	(149)	(26)	**(6,527)**
Foreign exchange differences - cost	0	0	(9)	0	**(9)**
Foreign exchange differences – accumulated amortization	0	0	9	0	**9**
Other transfers – cost	(30)	0	0	0	**(30)**
Other transfers – accumulated amortization	0	0	0	0	**0**
Net book value 31.12.2013	**31,838**	**45,040**	**240**	**585**	**77,703**
Cost 1.1.2013	35,223	50,471	1,361	397	**87,452**
Accumulated Amortization 1.1.2013	(3,539)	(36,900)	(1,217)	(49)	**(41,705)**
Net book value 1.1.2013	31,685	13,571	144	348	**45,748**
Cost 31.12.2013	35,647	88,022	1,722	660	**126,051**
Accumulated Amortization 31.12.2013	(3,809)	(42,982)	(1,482)	(75)	**(48,348)**
Net book value 31.12.2013	**31,838**	**45,040**	**240**	**585**	**77,703**

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Net book value 1.1.2012	**31,893**	**23,732**	**256**	**277**	**56,158**
Additions	43	0	48	78	**169**
Acquisition cost of sold-written off assets	0	0	(11)	0	**(11)**
Accumulated amortization of assets sold written-off	0	0	11	0	**11**
Amortization for the period	(251)	(10,161)	(159)	(7)	**(10,578)**
Foreign exchange differences - cost	0	0	(5)	0	**(5)**
Foreign exchange differences – accumulated amortization	0	0	4	0	**4**
Other transfers – cost	0	0	(1)	0	**(1)**
Other transfers – accumulated amortization	0	0	1	0	**1**
Net book value 31.12.2012	**31,685**	**13,571**	**144**	**348**	**45,748**
Cost 1.1.2012	35,180	50,471	1,330	319	**87,300**
Accumulated Amortization 1.1.2012	(3,287)	(26,739)	(1,074)	(42)	**(31,142)**
Net book value 1.1.2012	**31,893**	**23,732**	**256**	**277**	**56,158**
Cost 31.12.2012	35,223	50,471	1,361	397	**87,452**
Accumulated Amortization 31.12.2012	(3,539)	(36,900)	(1,217)	(49)	**(41,705)**
Net book value 31.12.2012	**31,685**	**13,571**	**144**	**348**	**45,748**

(Amounts in thousands Euro, unless stated otherwise)

	COMPANY			
	Software	Software	Software	Software
Net book value 1.1.2013	**4,187**	**97**	**134**	**4,418**
Additions	0	38	0	**38**
Acquisitions through absorption - cost	189	0	0	**189**
Acquisition cost of sold-written off assets	(159)	0	0	**(159)**
Amortization for the period	(219)	(63)	(7)	**(289)**
Other transfers – cost	(30)	0	0	**(30)**
Other transfers – accumulated amortization	0	0	0	**0**
Foreign exchange differences - cost	0	(2)	0	**(2)**
Foreign exchange differences – accumulated amortization	0	2	0	**2**
Net book value 31.12.2013	**3,968**	**72**	**127**	**4,167**
Cost 1.1.2013	6,623	1,066	182	**7,871**
Accumulated Amortization 1.1.2013	(2,436)	(969)	(48)	**(3,453)**
Net book value 1.1.2013	**4,187**	**97**	**134**	**4,418**
Cost 31.12.2013	6,623	1,102	182	**7,907**
Accumulated Amortization 31.12.2013	(2,655)	(1,030)	(55)	**(3,740)**
Net book value 31.12.2013	**3,968**	**72**	**127**	**4,167**

	COMPANY			
	Software	Software	Software	Software
Net book value 1.1.2012	**4,408**	**163**	**140**	**4,711**
Additions	0	33	0	**33**
Amortization for the period	(221)	(99)	(6)	**(326)**
Other transfers – cost	0	(1)	0	**(1)**
Foreign exchange differences - cost	0	(1)	0	**(1)**
Foreign exchange differences – accumulated amortization	0	1	0	**1**
Other transfers – accumulated amortization	0	1	0	**1**
Net book value 31.12.2012	**4,187**	**97**	**134**	**4,418**
Cost 1.1.2012	6,623	1,035	182	**7,840**
Accumulated Amortization 1.1.2012	(2,214)	(872)	(42)	**(3,128)**
Net book value 1.1.2012	**4,409**	**163**	**140**	**4,711**
Cost 31.12.2012	6,623	1,066	182	**7,871**
Accumulated Amortization 31.12.2012	(2,436)	(969)	(48)	**(3,453)**
Net book value 31.12.2012	**4,187**	**97**	**134**	**4,418**

The Group's amortization for the reported period has been registered in cost of sales by euro 5,984 (10,257 in the previous year) and administrative expenses by euro 543 (321 in the previous year). The respective amounts for the Company correspond to euro 3 (29 in the previous year) and euro 286 (297 in the previous year).

The account Concessions and Rights for the Group includes the recognition of purchased rights for the exploitation of quarries and magnesite quarries, with a net book value of 31,435 (31,685 in the previous year), with an initial agreed duration of 20-30 years for quarries and of 50 years for magnesite quarries.

The account Concessions and Rights of the Company include the recognition of purchased rights to exploit quarries with net book value of euro 3,968 (euro 4,187 in the previous year).

7 TANGIBLE FIXED ASSETS

The account of tangible fixed assets in the accompanying financial statements, is analyzed as follows:

(Amounts in thousands Euro, unless stated otherwise)

GROUP	Quarries/ Land-Plots	Building s	Machinery	Vehicles	Other	Assets under construction	Total
Net book value 1.1.2013	**11,292**	**4,844**	**53,404**	**11,228**	**3,719**	**2,888**	**87,375**
Additions	922	134	1,690	515	1,102	537	**4,900**
Effect from acquisitions and sale of companies – cost	(99)	2,298	68,984	(311)	467	320	**71,659**
Effect from acquisitions and sale of companies – accumulated depreciation	0	1,925	(5,134)	432	(326)	0	**(3,103)**
Acquisition cost of sold-written off assets	0	(348)	(1,110)	(570)	(358)	0	**(2,386)**
Accumulated depreciation of assets sold written-off	0	94	827	445	229	0	**1,595**
Transfer to/(from) another tangible fixed asset account – cost	0	0	9	0	(9)	0	**0**
Transfer to/(from) another tangible fixed asset account – accumulated depreciation	0	0	0	0	0	0	**0**
Transfer to/(from) inventories – cost	0	0	0	0	0	0	**0**
Transfer (from)/to inventories – accumulated depreciation	0	0	0	0	0	0	**0**
Transfer from assets under construction	0	0	0	0	0	0	**0**
Depreciation for the year	(277)	(598)	(14,537)	(1,521)	(1,538)	0	**(18,471)**
Other movements on acquisition cost / FX differences - cost	0	(114)	(535)	(72)	(82)	(2)	**(805)**
Other movements on depreciation / FX differences - accumulated depreciation	0	29	354	54	64	0	**501**
Net book value 31.12.2013	**11,838**	**8,264**	**103,952**	**10,200**	**3,268**	**3,743**	**141,265**
Cost 1.1.2013	12,972	9,182	122,687	28,414	13,089	2,888	**189,232**
Accumulated Depreciation 1.1.2013	(1,680)	(4,338)	(69,283)	(17,186)	(9,370)	0	**(101,857)**
Net book value 1.1.2013	**11,292**	**4,844**	**53,404**	**11,228**	**3,719**	**2,888**	**87,375**
Cost 31.12.2013	13,795	11,152	191,725	27,976	14,209	3,743	**262,600**
Accumulated Depreciation 31.12.2013	(1,957)	(2,888)	(87,773)	(17,776)	(10,941)	0	**(121,335)**
Net book value 31.12.2013	**11,838**	**8,264**	**103,952**	**10,200**	**3,268**	**3,743**	**141,265**

(Amounts in thousands Euro, unless stated otherwise)

GROUP	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction	Total
Net book value 1.1.2012	**11,729**	**3,338**	**62,234**	**12,605**	**3,275**	**4,687**	**97,868**
Additions	0	167	1,926	817	1,825	0	**4,735**
Acquisition cost of sold, written-off fixed assets	0	(23)	(8,443)	(1,815)	(428)	0	**(10,709)**
Accumulated depreciation of sold, written-off fixed assets	0	23	7,016	1,758	364	0	**9,161**
Transfer to/(from) another tangible fixed asset account – cost	0	0	(152)	152	0	0	**0**
Transfer to/(from) another tangible fixed asset account – accumulated depreciation	0	0	102	(102)	0	0	**0**
Transfer to/(from) inventories – cost	(161)	0	0	0	(445)	0	**(606)**
Transfer (from)/to inventories – accumulated depreciation	0	0	408	0	499	0	**907**
Transfer from assets under construction	0	1,797	0	0	0	(1,797)	**0**
Depreciation for the year	(276)	(393)	(9,579)	(2,170)	(1,343)	0	**(13,761)**
Other movements on acquisition cost / FX differences - cost	0	(79)	(310)	(53)	(62)	(2)	**(506)**
Other movements on depreciation / FX differences - accumulated depreciation	0	14	202	36	34	0	**284**
Net book value 31.12.2012	**11,292**	**4,844**	**53,404**	**11,228**	**3,719**	**2,888**	**87,375**
Cost 1.1.2012	13,133	7,320	129,258	29,313	11,719	4,687	**195,430**
Accumulated Depreciation 1.1.2012	(1,404)	(3,982)	(67,024)	(16,708)	(8,444)	0	**(97,562)**
Net book value 1.1.2012	**11,729**	**3,338**	**62,234**	**12,605**	**3,275**	**4,687**	**97,868**
Cost 31.12.2012	12,972	9,182	122,687	28,414	13,089	2,888	**189,232**
Accumulated Depreciation 31.12.2012	(1,680)	(4,338)	(69,283)	(17,186)	(9,370)	0	**(101,857)**
Net book value 31.12.2012	**11,292**	**4,844**	**53,404**	**11,228**	**3,719**	**2,888**	**87,375**

(Amounts in thousands Euro, unless stated otherwise)

COMPANY	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction	Total
Net book value 1.1.2013	**1,860**	**1,651**	**47,833**	**10,692**	**2,707**	**0**	**64,743**
Additions	0	0	847	411	542	0	1,800
Effect from acquisitions and sale of companies – cost	830	0	240		0	341	1,411
Effect from acquisitions and sale of companies – accumulated depreciation	0	0	0	0	0	0	0
Acquisition cost of sold-written off assets	0	0	(756)	(169)	(218)	0	(1,143)
Accumulated depreciation of assets sold written-off	0	0	613	166	125	0	904
Transfer to another tangible fixed asset account – cost	0	0	9	0	(9)	0	0
Transfer to another tangible fixed asset account – accumulated depreciation	0	0	0	0		0	0
Depreciation for the year	(10)	(130)	(7,733)	(1,289)	(973)	0	(10,135)
Other movements on acquisition cost / FX differences - cost	0	(19)	(169)	(13)	(20)	0	(221)
Other movements on depreciation / FX differences - accumulated depreciation	0	19	124	9	20	0	172
Net book value 31.12.2013	**2,680**	**1,521**	**41,008**	**9,807**	**2,174**	**341**	**57,531**
Cost 1.1.2013	1,943	3,135	107,070	25,809	9,037	0	146,994
Accumulated Depreciation 1.1.2013	(83)	(1,484)	(59,237)	(15,117)	(6,330)	0	(82,251)
Net book value 1.1.2013	**1,860**	**1,651**	**47,833**	**10,692**	**2,707**	**0**	**64,743**
Cost 31.12.2013	2,773	3,116	107,241	26,038	9,332	341	148,841
Accumulated Depreciation 31.12.2013	(93)	(1,595)	(66,233)	(16,231)	(7,158)	0	(91,310)
Net book value 31.12.2013	**2,680**	**1,521**	**41,008**	**9,807**	**2,174**	**341**	**57,531**

(Amounts in thousands Euro, unless stated otherwise)

COMPANY	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Total
Net book value 1.1.2012	**1,871**	**1,850**	**55,919**	**11,714**	**1,779**	**73,133**
Additions	0	0	431	788	1,401	2,620
Acquisition cost of sold, written-off fixed assets	0	0	(829)	(1,693)	(153)	(2,675)
Accumulated depreciation of sold, written-off fixed assets	0	0	49	1,670	147	1,866
Transfer to another tangible fixed asset account – cost	0	0	(152)	152	0	0
Transfer to another tangible fixed asset account – depreciation	0	0	102	(102)	0	0
Depreciation for the year	(11)	(199)	(8,069)	(1,825)	(927)	(11,031)
Other movements on acquisition cost / FX differences - cost	0	(11)	321	(18)	449	741
Other movements on depreciation / FX differences - accumulated depreciation	0	11	61	7	12	91
Net book value 31.12.2012	**1,860**	**1,651**	**47,833**	**10,692**	**2,707**	**64,743**
Cost 1.1.2012	1,943	3,146	107,299	26,581	7,340	146,309
Accumulated Depreciation 1.1.2012	(72)	(1,296)	(51,380)	(14,867)	(5,561)	(73,176)
Net book value 1.1.2012	**1,871**	**1,850**	**55,919**	**11,714**	**1,779**	**73,133**
Cost 31.12.2012	1,943	3,135	107,070	25,809	9,037	146,994
Accumulated Depreciation 31.12.2012	(83)	(1,484)	(59,237)	(15,117)	(6,330)	(82,251)
Net book value 31.12.2012	**1,860**	**1,651**	**47,833**	**10,692**	**2,707**	**64,743**

(Amounts in thousands Euro, unless stated otherwise)

The depreciations of the Group for the reported year, have been registered in Cost of sales by euro 17,569 (12,874 in the previous financial year), in Administration and Distribution Expenses by euro 676 (882 in the previous financial year), in Research and development expenses by 16 (5 in the previous financial year) and in Other income/(expenses) by 198 (0 in the previous financial year).

The depreciations of the Company for the reported year, have been registered in Cost of sales by euro 9,096 (10,334 in the previous financial year), in Administration and Distribution Expenses by euro 842 (692 in the previous financial year), in Research and development expenses by 0 (5 in the previous financial year) and in Other income/(expenses) by 198 (0 in the previous financial year).

The above tangible assets also include those that have been acquired through financial leasing contracts:

GROUP and COMPANY	**Machinery**	**Vehicles**	**Total**
Cost 31.12.2013	37,108	9,687	46,795
Accumulated depreciation 31.12.2013	(16,510)	(3,942)	(20,452)
Net book value 31.12.2013	**20,598**	**5,745**	**26,343**

GROUP and COMPANY	**Machinery**	**Vehicles**	**Total**
Cost 31.12.2012	48,376	12,297	**60,673**
Accumulated depreciation 31.12.2012	(19,448)	(4,979)	**(24,427)**
Net book value 31.12.2012	**28,928**	**7,318**	**36,246**

No collateral or lien has been written on property of the Group for security against bank loans.

8 PARTICIPATIONS IN SUBSIDIARIES

The change of the account Participation in subsidiaries is mainly attributed to the completion of liquidation of the company ETADE SA.

9 INVESTMENTS AVAILABLE FOR SALE

Investments available for sale on 31st December 2013, in the attached financial statements are analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Participations in related companies	8,196	0	5,372	0
Shares and rights	9,861	500	9,861	500
Other securities	53	51	36	36
	18,110	**551**	**15,269**	**536**
Non current	**8,928**	**51**	**6,087**	**36**
Current	**9,182**	**500**	**9,182**	**500**

(Amounts in thousands Euro, unless stated otherwise)

The participation stakes in the related / affiliated companies of the Company and the Group concern the non-listed companies ILIOHORA, based on the Company's and Group's participation by 29.45%, and ICON BOROVETS, participation by 20.4% and 64% respectively, in which the Group does not exercise any significant operational or financial control or influence. The exclusive operational and financial control is exercised by the Group of the parent GEK TERNA.

The valuation resulted into loss of 1,830 and 6,681 in the Company and the Group, respectively, which was recorded in the Other comprehensive income.

10 OTHER LONG-TERM RECEIVABLES

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Loans to other related companies	10,626	63,942	14,562	50,570
Given guarantees	1,064	1,026	560	633
Total	**11,690**	**64,968**	**15,122**	**51,203**

The Company and Group have participated in the issuance of bond loans and syndicated loans of related companies. These loans carry an interest.

11 INVENTORIES

The account "inventories" on 31 December 2013 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Raw-auxiliary materials	5,729	5,575	867	716
Spare parts of fixed assets	2,287	23	25	25
Property under development	13,196	13,196	0	0
Merchandise and Finished and semi-finished products	4,942	3,152	3,146	2,999
Byproducts and Residues	0	47	0	0
Total	**26,154**	**21,993**	**4,038**	**3,740**

During the end of the present year and the previous year there was no need to provide for impaired inventories.

12 TRADE RECEIVABLES AND PREPAYMENTS AND OTHER SHORT-TERM RECEIVABLES

The account "Trade receivables" in the accompanying financial statements is analyzed as follows:

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Trade receivables	193,407	262,535	131,943	160,253
Accrued income	40,387	8,659	0	8,659
Customers – Doubtful and litigious	7,728	5,850	5,335	5,314
Checks Receivable	1,070	3,323	1,070	2,340
Minus: Provisions for doubtful trade receivables	(23,329)	(7,655)	(6,350)	(6,350)
	219,263	**272,713**	**131,998**	**170,216**

The "Prepayments and other short-term receivables" in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Accounts for management of prepayments and credits	3,142	4,087	1,772	2,112
Other accrued income	538	1,288	317	766
Receivables against members of joint ventures and other related parties	15,060	12,186	59,452	60,383
Receivables from the sale of participation in HERON II	42,365	0	42,365	0
Other sundry debtors	10,512	5,781	5,287	4,800
Blocked deposit accounts	4,090	1,636	3,913	1,458
Prepayments to suppliers	22,102	30,741	12,588	17,784
Claim for indemnity based on decision by ICC	0	17,418	0	0
Prepayments of deferred expenses (insurance premiums, leases, bank commissions on letters of guarantee)	10,492	11,181	3,548	5,660
VAT to be rebated – offset	19,299	11,685	3,806	1,963
Receivables from other taxes	1,500	1,500	1,500	1,500
Social Security on technical projects	2,809	2,171	2,055	1,670
Minus: Provisions for doubtful receivables	(3,304)	(3,304)	(3,304)	(3,304)
	128,605	**96,370**	**133,299**	**94,792**

The receivables of the Group and the Company include accounts amounting to 50,730 and 18,803 respectively (58,207 and 45,871 respectively at the end of the previous financial year) that concern overdue receivables, apart from those impaired. Such refer to receivables for which there is certainty regarding their collection in full, given that they mainly concern receivables from government entities or customers whose credibility is secure.

(Amounts in thousands Euro, unless stated otherwise)

The time allocation of the above receivables is as follows:

	GROUP		COMPANY	
YEARS OVERDUE	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Up to 1 year	3,500	5,043	2,500	43
1-2 years	7,326	8,681	3,000	7,764
2-3 years	3,324	16,176	1,892	14,605
Over 3 years	36,580	28,307	11,411	23,459
	50,730	**58,207**	**18,803**	**45,871**

13 CONSTRUCTION CONTRACTS

The technical works, undertaken by the Group and company that were under construction on 31.12.2013 are analyzed as follows:

	GROUP		COMPANY	
Cumulatively from the beginning of the projects	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Cumulative costs	2,238,844	2,704,646	1,363,061	2,067,601
Cumulative profit	275,470	389,896	208,178	299,637
Cumulative loss	(54,533)	(35,907)	(19,995)	(19,491)
Billings	(2,376,304)	(2,948,554)	(1,511,111)	(2,337,903)
	83,477	**110,081**	**40,133**	**9,844**
Receivables from construction contracts	137,203	165,107	91,507	63,931
Liabilities from construction contracts (long term)	(24,195)	0	(24,195)	0
Liabilities from construction contracts (short term)	(29,531)	(55,026)	(27,179)	(54,087)
Net receivables from customers of projects	**83,477**	**110,081**	**40,133**	**9,844**
Received prepayments	256,700	246,391	145,875	85,316
Withheld amounts from customers of projects	56,131	31,843	30,227	28,066

14 CASH AND CASH EQUIVALENTS

The account “Cash and cash equivalents” in the accompanying financial statements is analyzed as follows:

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Cash in hand	130	106	61	41
Sight Deposits	123,893	92,272	51,292	34,231
Term Deposits	20,399	1,112	20,399	1,044
Total	**144,422**	**93,490**	**71,752**	**35,316**

Term deposits have a usual duration of 2-3 months and interest rates ranging between 1.80% - 2.00% during the financial year (3.00-3.50% during the previous financial year).

15 SHARE CAPITAL AND RESERVES

On 23.12.2008 the merger through absorption of part of the construction activities of the company TERNA SOCIETE ANONYME TOURISM TECHNICAL AND SHIPPING COMPANY, was approved by means of the decision by the Ministry of Development under Reg. No. K2-15458/23.12.2008 and at the same time the share capital increase was approved by 28,388,000.00 euro. Thus the share capital amounted to euro 28,910,000.00 divided into 289,100 common registered shares, with a nominal value of 100.00 euro each.

The increase of the share capital emerged by euro 28,385,746.36 from the amount of the contributed share capital of TERNA SA and by 2,253.64 from payment of cash from Company shareholders. At the same time the nominal value of the company's shares increased from 10 to 100 euro.

Due to the absorption of HERON HOLDINGS S.A. by the Company, with the exchange of a share issue towards the shareholders of the former company, the Company's share capital increased by 11,100 with the issue of 111,000 new shares. Through this increase, the Company's share capital now amounts to 40,010 divided into 400,100 shares with a nominal value € 100.00 each.

Shareholders possess the right to receive dividends as these are proposed annually, whereas each share incorporates one voting right in the General Meetings of the shareholders.

The Company's shares are 100% owned by GEK TERNA SA. The Company did not hold any treasury shares during the current as well as the previous financial year. The weighted average number of outstanding shares during the above financial years, for the purpose of earnings per share, amounted to 400,100 shares (289,100 during the comparative period).

Losses per share of the Group during the present period amount to euro 82.96 (losses of euro 58.39 during the previous financial year) and were calculated based on losses attributed to shareholders of the parent of euro 33,193 (losses of euro 16,881 during the previous financial year) and based on the above weighted average number of shares of the respective financial years.

(Amounts in thousands Euro, unless stated otherwise)

The account “Reserves” on 31.12.2013 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Reserve from fair value of available for sale assets	(6,270)	0	(2,001)	0
Tax free reserves	37,443	37,442	37,443	37,443
Regulatory reserve	11,343	11,133	10,000	10,000
Other reserves	1,657	(65)	628	61
	44,173	**48,510**	**46,070**	**47,504**

Tax free reserves in case of distribution or capitalization will be taxed with the current tax rate.

In the near future, the Group and the Company do not intend to distribute or capitalize the particular reserves, apart from an amount of 7,361 fro the Group and the Company, concerning tax free reserves of L. 4172/2013, which will be taxed at the obligatory, based on Law 4172/2013, distribution or capitalization, within the year 2014 with a tax rate of 19%. Based on the above amount, the Group calculated the corresponding tax in the Net earnings.

16 OTHER LONG-TERM LIABILITIES

The account “Other long-term liabilities” in the accompanying financial statements of the Company and the Group concern prepayments from customers of construction contracts for projects that will be certified and offset after 31.12.2014.

17 LONG-TERM LOANS AND FINANCE LEASES

The long-term loans and liabilities from finance leases in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Liabilities from finance leases	14,570	24,671	14,570	24,671
Minus: Short-term portion	(7,896)	(10,220)	(7,896)	(10,220)
Long-term loans	166,996	158,851	143,846	157,733
Minus: Short-term portion	(48,015)	(72,150)	(24,865)	(70,732)
	125,655	**101,152**	**125,655**	**101,452**

(Amounts in thousands Euro, unless stated otherwise)

The repayment period of long-term loans is analyzed in the following table:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Up to 1 Year	48,015	72,150	24,865	70,732
Between 2 - 5 Years	114,756	86,701	114,756	87,001
Over 5 Years	4,225	0	4,225	0
	166,996	**158,851**	**143,846**	**157,733**

The repayment period of liabilities from financial leasing is analyzed in the following table:

	GROUP & COMPANY	
	31.12.2013	**31.12.2012**
Up to 1 Year	7,896	10,220
Between 2 - 5 Years	6,674	14,451
Over 5 Years	0	0
	14,570	**24,671**

A. Long-term Loans

The Group's long-term debt in Euro corresponds to 100% of the total (98.9% in EUR and 1% in USD during the previous year) and represents 58.3% (64.5% during the previous year) of the Group's overall debt. Long-term debt mainly covers the financing needs of the Group. As regards to the Company, total long-term debt is in euro and represents approximately 59.7% of its overall debt (73.5% during the previous year).

The Company TERNA SA proceeded with refinancing of loans amounting to 109 million euro through the signing of bond loans with duration 2.5 – 4 years and with interest rate based on euribor plus a 6.5% spread.

In addition, the Group and the Company issued new long-term bond loans amounting to 2,725, respectively (17,301 in the previous year) while they paid existing loan installments of 46,324 and 38,158, respectively (46,046 and 44,624 in the previous year, respectively).

The largest part of the Group's long-term debt, 95.7%, is based on floating interest rates (100% at the end of the previous year). The remaining, based on fixed interest rates, concerns bond loans from related companies.

The average effective interest rate on long-term debt during the period, amounted to 5.86% (5.94% during the previous year) for debt in euro and to 3.38% for debt in USD (3.28% during the previous year).

(Amounts in thousands Euro, unless stated otherwise)

B. Financial Leasing contracts

Finance leases have been contracted in euro and concern mechanical and plant equipment used for the execution needs of construction projects. Finance leases represent 5.09% (10.01% during the previous year) of the Group's total debt and 6.03% (11.49% during the previous year) of the Company's total debt. 68.4% (58.6% during the previous year) of liabilities from finance leases of the Company and Group are under floating interest rates.

The amount of euro 10,055 (12,413 during the previous year) was paid for leases on existing contracts of the Company with an effective interest rate of 3.76% (4.23% during the previous year).

18 PROVISION FOR STAFF INDEMNITIES

According to Greek labor 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 programs are usually not funded.

The estimations 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 accompanying statement of comprehensive income as well as the movement of the relevant provision accounts for staff indemnities presented in the accompanying statement of financial position.

The amount due for staff indemnities is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Present value of liabilities	4,904	4,741	2,727	2,777
Unrecognized actuarial losses	0	349	0	350
Recognized liability	**4,904**	**5,090**	**2,727**	**3,127**

The movement of the relevant provision in the Statement of financial position is as follows:

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Balance 1.1	**5,090**	**4,447**	**3,127**	**3,085**
Additions recognized in Net earnings	1,691	2,046	980	1,220
Elimination of previous years' actuarial gains	(349)	0	(350)	0
Actuarial gains / (expenses) from defined benefit plans	(109)	0	(119)	0
Transfer of non utilized provisions into the results	0	(17)	0	0
Foreign exchange differences	(136)	(86)	(57)	(34)
Compensation payments	(1,294)	(1,300)	(854)	(1,143)
Effect from purchase and sale of participation	11	0	0	0
Balance 31.12	**4,904**	**5,090**	**2,727**	**3,127**

(Amounts in thousands Euro, unless stated otherwise)

With regard to the accumulated actuarial losses from previous financial years there was no revision of the opening balance due to insignificance.

The expense for staff indemnity of the Group recognized, mainly in cost of sales of the period's results, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Current service cost	1,419	1,694	709	868
Financial cost	54	75	54	75
Effect from cost containment or settlements	218	277	217	277
	1,691	**2,046**	**980**	**1,220**

The main actuarial assumptions for the financial years 2013 and 2012 are as follows:

	2013	**2012**
Discount rate (based on the yields of the E.C.B. bonds)	3.5%	4.0%
Mortality: Greek mortality table	MT_EAE2013P	MT_EAE2012P
Future wage increases	2.4%	2.4%
Movement of salaried workers (departure under their own will)	1%	1%
Movement of day-waged workers (departure under their own will)	1%	1%
Movement of salaried workers (laid-off)	8%	8%
Movement of day-waged workers (laid-off)	8%	8%

The following table presents the sensitivity of the liability for personnel benefits due to changes in certain actuarial assumptions.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Discount Rate	3.00%	No Change	4.00%	4.00%
Future Salaries Increases	No Change	2.00%	No Change	2.00%
Effect on the net earnings / (losses) 2013	(27)	19	23	39

(Amounts in thousands Euro, unless stated otherwise)

19 OTHER PROVISIONS

The movement of the account "Other provisions" in the Statement of financial position is as follows:

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
Balance 1.1.2013	**114**	**2,566**	**2,680**	**114**	**7,088**	**7,202**
Provision recognized in net earnings	0	200	**200**	0	0	**0**
Utilized provisions	0	0	**0**	0	0	**0**
Interest on provisions recognized in net earnings	16	0	**16**	0	0	**0**
Transfer from short-term liabilities	0	0	**0**	0	0	**0**
Non utilized provisions recognized in the results	0	0	**0**	0	0	**0**
Foreign exchange differences	0	0	**0**	0	0	**0**
Effect from purchase and sale of participation	187	0	**187**			
Balance 31.12.2013	**317**	**2,767**	**3,084**	**114**	**7,088**	**7,202**

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
Balance 1.1.2012	**114**	**2,374**	**2,488**	**114**	**2,074**	**2,188**
Additions recognized in the results	0	1,000	**1,000**	0	1,000	**1,000**
Utilized provisions	0	0	**0**	0	0	**0**
Transfer from short-term liabilities	0	0	**0**	0	4,822	**4,822**
Non utilized provisions recognized in the results	0	(798)	**(798)**	0	(798)	**(798)**
Foreign exchange differences	0	(10)	**(10)**	0	(10)	**(10)**
Balance 31.12.2012	**114**	**2,566**	**2,680**	**114**	**7,088**	**7,202**

The Group is obliged to proceed to environmental rehabilitation where it installs production units for management of quarries, after the completion of the concession period, which is 20-30 years, according to the licenses granted by state. The aforementioned provision of 317 euro reflects the required expenses for the removal of equipment and formation of the area in which the equipment was installed, using the available technology and materials.

(Amounts in thousands Euro, unless stated otherwise)

The account "Other provisions" in the above table is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Provisions for income tax	1,241	1,040	740	740
Provisions for doubtful receivables	1,000	379	1,000	379
Provisions for loss making joint ventures	0	0	4,822	4,822
Provisions for legal cases	526	147	526	147
Other provisions	0	1,000	0	1,000
	2,767	**2,566**	**7,088**	**7,088**

The account "Provisions for income tax" concerns provisions for tax un-audited fiscal years.

20 SUPPLIERS, ACCRUED AND OTHER SHORT-TERM LIABILITIES

The account "Suppliers" in the accompanying financial statements is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Suppliers	148,596	127,634	98,534	100,698
Checks and notes payable	9,271	18,124	3,305	4,031
	157,867	**145,759**	**101,839**	**104,729**

The account "Accrued and other short-term liabilities" in the accompanying financial statements is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Dividends payable	13	28	13	28
Receivables against members of joint ventures and other related companies	21,028	9,805	582	280
Remuneration of Board of Directors	120	223	120	223
Accrued expenses	11,957	13,494	1,452	6,508
Sundry creditors	10,755	10,241	3,854	4,246
Employee remuneration	2,212	1,960	977	1,076
Customer prepayments	126,226	118,723	25,155	9,828
Liabilities from taxes – dues	4,755	8,857	3,696	8,083
Social security funds	1,299	777	840	637
	178,365	**164,108**	**36,689**	**30,909**

(Amounts in thousands Euro, unless stated otherwise)

21 SHORT-TERM LOANS

The Group's short-term debt is denominated in the local currency of each company within the Group, and in total by 83.8% in euro (76.8% at the end of the previous year), 14.8% in QAR (21.8% at the end of the previous year), 0.00% in AED (1.3% at the end of the previous year) and 1.4% in BHD (0.1% at the end of the previous year). Moreover, it represents 36.6% (25.5% at the end of the previous year) of the Group's total debt and covers the working capital needs by 100% (89.7% at the end of the previous year) of the construction sector.

The Group's short-term loans refer mainly to current bank accounts having a duration up to three months and are renewed depending on the needs. The amounts withdrawn are used mainly to cover the liquidity needs of the Group during the construction period of technical works. Such loans, with the completion of the relevant projects, are repaid with the collection of the contractor prices. The average weighted interest rate on such during the year amounted to 7.3% (6.8% during the previous year).

22 INCOME TAX

According to Greek tax legislation, the tax rate corresponded to 20% for the financial year 2012, whereas for the financial year 2013 and the following years corresponds to 26%.

The effective tax rate differs from the nominal. The calculation of the effective tax rate is affected by several factors, the most important of which are the non-exemption of specific expenses, differences from the use of depreciation rates that emerge between the fixed asset's useful life and the use of rates stipulated by L.4110/2013, the capability of companies to create tax-exempt discounts and tax-exempt reserves, and the aforementioned increase of the tax rate through calculations of deferred income tax.

(a) Income tax expense

Income tax on the year's results in the statement of comprehensive income is analyzed as follows:

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Current tax expense				
Current tax	1,839	422	23	0
Tax differences from previous years	(32)	873	6	708
Provisions for tax differences	200	0	0	0
	2,007	**1,295**	**29**	**708**
Deferred tax expense / (income)	12,706	(736)	7,369	1,635
Total	**14,713**	**559**	**7,398**	**2,343**

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

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Earnings/(loss) before tax	**(18,750)**	**(16,788)**	**7,920**	**(2,592)**
Nominal tax rate	**26%**	**20%**	**26%**	**20%**
Income tax expense/(income) based on the effective nominal tax rate	**(4,875)**	**(3,358)**	**2,059**	**(518)**
<u>*Adjustments for*</u>:				
Tax due to implied taxation method	(168)	(96)	0	0
Expenses and income not included in the calculation of tax	2,324	1,687	5,118	1,450
Effect of differences of tax rate	1,448	0	(2,973)	0
Tax differences from previous years and provisions for tax differences	(32)	873	6	708
Provision for tax audit differences	200	0	0	0
Difference in taxation of foreign companies	14,210	1,362	2,478	703
Tax corresponding to write-off/(offsetting) of tax losses	1,606	91	710	0
Real tax expense	**14,713**	**559**	**7,398**	**2,343**

Tax Compliance Report

From fiscal year 2011 and onwards, Greek Société Anonyme Companies and Limited Liability Companies whose annual financial statements must be audited by a Certified Auditor, are obliged to receive a "Tax Compliance Report " in accordance with par. 5 of article 82 of L.2238/1994, which is issued after a tax audit conducted by the same Legal Auditor or audit firm that audits the annual financial statements. After the tax audit is completed, the Legal Auditor or audit firm issues a "Tax Compliance Report" for the company and subsequently the Legal Auditor or audit firm submits such electronically to the Ministry of Finance the latest up to the 10th day of the 7th month following the end of the management period. The Ministry of Finance will select a sample of companies representing at least 9% of the total to be audited by the relevant audit services of the Ministry. This audit must be completed in a period no longer than eighteen months from the date the "Tax Compliance Report" was submitted to the Ministry, otherwise the fiscal years will be considered as finalized as regards to tax.

The parent company TERNA S.A. has been audited by the relevant tax authorities up to fiscal year 2009 included. The income tax statements are submitted on an annual basis, but earnings or losses (particularly for the parent company and the Greek subsidiaries that emerged up to 2010 included) that are stated remain temporary until the tax authorities audit the books and data of the entity and the final audit report is issued. In this case possible additional taxes and surcharges may be imposed by the tax authorities.

For this reason and based on data deriving from past years' tax audits, relevant provisions have been recorded for the financial year 2013, against additional taxes and surcharges that may be imposed to the Group, provisions of 1,241 (1,040 at the end of the previous year), and the Company, provisions of 740 (the same amount at the end of the previous year). These provisions are included in the account "Other provisions" (note 19). Tax losses, to the extent they are approved by tax authorities, may offset future taxable earnings for a period of five years from the year they arose.

(Amounts in thousands Euro, unless stated otherwise)

For the financial year 2013 (as well as for the years 2011 – 2012), the parent company and its Greek subsidiaries are under the tax audit performed by the Certified Auditors, as it is provided from the clauses of article 82, paragraph 5, Law 2238/1994. This audit is under development and the relevant tax audit certificate is to be granted following the publication of the financial statements of year 2013. The Group's Management estimates that the completion of the tax audit will not result into any additional tax liabilities with material effect apart from those liabilities recorded and depicted in the financial statements.

During the preparation date of the accompanying financial statements the tax un-audited fiscal years of the Group's companies, including fiscal year 2013, are as follows:

ECONOMIC ENTITY	DOMICILE	TOTAL PARTICIPATION %	CONSOLIDATION METHOD	TAX UN-AUDITED FISCAL YEARS
TERNA MAG SA	Greece	48.98	Full	2010
VRONDIS QUARRY PRODUCTS SA	Greece	100.00	Full	2010
TERNA OVERSEAS LTD	Cyprus	100.00	Full	2007-2013
QE ENERGY EUROPE LTD	Cyprus	100.00	Full	2007-2013
TERNA QATAR LLC **	Qatar	40.00	Full	2007-2013
TERNA BAHRAIN HOLDING WLL	Bahrain	99.99	Full	-
TERNA CONTRACTING CO WLL	Bahrain	100.00	Full	-
TERNA ELECTRICAL MECHANICAL WLL	Bahrain	100.00	Full	-
TERNA VENTURES WLL	Bahrain	100.00	Full	-
TERNA SAUDI ARABIA LTD	Saudi Arabia	60.00	Full	2012-2013
CEMENT PRODUCTION AND EXPORT FZC	Libya	75.00	Full	2009-2013
MALCEM CONSTRUCTION MATERIALS LTD	Malta	75.00	Full	2008-2013
HERON II VOIOTIAS SA	Greece	25.00	Proportionate	2007-2010
J/V TERNA SA - IMPEGILO SPA (TRAM)	Greece	55.00	Proportionate	2010-2013
J/V ANCIENT OLYMPIA BY-PASS	Greece	50.00	Proportionate	2008-2013
J/V UNDERGROUND CAR PARK THESSALONIKI	Greece	50.00	Proportionate	2007-2013
J/V ATHENS CONCERT HALL	Greece	69.00	Proportionate	2010-2013
J/V PERISTERI METRO	Greece	50.00	Proportionate	2003-2013
J/V TERNA SA - KARAGIANNIS TEFAA KOMOTINI PROJECT	Greece	24.00	Proportionate	2010-2013
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	50.00	Proportionate	2010-2013
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	Proportionate	2010-2013
J/V AVAX-VIOTER (OLYMPIC VILLAGE CONSTRUCTION)	Greece	37.50	Proportionate	2007-2013
J/V TERNA S.A. -PANTECHNIKI S.A.	Greece	83.50	Proportionate	2003-2013
J/V TERNA S.A.-ATHENA ATE ARACHTHOS-PERISTERI	Greece	62.50	Proportionate	2010-2013
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX	Greece	69.00	Proportionate	2010-2013
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	Proportionate	2007-2013
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH	Greece	25.00	Proportionate	2010-2013
J/V CONSTRUCTION OF PROJECT PARADEISIA-TSAKONA	Greece	49.00	Proportionate	2010-2013
J/V UNDERGROUND CHAIDARI-PART A	Greece	50.00	Proportionate	2010-2013

(Amounts in thousands Euro, unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	TOTAL PARTICIPATION %	CONSOLIDATION METHOD	TAX UN-AUDITED FISCAL YEARS
J/V FOUNDATION OF THE HELLENIC WORLD-COMPLETE CONSTRUCTION	Greece	60.00	Proportionate	2010-2013
J/V AKTOR-TERNA SA	Greece	50.00	Proportionate	2010-2013
TERNA SA-PANTECHNIKI SA (O.A.K.A.) G.P.	Greece	50.00	Proportionate	2007-2013
J/V ALPINE MAYREDER BAU Gmbh-TERNA SA - AKTOR - POWEL	Greece	31.50	Proportionate	2007-2013
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	Greece	35.00	Proportionate	2008-2013
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	Greece	33.33	Proportionate	2007-2013
J/V AEGEK-TERNA	Greece	45.00	Proportionate	2010-2013
J/V EUROIONIA	Greece	95.00	Proportionate	2010-2013
J/V TERNA-AKTOR	Greece	50.00	Proportionate	2010-2013
J/V CENTRAL GREECE MOTORWAY E-65	Greece	95.00	Proportionate	2008-2013
J/V TERNA SA-AKTOR ATE J&P AVAX PIRAEUS – TREIS GEFYRES	Greece	33.33	Proportionate	2010-2013
J/V TERNA SA- AKTOR ATE DOMOKOS	Greece	50.00	Proportionate	2008-2013
J/V TERNA SA- THALES AUSTRIA	Greece	37.40	Proportionate	2010-2013
J/V J&P AVAX SA-VIOTER SA-TERNA SA	Greece	33.33	Proportionate	2010-2013
J/V ALPINE BAU-TERNA SA	Greece	49.00	Proportionate	2010-2013
J/V AKTOR-TERNA	Greece	50.00	Proportionate	2010-2013
J/V TRAM CIVIL ENGINEERING WORKS	Greece	36.00	Proportionate	2007-2013
J/V METKA-TERNA	Greece	90.00	Proportionate	2009-2013
J/V TERNA SA-NEON STAR SA-RAMA SA (OPAP Project)	Greece	51.00	Proportionate	2011-2013
J/V AKTOR-TERNA-MOCHLOS (Florina-Niki road)	Greece	33.33	Proportionate	2012-2013
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	Greece	51.00	Proportionate	2012-2013
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	50.00	Proportionate	2012-2013
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	50.00	Proportionate	2012-2013
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	49.00	Proportionate	2012-2013
J/V AKTOR-TERNA (Harbor of Patras)	Greece	70.00	Proportionate	2012-2013
J/V TERNA SA-SICES CONSTRUCTIONS S.p.A	Greece	50.00	Proportionate	2010-2013
J/V APION KLEOS	Greece	17.00	Proportionate	2010-2013
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	33.33	Proportionate	2012-2013
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece	50.00	Proportionate	2013
J/V AKTOR ATE – TERNA SA (Thriasio B')	Greece	50.00	Proportionate	2013
JV QBC S.A.-TEPNA A.E.	Qatar	40.00	Proportionate	2003-2013

(b) Deferred tax

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax basis of the assets and liabilities.

(Amounts in thousands Euro, unless stated otherwise)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Deferred tax asset	19,265	18,477	2,721	9,897
Deferred tax (liability)	(30,958)	(19,427)	0	0
Net deferred tax asset / (liability)	**(11,693)**	**(950)**	**2,721**	**9,897**
Balance 1.1	**(950)**	**(1,694)**	**9,897**	**11,524**
(Expense)/Income recognized in net earnings	(12,706)	736	(7,369)	(1,635)
(Expense)/Income recognized in other comprehensive income	475	8	(119)	8
Effect from acquisitions and sale of participations	1,488	0	312	0
Balance 31.12	**(11,693)**	**(950)**	**2,721**	**9,897**

The deferred taxes (assets and liabilities) of financial years 2013 and 2012 are analyzed as follows:

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2013	**31.12.2012**	**1.1 – 31.12.2013**	**1.1 – 31.12.2013**
Deferred tax asset				
Expense of intangible fixed assets	(1,051)	60	(1,118)	7
Recognition of revenue of technical projects based on the percentage of completion	8,993	3,983	5,010	0
Provisions for staff indemnities	342	341	120	(119)
Recognized tax losses	15,669	7,566	8,103	0
Other provisions	1,193	200	993	0
Depreciation difference	2,613	6,460	(3,847)	0
Provisions for doubtful customers	2,410	1,931	479	0
Valuation of investments	582	0	0	582
Deferred tax liability				
Valuation of investment property	(415)	(319)	(96)	0
Recognition of finance leases	0	(1,117)	1,117	0
Fixed asset differences	(2,188)	(2,188)	(5)	5
Non-priced receivables	(451)	(1,803)	1,352	0
Acquisition of companies	(39,390)	(16,064)	(24,814)	0
Deferred tax on net earnings/ other comprehensive results			**(12,706)**	**475**
Net deferred tax asset / (liability)	**(11,693)**	**(950)**		

(Amounts in thousands Euro, unless stated otherwise)

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2012	**31.12.2011**	**1.1 – 31.12.2012**	**1.1 – 31.12.2012**
Deferred tax asset				
Expense of intangible fixed assets	60	31	29	0
Recognition of revenue of technical projects based on the percentage of completion	3,983	3,782	201	0
Provisions for staff indemnities	341	322	19	0
Recognized tax losses	7,566	5,744	1,822	0
Other provisions	200	99	101	0
Depreciation difference	6,460	4,948	1,512	0
Provisions for doubtful customers	1,931	3,414	(1,483)	0
Deferred tax liability				
Valuation of investment property	(319)	(319)	0	0
Recognition of financial leases	(1,117)	(704)	(413)	0
Valuation of fixed assets	(2,188)	(2,412)	216	8
Non-priced receivables	(1,803)	(535)	(1,268)	0
Acquisition of companies	(16,064)	(16,064)	0	0
Deferred tax on net earnings/ other comprehensive results			**736**	**8**
Net deferred tax asset / (liability)	**(950)**	**(1,694)**		

COMPANY	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31/12/2013	**31/12/2012**	**1.1 – 31.12.2013**	**1.1 – 31.12.2013**
Deferred tax asset				
Impairment of establishment and first installation expenses	103	(12)	115	0
Recognition of revenue based on the percentage of completion	10,640	11,158	(518)	0
Provisions for staff indemnities	334	341	115	(122)
Recognized tax losses	7,916	476	7,440	0
Other provisions	268	200	68	0
Provision for doubtful debt	2,510	1,931	579	0
Deferred tax liability				
Valuation of investment property	(415)	(319)	(96)	0
Recognition of finance leases	0	0	0	0
Depreciation differences	(3,130)	(2,136)	(999)	5
Tangible assets differences	0	0	0	0
Other	0	(10)	12	(2)
Valuation of investments	(15,552)	0	(15,552)	0
Non-priced receivables	(265)	(1,732)	1,467	0
Intangible assets differences	0	0	0	0
Acquisitions	312	0	0	0
Deferred tax on results / net worth			**(7,369)**	**(119)**
Net deferred tax asset / (liability)	**2,721**	**9,897**		

(Amounts in thousands Euro, unless stated otherwise)

COMPANY	Statement of financial position		Net earnings (Debit)/Credit	Other comprehensive income (Debit)/Credit
	31.12.2012	**31.12.2011**	**1.1 – 31.12.2012**	**1.1 – 31.12.2012**
Deferred tax asset				
Expense of intangible fixed assets	(12)	1	(13)	0
Valuation differences of fixed assets	18	10	0	8
Recognition of revenue of technical projects based on the percentage of completion	11,158	9,714	1,444	0
Recognized tax losses	476	0	476	0
Provisions for staff indemnities	341	323	19	0
Other provisions	200	99	100	0
Provision for doubtful debt	1,931	3,414	(1,483)	0
Other	(10)	13	(23)	0
Deferred tax liability				
Valuation of investment property	(319)	(319)	0	0
Difference of depreciation of fixed assets	(1,037)	(785)	(252)	0
Recognition of financial leases	(1,117)	(704)	(413)	0
Non-priced receivables	(1,732)	(242)	(1,490)	0
Deferred tax on net earnings/ other comprehensive results			**(1,635)**	**8**
Net deferred tax asset / (liability)	**9,897**	**11,524**		

23 TURNOVER

The account “Turnover” in the accompanying financial statements, is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Revenue from construction services	448,269	391,072	339,039	283,011
Revenue from provision of other services	1,128	4,597	2,016	3,895
Revenue from leases	2,337	1,426	3,651	3,521
Revenue from thermoelectric energy	73,244	17,396	0	0
Revenue from sales of quarry products	284	668	287	612
Total	**525,262**	**415,159**	**344,993**	**291,039**

(Amounts in thousands Euro, unless stated otherwise)

24 COST OF SALES, ADMINISTRATIVE EXPENSES AND RESEARCH & DEVELOPMENT EXPENSES

The account "Cost of sales" and the "administrative expenses" in the accompanying financial statements, is analyzed as follows:

Cost of Sales	**GROUP**		**COMPANY**	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Cost of inventories-materials of projects	181,340	159,746	91,769	80,225
Employee remuneration	55,518	47,709	23,501	19,670
Sub-contractors	125,875	94,421	102,415	108,881
Remuneration of engineers, technical advisors and third parties	47,315	32,722	34,360	16,092
Other third-party benefits	3,519	3,349	2,128	2,171
Taxes dues	1,962	964	670	847
Provisions	2,042	1,821	2,042	1,278
Depreciations	23,553	23,131	9,099	10,363
Leases	23,226	14,663	13,870	7,664
Insurance premiums	5,111	4,156	3,309	2,728
Transfer expenses	6,409	5,018	5,437	4,589
Repair and maintenance	4,099	2,579	3,711	2,166
Auditor fees	92	285	56	252
Net financial cost	17,322	11,962	12,512	8,318
Foreign exchange differences	710	797	324	95
Other	6,243	6,708	5,424	4,773
Total	**504,336**	**410,031**	**310,627**	**270,112**

Administrative Expenses	**GROUP**		**COMPANY**	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Employee remuneration	4,476	4,923	4,075	4,355
Remuneration of engineers, technical advisors and third parties	4,115	5,131	3,674	4,417
Other third-party benefits	721	1,224	646	1,152
Depreciations	1,219	1,203	1,128	989
Auditor fees	183	116	122	108
Remuneration of board of directors	0	600	0	600
Leases	1,205	1,078	1,027	1,023
Taxes dues	511	393	469	393
Other	2,125	1,411	1,649	999
Total	**14,555**	**16,079**	**12,790**	**14,036**

(Amounts in thousands Euro, unless stated otherwise)

The account "Research and development expenses" in the accompanying financial statements, is analyzed as follows:

Research and development expenses	**GROUP**		**COMPANY**	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Employee remuneration	37	57	37	57
Remuneration of engineers, technical advisors and third parties	14	30	13	30
Depreciations	16	0	0	0
Other	32	39	32	39
Total	**99**	**126**	**82**	**126**

25 AUDITORS' FEES

	GROUP		**COMPANY**	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Fees for statutory audits	223	368	132	329
Fees for other audits	45	30	45	28
Fees for other services	7	3	1	3
	275	**401**	**178**	**360**

From the above remuneration for the Group, an amount of 92 has been recognized in cost of sales during the present year (285 during the previous year) and 183 in the administrative expenses of the present year (116 during the previous year).

From the above remuneration for the Company, an amount of 56 has been recognized in cost of sales during the present year (252 during the previous year), and 122 has been recognized in the administrative expenses of the present year (108 during the previous year).

26 PAYROLL COST

Expenses for employee wages that have been recognized in the period's results are analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Wages and related employee benefits	51,072	45,551	21,045	19,334
Social security fund contributions	7,268	5,092	5,588	3,528
Provision for employee indemnities	1,691	2,046	980	1,220
Total	**60,031**	**52,689**	**27,613**	**24,082**

(Amounts in thousands Euro, unless stated otherwise)

27 OTHER INCOME/(EXPENSES)

The account "Other income/(expenses) in the accompanying financial statements, is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Other provision of services	1,176	356	171	135
Charges of expenses	489	832	2,658	2,615
Income from leases	307	696	312	582
Profit from sale of fixed assets	405	575	394	498
Profit from sale of useless material	169	181	76	141
Grants of expenses	4	38	4	38
Provision concerning natural gas cost due to price revision	(850)	0	0	0
Impairment of payment due to settlement	1,009	0	0	0
Other income	1,363	671	640	0
Foreign exchange differences	(2,024)	382	(103)	319
Indemnities for expenses	526	8,659	0	8,659
Outcome of ICC final resolution	0	3,460	0	0
Impairment of doubtful debt	(41,801)	(4,016)	(3,632)	(4,016)
Taxes – duties	(91)	(33)	(30)	(6)
Depreciations	(198)	0	(198)	0
Other expenses	0	0	0	(226)
	(39,516)	**11,801**	**292**	**8,739**
Results from participations and investments				
Dividends from subsidiaries	0	0	0	0
Impairment of participation to subsidiary	0	0	(47,495)	0
Earnings / (losses) from sale of participations and securities	29,209	0	33	0
Earnings / (losses) from absorption of company	9,562	0	61,960	0
Earnings / (losses) from participations in joint ventures	50	(277)	(9,023)	(608)
	38,821	**(277)**	**5,475**	**(608)**
Total	**(695)**	**11,524**	**5,767**	**8,131**

The impairment of participation of the company in subsidiary amounting to 47,495 concerns the completion of liquidation of the company ETADE SA.

Earnings from company's absorption of 61,960 concern the acquisition of HERON II through the absorption of Heron Holdings S.A. (see note 30).

(Amounts in thousands Euro, unless stated otherwise)

28 FINANCIAL INCOME/(EXPENSES)

The account "Financial income/(expenses)" in the accompanying financial statements, is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2013	1.1-31.12.2012	1.1-31.12.2013	1.1-31.12.2012
Financial income				
Interest on deposit accounts and similar items	613	2,384	206	1,313
Interest on loans	2,865	3,122	4,011	2,826
Interest on trade receivables	17	727	0	672
	3,495	**6,233**	**4,217**	**4,811**
Financial expenses				
Interest and expenses of short term financing	(6,813)	(7,361)	(5,966)	(6,447)
Interest and expenses of long term financing	(14,821)	(8,951)	(12,778)	(8,900)
Interest on financial leasing contracts	(715)	(1,320)	(715)	(1,320)
Bank commissions (guarantees, etc.)	(5,473)	(5,836)	(4,099)	(5,632)
	(27,822)	**(23,468)**	**(23,558)**	**(22,299)**
Total	**(24,327)**	**(17,235)**	**(19,341)**	**(17,488)**

29 RIGHTS IN JOINTLY CONTROLLED ENTITIES

The Group has rights in jointly controlled entities. The financial statements of the Group present the rights of the Group in the assets, liabilities, income and expenses of jointly controlled entities, as follows:

	31.12.2013	31.12.2012
Non-current assets	62,920	4,053
Current assets	254,489	369,570
Non-current liabilities	(12,732)	(3,475)
Current liabilities	(262,621)	(346,857)
Net assets	**42,056**	**23,291**
Revenues	218,883	49,143
Expenses	(217,767)	(51,171)
Net earnings	**1,116**	**(2,028)**

(Amounts in thousands Euro, unless stated otherwise)

30 ACQUISITIONS AND SALE OF COMPANIES

I. Within December 2013 and in the context of the restart of concession projects, the Group acquired 61.7% of the construction joint ventures EUROIONIA and E-65 bringing its equity stake to 95%. Following the above, the Group's construction backlog improved significantly by 890 million euro.

The consideration for the transfer of the equity stake amounted to 35,100 and was paid immediately.

Information with regard to the assets acquired and the goodwill is presented below:

Consideration paid (cash)	35,100
Minus: Fair value of net recorded assets	(25,341)
Goodwill	**9,759**

The goodwill of 9,759 resulted mainly from the requirement of IAS 12 for recognition of the deferred tax liability, calculated as the difference between the fair value of the acquired net assets and their tax base.

The fair value of assets and liabilities acquired in December 2013 are presented in the following table:

	Fair value at the acquisition
Intangible assets (construction contract)	37,550
Other fixed assets	50
Other long-term receivables	3,106
Inventories	207
Trade receivables	46,265
Other receivables	65,236
Cash & cash equivalents	31,982
Deferred tax liability	(9,759)
Suppliers	(4,180)
Other liabilities	(145,116)
Net assets	**25,341**

II. The procedure for the absorption of HERON HOLDINGS S.A. by the Company (General Commercial Registry, GEMI, approval date 28/06/2013) commenced on 03.01.2013 through the exchange of shares towards the shareholders of the former. Moreover within the year 2013 the agreement for the sale of a 25% equity stake in HERON II, subsidiary of HERON HOLDINGS S.A. which activates in the production of electric energy, to the company Qatar Petroleum International was completed. The absorption in combination with the sale resulted into a valuation result of 61,960 for the Company and 9,562 for the Group. The major consolidated financial accounts of HERON HOLDINGS S.A. as of 03.01.2013, which the valuation result for the Company and the Group resulted from, are as follows:

(Amounts in thousands Euro, unless stated otherwise)

	Group	Company
Fixed assets	132,386	1,587
Participation in joint ventures	0	68,959
Other investments	3,432	3,427
Other long term assets	1,212	25,662
Inventories	4,467	0
Trade receivables	51,520	0
Other current assets	7,626	1,925
Cash and cash equivalents	2,264	540
Long term loans	(58,455)	(7,500)
Provisions	(398)	0
Deferred tax liabilities	(14,520)	(16,110)
Other short-term liabilities	(7,297)	(2,122)
Suppliers	(31,030)	(10)
Accrued and other short-term liabilities	(12,711)	(349)
Net assets	**78,496**	**76,009**

Consideration paid (shares of TERNA SA)	13,110	13,110
Debt offset entry	17,049	17,049
Reserve contribution	41,261	0
Minus: Fair value of net recorded assets	(78,496)	(76,009)
Negative Goodwill (profit)	**(7,076)**	**(45,850)**
Negative Goodwill (profit) before tax	(9,562)	(61,960)
Corresponding tax @ 26%	2,486	16,110
Negative Goodwill (profit)	(7,076)	(45,850)

Moreover, the sale of the 25% equity stake resulted into a gain of 26,200 for the Group.

31 TRANSACTIONS WITH RELATED PARTIES

The transactions, as well as the balances of the Group and Company with related parties for the financial years 2013 and 2012, are analyzed as follows:

Year 2013	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	2,265	771	7,076	1,614	2,265	615	7,076	12
Subsidiaries	-	-	-	-	6,813	40,380	11,839	3,602
Joint Ventures	-	-	-	-	150,248	3,166	140,461	104,749
Associates	0	0	0	0	0	0	0	0
Other related parties	144,586	5,675	20,986	122,038	3,087	4,164	14,083	11,205

(Amounts in thousands Euro, unless stated otherwise)

Year 2012	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent	1,672	1,487	33,655	2,061	1,672	1,226	33,655	255
Subsidiaries	-	-	-	-	3,693	65,996	37,990	69,218
Joint Ventures	-	-	-	-	196,425	1,542	157,035	66,030
Associates	0	0	0	0	0	0	0	0
Other related parties	11,626	7,275	93,364	107,164	10,812	5,078	28,294	1,321

The transactions with related parties take place with the same terms that hold for transactions with third parties.

During the present year, the Group and the Company received from new long term bond loans to related parties net amounts of 25,820 and 21,170 respectively (versus grants amounting net to 16,478 and 16,177 respectively in the previous financial year), while respectively, the Group paid for the repayment of such loans net amount 2,290 and the Company received from repayment net amount 3,871 (0 during the previous year).

During the present reporting period, the Company did not receive income from dividends of subsidiaries (as it was the case during the previous year), while it recognized losses from joint ventures amounting to 9,023 (608 during the previous year).

Also, during the present year, the Company paid the amounts of 41,149 in total for increases in participations (10,745 during the previous year).

Remuneration of Board of Directors members and senior executives of the Company

The remuneration of Board of Directors members and senior executives of the Group and Company, that are included in the accompanying financial statements are as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2013	**1.1-31.12.2012**	**1.1-31.12.2013**	**1.1-31.12.2012**
Sales to executive members of BOD	0	0	0	0
Remuneration for services rendered	1,150	1,148	1,030	1,148
Remuneration of employees	117	85	117	85
Remuneration for participation in Board meetings	0	600	0	600
	1,267	**1,834**	**1,147**	**1,834**
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Liabilities	328	448	316	448
Receivables	1	8	1	8

(Amounts in thousands Euro, unless stated otherwise)

32 AIMS AND POLICIES OF RISK MANAGEMENT

The Group is exposed to financial risks such 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. The procedure implemented is as follows:

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

The financial instruments of the group are mainly deposits in banks, loans, trade debtors and creditors, as well as liabilities from bank debt and financial leasing.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that results from the fact that the fair value of future cash flows of a financial instrument will be subject to fluctuations due to changes in exchange rates.

This type of risk may result, for the Group, from transactions realized in foreign currency, with countries outside the Euro zone and in countries with currencies not pegged to the euro. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations. The Group operates through branches and companies in Greece, the Middle East and the Balkans and thus it may be exposed to foreign exchange risk.

As regards to the construction projects in the Balkans: the contractual receivables, liabilities to basic suppliers (cement, iron products, asphalt, cobble, skids etc) and sub-contractors are realized mainly in euro and thus the exposure to foreign exchange risk is limited. Moreover, the Bulgarian lev (BGN) has a fixed exchange rate against the euro.

As regards to the construction projects in the Middle East: the contractual receivables, liabilities to basic suppliers (concrete, iron products, asphalt, cobble, skids etc) and sub-contractors are realized in local currencies, which are pegged to the US dollar (USD) and thus there is exposure to foreign exchange from change in the USD exchange rate.

					2013				
(amounts in euros)	**RON**	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**
Financial assets	1,871	1,065	19,576	99,842	27,341	398	177	3,362	39,957
Financial liabilities	(1,423)	(697)	(18,958)	(98,673)	(20,749)	(7,894)	(5)	(990)	(26,836)
Total current	**448**	**368**	**618**	**1,169**	**6,592**	**(7,496)**	**172**	**2,372**	**13,121**
Financial assets	3	0	252	95	0	0	0	0	2
Financial liabilities	0	0	(8,946)	(1,113)	(9,078)	0	0	(40)	(4,701)
Total non-current	**3**	**0**	**(8,694)**	**(1,018)**	**(9,078)**	**0**	**0**	**(40)**	**(4,699)**

(Amounts in thousands Euro, unless stated otherwise)

	2012								
(amounts in euros)	**RON**	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**
Financial assets	1,872	1,516	19,114	108,605	47,480	18,062	178	2,410	29,867
Financial liabilities	(1,419)	(2,217)	(31,400)	(132,795)	(22,269)	(3,699)	(5)	(1,029)	(26,703)
Total current	**453**	**(701)**	**(12,286)**	**(24,190)**	**25,211**	**14,363**	**173**	**1,381**	**3,164**
Financial assets	0	0	350	149	0	1,419	0	0	3
Financial liabilities	0	0	(1,415)	(858)	(2,507)	(692)	(210)	(40)	(1,000)
Total non-current	**0**	**0**	**(1,065)**	**(709)**	**(2,507)**	**727**	**(210)**	**(40)**	**(997)**

The following table presents the sensitivity of Net Earnings as well as Other comprehensive income to fluctuations of exchange rates through their effect on financial assets and liabilities. For the BGN currency we did not examine the sensitivity as it maintains a stable exchange rate against the euro. For all other currencies, we examined the sensitivity to a +/- 10% change.

The table presents the effects of the +10% change. The effects of the -10% change is represented by the opposite amount.

	2013								
	RON	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**
Effect on Net earnings before taxes	45	37	(808)	15	(249)	(750)	17	233	842
Effect on other comprehensive income	0	(3)	(34)	87	(31)	0	(5)	27	0

	2012								
	RON	**MKD**	**AED**	**QAR**	**BHD**	**USD**	**LYD**	**ALL**	**RSD**
Effect on Net earnings before taxes	45	(70)	(1,335)	(2,490)	2,270	1,509	(4)	134	217
Effect on other comprehensive income	0	(3)	(34)	87	(31)	0	(5)	27	0

To manage this category of risk, the Group's Management and financial department makes sure that the largest possible part of receivables (income) and liabilities (expenses) are realized in euro or in currencies pegged to the euro (i.e. the Bulgarian lev (BGN) or in the same currency in order to be matched against each other.

SENSITIVITY ANALYSIS OF INTEREST RATE RISK

Given that the total short-term debt is based on floating interest rates (note 21), almost the entire debt (long term and short term loans and financial leases), 95.9%, held by the Group at the end of the present year was based on floating interest rates (96.0% at the end of the previous year). The remaining amount was based on fixed interest rates (notes 17 and 21).

(Amounts in thousands Euro, unless stated otherwise)

The Group does not have a policy to use derivatives to hedge its exposure to cash flow risk from interest rate changes as regards to its long-term financing (note 17).

Due to the short maturity of the cash and cash equivalents, these are based on floating interest rates, whereas the total receivables from loans to related / affiliated companies are based on fixed interest rates.

The following table presents the sensitivity of the results for the period towards a reasonable change in interest rates for long-term and short-term debt amounting to +/-20% (2012: +/-20%). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2013		**2012**	
			+20%	-20%
Net earnings before taxes (from interest bearing liabilities)	(3,887)	3,887	(4,054)	4,054
Net earnings before taxes (from interest bearing assets)	143	(143)	319	(319)

The Group is not exposed to other interest rate risks or price risk of securities whose price is traded on a financial market.

ANALYSIS OF CREDIT RISK

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

	31.12.2013	**31.12.2012**
Investments available for sale	18,059	551
Cash and cash equivalents	144,242	93,384
Loans and receivables	440,559	540,259
Total	**602,860**	**634,194**

The Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In cases that is 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 for which necessary impairment is calculated are of high credit quality.

For trade and other receivable the Group is not exposed to 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 counter parties are reliable banks having a high grade capital structure, the Greek state or companies of the broader public sector, or powerful business groups.

(Amounts in thousands Euro, unless stated otherwise)

ANALYSIS OF LIQUIDITY RISK

The 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 day period. The liquidity needs for the coming 6 months and the coming year are estimated on a monthly basis.

The Group maintains cash and deposits in banks in order to cover its liquidity needs for periods up to 30 days. The capital for mid-term liquidity needs is disbursed from time-deposits of the company. The maturity of the Group's financial liabilities is analyzed as follows:

	Short term	Long term	
	0 to 12 months	**2 to 5 years**	**Over 5 years**
Long-term Debt	53,546	127,857	6,445
Liabilities from finance leases	8,177	6,868	0
Short-term Debt	105,830	0	0
Trade Liabilities	157,867	0	0
Other liabilities	46,085	3,356	0
Total	**371,505**	**138,081**	**6,445**

The respective maturity of financial liabilities for 31st December 2012 was as follows:

	Short term		Long term
	0 to 12 months	**2 to 5 years**	**Over 5 years**
Long-term Debt	77,271	96,509	0
Liabilities from finance leases	10,939	15,255	0
Short-term Debt	63,474	0	0
Trade Liabilities	145,759	0	0
Other liabilities	36,274	2	0
Total	**333,717**	**111,766**	**0**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities during the end of the reporting period.

33 PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets as well as the financial liabilities in the accompanying financial statements of the Group, are categorized as follows:

	31.12.2013	31.12.2012
Non-current assets		
Investments available for sale – Other investments	8,928	51
Loans and receivables – Other long-term receivables	11,690	64,968
Total	**20,618**	**65,019**

(Amounts in thousands Euro, unless stated otherwise)

Current assets		
Loans and receivables - Trade receivables	219,263	272,713
Loans and receivables - Trade receivables from construction contracts	137,203	165,107
Investments available for sale – Other short-term financial assets	9,182	500
Loans and receivables - Prepayments and other receivables	72,403	37,471
Cash and cash equivalents	144,422	93,490
Total	**582,473**	**569,281**

	31.12.2013	**31.12.2012**
Non-current liabilities		
Financial liabilities at amortized cost – Long term loans	118,981	86,701
Financial liabilities at amortized cost – Liabilities from finance leases	6,674	14,451
Financial liabilities at amortized cost – Other long term liabilities	3,356	2
Total	**129,011**	**101,154**
Current liabilities		
Financial liabilities at amortized cost – Short term loans	104,873	62,825
Financial liabilities at amortized cost – Long term liabilities payable in the following year	55,911	82,370
Financial liabilities at amortized cost – Trade liabilities	157,867	145,759
Financial liabilities at amortized cost – Accrued and other short term liabilities	46,085	36,274
Total	**364,736**	**327,228**

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The hierarchy of financial items measured at fair value is as follows:

- Level 1: Market prices on an active market,
- Level 2: Prices from valuation models based on observable market data,
- Level 3: Prices from valuation models that are not based on observable market data.

The financial assets of the Group which are measured at fair value, are analyzed on 31.12.2013 based on the above hierarchy levels as follows:

(Amounts in thousands Euro, unless stated otherwise)

Financial instrument	Hierarchy Level	Fair value of the financial asset/(liability)	Change in net earnings/(losses)	Changes in Other comprehensive Income/(expenses)
Unlisted shares (investments available for sale)	3	8,196	0	(7,120)
Listed shares (investments available for sale)	1	9,861	0	439
Other financial assets (investments available for sale)	3	53	0	0

The respective amounts on 31.12.2012 were as follows:

Financial instrument	Hierarchy Level	Fair value of the financial asset/(liability)	Change in net earnings/(losses)	Changes in Other comprehensive Income/(expenses)
Unlisted shares (investments available for sale)	3	500	0	0
Listed shares (investments available for sale)	1	0	0	0
Other financial assets	3	51	0	0

34 POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

The aims of TERNA Group regarding the management of its capital are as follows:

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

The Group defines the level of capital in proportion to the risk of its activities, it monitors the developments of the economic environment and their effect on the risk characteristics, and it manages the capital structure (relation of debt to equity) with the adjustment of the amount and maturity of debt, the issue of new shares or the return of capital to shareholders, with the adjustment of the dividend and the sale of individual or a group of assets.

For this purpose, the Group monitors its capital based on the leverage ratio which is defined as Net Debt / Equity, where Net Debt is defined as Liabilities from loans and financial leases minus Cash equivalents, as such appear in the Statement of Financial Position.

The ratio at the end of 2013 and 2012 was as follows:

	31.12.2013	31.12.2012
Interest bearing debt	286,439	246,347
Minus:		
Cash and Cash equivalents	(144,422)	(93,490)
Net Debt	**142,017**	**152,857**
Total Equity	**138,908**	**133,188**
Leverage ratio	**102.24%**	**114.8%**

The ratio's improvement is due to the indirect purchase of HERON II through the direct purchase of HERON HOLDINGS S.A. (see note 30).

35 CONTINGENT LIABILITIES

The Group in the context of executing construction projects, has issued Letters of Guarantee of good execution e.t.c. amounting in total to euro 871 million (euro 612 million at the end of the previous financial year).

Under the framework executing its operations, the Group may face probable legal claims from third parties. According to Management and the legal consultant this type of claims are not expected to have a significant impact on the operations and financial situation of the Group as of the 31st of December 2013.

36 EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group received the consideration with regard to the sale of the 25% equity stake in HERON II, which operates the thermoelectric unit with 435 MW capacity in Voiotia.

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER
DIMITRIOS ANTONAKOS	GEORGE PERISTERIS
THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
PANAGIOTIS KAZANTZIS	AIKATERINI HALKOROKA-ATHANASOPOULOU